DOCUMENT RESUME

ED 364 353 PS 021 966

TITLE	The At-Risk Child Care Program.
INSTITUTION	Office of Inspector General (DHHS), Washington, DC.
REPORT NO	OEI-02-92-00140
PUB DATE	Sep 93
NOTE	17p.
AVAILABLE FROM	HHS/OIG/OEI, Room 38-100, 26 Federal Plaza, New York, NY 10278 (free).
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*At Risk Persons; *Day Care; Early Childhood Education; *Federal Programs; Federal State Relationship; Financial Support; *Low Income Groups; National Surveys; *Program Effectiveness; *State Programs
IDENTIFIERS	*At Risk Child Care Program

ABSTRACT

This report examines the extent and nature of states' participation in the At-Risk Child Care Program (ARCCP) and describes their problems and successes with it. The ARCCP was enacted in 1990 to provide child care services for children of low-income families who do not receive Aid to Families ith Dependent Children and who need child care in order to maintain or accept employment. State officials, local agency representatives, and child care providers in 13 states were surveyed to determine the effectiveness of the ARCCP. It was found that, despite slow starts, most states surveyed expect to make full use of these available at-risk child care funds, that they report targeting families most at risk of going on welfare, and that states are coordinating the ARCCP with other subsidized child care programs. States do report problems with inconsistent federal regulations and funding guidelines. (MDM)

OFFICE OF INSPECTOR GENERAL

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services' (HHS) programs as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by three OIG operating components: the Office of Audit Services, the Office of Investigations, and the Office of Evaluation and Inspections. The OIG also informs the Secretary of HHS of program and management problems and recommends courses to correct them.

OFFICE OF AUDIT SERVICES

The OIG's Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations in order to reduce waste, abuse, and mismanagement and to promote economy and efficiency throughout the Department.

OFFICE OF INVESTIGATIONS

The OIG's Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil money penalties. The OI also oversees State Medicaid fraud control units which investigate and prosecute fraud and patient abuse in the Medicaid program.

OFFICE OF EVALUATION AND INSPECTIONS

The OIG's Office of Evaluation and Inspections (OEI) conducts short-term management and program evaluations (called inspections) that focus on issues of concern to the Department, the Congress, and the public. The findings and recommendations contained in these inspection reports generate rapid, accurate, and up-to-date information on the efficiency, vulnerability, and effectiveness of departmental programs. This report was prepared in the New York regional office under the direction of Thomas F. Tully, Regional Inspector General and Alan S. Meyer, Deputy Regional Inspector General. Project staff:

REGION II

Joseph J. Corso, Jr., Project Leader
Joseph M. Benkoski
Demetra Arapakos
Lucille M. Cop

HEADQUARTERS

Ruth Folchman

For additional copies of this report, contact the New York regional office at 212/264-1998.

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

THE AT-RISK CHILD CARE PROGRAM

SEPTEMBER 1993 OEI-02-92-00140

EXECUTIVE SUMMARY

PURPOSE

To determine the extent and nature of States' participation in the At-Risk Child Care program and to describe their problems and successes with it.

BACKGROUND

The At-Risk Child Care program provides child care services for children (usually under age 13) of low-income working families not receiving Aid to Families with Dependent Children (AFDC), who need child care in order to accept or maintain employment, and who would otherwise be at risk of becoming eligible for AFDC.

The program was enacted in November 1990, but was made effective October 1, 1990. Final regulations give States considerable latitude in implementation. For example, they can define "low income" and "at risk." Their participation is optional.

This program is one of several overseen and funded by the Administration for Families and Children (ACF) in the Department of Health and Human Services (HHS). The other child care programs include AFDC Child Care, Job Opportunities and Basic Skills Child Care, Transitional Child Care, the Child Care and Development Block Grant and a portion of the Social Services Block Grant used for child care. Funding for the At-Risk program was $300 million in each of Fiscal Years (FY) 1991 and 1992, and represented 15 percent of the $2.1 billion in total HHS funding for child care programs in FY 1992. The ACF has encouraged States to coordinate all the funding streams for child care so as to provide "seamless" service to families. This means providing eligible parents access to and payment for child care services and programs which respond to parents' child care needs, even as eligibility changes over time; services are provided without the necessity of changing the child care provider.

METHODOLOGY

We selected a purposive sample of 16 States: 12 drawn from those 45 with approved At-Risk State plans and with At-Risk Child Care expenditures qualifying for funding in FYs 1991 and 1992; two from three with approved State plans but with no expenditures qualifying for funding; and two of three which did not submit State plans for approval. One of the two States with approved plans but no expenditures in 1992 began implementing the program in 1993. This brought to 13 the number of States in our sample with At-Risk programs. We then selected respondents purposively and interviewed them by phone. They included State officials, local agency representatives, child care providers, and representatives of advocacy groups. We analyzed, both qualitatively and quantitatively, State and local documents and records and key interview responses by all respondent groups.

FINDINGS

DESPITE SLOW START, MOST SAMPLE STATES NOW EXPECT TO MAKE FULL USE OF AVAILABLE AT-RISK CHILD CARE FUNDS

Seven of the 13 sample States with At-Risk Child Care programs drew down Federal funds in FY 1991. The number increased to 12 of 13 in FY 1992, and all but 2 States report serving more children in FY 1992 than in FY 1991. States initiated or increased their spending in FY 1992 primarily because their legislatures made initial or additional matching funds available. Twelve of the sample States with At-Risk programs expect to qualify for all available Federal funds in FY 1993.

STATES REPORT TARGETING FAMILIES MOST AT RISK OF GOING ON WELFARE

The 13 sample States with At-Risk programs have set a wide range of income eligibility scales for the At-Risk Child Care program, with ceilings for a family of four ranging from $17,982 to $40,491. However, States believe they are serving the families in greatest need of child care. In all 13 States, respondents estimate that most of the families actually receiving services have annual incomes between $10,000 and $15,000.

