

**RECENT BUDGET CUTS ENACTED & PROPOSED
EARLY CARE AND EDUCATION SERVICES**

Department of Health and Human Services

- **Reductions in Child Care and Development Fund (CCDF) expenditures in FY08 and FY 09**

Description	Reduction Amt
Reduce Contracts for “Child Care Slots” <i>(DHHS contracts with child care agencies to provide funding to subsidize a certain number of child care “slots”; the contracted agency administers the subsidy)</i>	\$500,000
Eliminate Family Child Care Networks <i>(Move administration of child care subsidies currently provided through Networks to DHHS; move training and technical assistance functions provided by Networks to RDCs) (Under Family Child Care Networks, a community agency acts as a central administrator of subsidies for a network of licensed family child care homes.)</i>	\$689,394
Eliminate Cross Disciplinary Training contract with USM	\$191,000
Reduce Research Contract with USM, Muskie School	\$250,000
Reduce payment to legal-unlicensed child care providers (family, friends and neighbors) from 90% to 70% of family child care market rate	\$500,000
Move administration “non TANF” child care subsidies from 11 community Voucher Management Agencies to DHHS, Office of Integrated Access and Support (OAIS)	\$700,000
CCDF Total	\$2,830,394

- **Reduction in TANF Block Grant expenditures in FY08 and FY 09**

Move administration for “TANF transitional” child care subsidies from 11 community Voucher Management Agencies to DHHS, OAIS	\$1,000,000
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- **No cuts to DHHS “early care and education” programs proposed as part of the “Streamlining Initiative”**
- **Other related changes effective October 1, 2007**
 - Income eligibility for entrance into a child care subsidy has been lowered to 75% of State Median Income (from 85%); upper limit of eligibility for the program is 85% of SMI
 - Elimination of enhanced reimbursement rate for “Programs of Quality” for TANF-Transitional Child Care recipients
 - Payment of ASPIRE-TANF and TANF-Transitional Child Care benefits changed from payment to provider to payment to parent

Department of Education

- **No cuts to pre-Kindergarten enacted for FY08 and FY09; none proposed as part of the “Streamlining Initiative”**
- **No cuts to Child Development Services enacted in FY08 and FY09 biennial budget; none proposed as part of the “Streamlining Initiative”**