



October 1, 2013

Impact of Government Shutdown On Child Care and Early Education Programs

Congress did not enact a continuing resolution bill by midnight September 30, thereby triggering a partial government shutdown effective October 1. We hope that most child care and early education programs will continue operating as usual, but that will depend on how long the shutdown lasts and the circumstances of individual states.

October 1 began the federal fiscal year 2014. Most discretionary programs, those that are subject to the annual Congressional appropriations process, will not receive 2014 funding. Most, but not all, mandatory programs—those entitlement programs not subject to annual appropriations, including Medicaid, the Children's Health Insurance Program (CHIP), and Social Security—will continue unaffected. Certain programs that directly ensure public health and safety will also continue.

Status of child care and early education funding:

Child Care and Development Block Grant (CCDBG). CCDBG has both mandatory and discretionary funding streams but neither have received funding at this time. Mandatory child care funds are authorized through TANF funding which expired September 30 (discussed further below) and the discretionary funds rely on Congressional appropriations. A [letter](#) issued by the Administration for Children and Families (ACF) clarifies that states may use unspent CCDBG funds from prior-year appropriations for any allowable CCDBG expenditures. States routinely spend federal funds over several years so most states have some prior-year funds they can use.

States also have a requirement to spend state funds for matching and maintenance of effort (MOE) obligations each year. States may begin spending state funds to continue child care services, which are expected to count towards MOE and match obligations once legislation is passed making 2014 federal

funds available. Between prior-year federal funds and state funds, states should be able to keep their child care programs running without interruption in the short term.

Temporary Assistance for Needy Families (TANF). Even though TANF is a mandatory program, it was only authorized through September 30 so the federal government will not be awarding any new funds for TANF at this time. This [letter from](#) ACF explains options available allowing states to continue to provide TANF-funded benefits and services without interruption, at least for some period of time. States are permitted to use unspent federal TANF funds from prior years for expenditures allowable under TANF (including child care). States may not, however, transfer prior-year funds to CCDBG. CLASP has [written a memo](#) with options for states in the absence of federal funding.

Head Start. [According to the National Head Start Association](#), 23 programs serving 19,000 children will be affected because their grants are expiring and HHS will not be issuing any new grants. Other Head Start programs will not be immediately affected by a shutdown. The longer the shutdown continues, the more programs will be affected as they reach the dates when their grants would be up for renewal. Head Start providers have already been hit hard by [funding reductions](#) due to the sequester.

Child and Adult Care Food Program (CACFP). Some child nutrition programs, including CACFP, will continue operations into October. Limited carryover funding will be available during a lapse in funding. USDA [anticipates](#) reimbursing providers for October services once an appropriation is enacted.

IDEA Part B and Title I of ESEA. Most public [education funding](#) is “forward funded,” which means funds were awarded in advanced appropriations; therefore, these funding streams will be largely unaffected.

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