STATES ARE COORDINATING THE AT-RISK CHILD CARE PROGRAM WITH OTHER SUBSIDIZED CHILD CARE PROGRAMS; SOME CONCERNS EXPRESSED

States report they are providing seamless child care services. For example, most use the same income eligibility, payment rates,and sliding fee scales for the At-Risk program as they do for the Child Care Development and Social Services Block Grants. However, many State, local and advocate respondents feel that States are accomplishing this coordination despite funding and statutory variations among Federal funding streams which make them fragmented, inconsistent and difficult to administer.

CONCLUSION

All-in-all, considerable demands are being placed on States to coordinate the different funding streams and to provide seamless services to families. Clearly, the States are attempting to do this. With this in mind, the Congress in reviewing and reauthorizing these programs, and the Administration for Children and Families in administering them, might well wish to explore ways to make it easier for States to coordinate and manage these programs.

COMMENTS

We shared a copy of the draft of this report with ACF and subsequently met with ACF representatives to discuss their comments. All of ACF's comments were technical in nature, and corresponding changes have been incorporated into this final report.

TABLE OF CONTENTS

INTRODUCTION

PURPOSE

To determine the extent and nature of States' participation in the At-Risk Child Care program and to describe their problems and successes with it.

BACKGROUND

The At-Risk Child Care program provides child care services for children (usually under age 13) of low-income working families not receiving Aid to Families with Dependent Children (AFDC), who need child care in order to accept or maintain employment, and who would otherwise be at risk of becoming eligible for AFDC. States' participation is optional.

Federal Programs for Child Care

The At-Risk Child Care program is one of several programs overseen and funded by the Administration for Families and Children (ACF), Department of Health and Human Services (HHS), to meet the child care needs of low-income families. The other child care programs ACF oversees include:

- the AFDC Child Care program, which supports current AFDC recipients' efforts to participate in approved education and training activities to help them become self-sufficient and leave welfare. Funds are also available to AFDC recipients in families who need child care in order to accept or maintain employment;

- the Job Opportunities and Basic Skills Training program, which is intended to provide education, job training, employment related activities, and support services including child care, for eligible JOBS participants.

- the Transitional Child Care program, which provides up to 12 months of child care for recipients who leave AFDC due to increased income from employment or the loss of income disregards due to established time limitations;

- the Child Care and Development Block Grant program, which funds efforts to increase the availability, affordability and quality of child care, and provides additional funding for child care services; and

- the Social Services Block Grant program, which is intended to serve a broad range of social service needs and is used by some States, in large part, to provide child care services.

Each of these programs constitutes a distinct HHS funding stream for child care services. According to ACF, in FY 1992 the Child Care and Development Block Grant was funded at $825 million (40 percent); the exact child care portion of Social Services Block Grant funding is unknown but is estimated at about $500 million (24 percent); and the AFDC, JOBS and Transitional Child Care programs at $437.9 million (21 percent). The At-Risk Child Care spending of $309 million represented the smallest portion (15 percent) of the $2.1 billion in total HHS funding. The ACF estimates over $24 billion in national spending for child care for all children by all sources.

The AFDC, JOBS and Transitional programs require a State to use its funds as a match for Federal funds at the State's Federal Medical Assistance Percentage rate. This rate is determined by formulae using Department of Commerce statistics for State and national per capita income.

The ACF has encouraged States to coordinate all the funding streams for child care so as to provide "seamless" service to families. Basically, this means providing eligible parents access to and payment for child care services and programs which respond to the parents' child care needs, even as eligibility changes over time; services are provided without the necessity of changing the child care provider.

The At-Risk Child Care Program

Legislation and Regulations. The At-Risk Child Care program was part of the Omnibus Reconciliation Act of 1990 (OBRA 90). Section 402(i) was added to title IV-A of the Social Security Act. Legislation was signed in November 1990, but was effective October 1, 1990. The Family Support Administration, ACF's predecessor, sent instructions to States on how to apply for At-Risk Child Care funding in December 1990. On June 25, 1991, ACF published a Notice of Proposed Rulemaking. States participate in the program when they submit an At-Risk Child Care plan as an amendment to the State Supportive Services Plan, and receive approval by the HHS Secretary.

The At-Risk Child Care final regulations, published on August 4, 1992, give States considerable latitude in implementation. For example, they are permitted to define "low income" and "at risk." Low income may be set at a percentage of the Federal poverty level, a percentage of the State's median income, or some other calculation. At risk may be defined in terms of low income alone, or in combination with other "risk" factors which the State may establish.

State Administration. The State agency responsible for administering or supervising the State's Aid to Families with Dependent Children program is also responsible for the At-Risk Child Care program. This agency must submit its plan to the Secretary for approval, as an amendment to the State Supportive Services plan.

Funding. Authorized Federal funding for the At-Risk Child Care program, in the form of Federal Financial Participation, was $300 million in each of Fiscal Years 1991, 1992, and 1993. A State's share of the national total of available funds for a fiscal year is based on the ratio of the number of its children under 13 to the national total of children under 13. According to ACF this age limit is used because it conforms to age limits for the AFDC, Transitional and Child Care Development Block Grant programs. Also, each State defines its At-Risk population, making national, low-income population measures impractical. States must expend their funds in cash at their Federal Medical Assistance Percentage rates, in order to receive Federal matching payments. These expenditures are reported to ACF on a quarterly basis.

For its first year, a State may request Federal funds up to its limitation. The limitation represents the State's share by formula of the amount appropriated for the fiscal year. If a State does not claim the full limitation, then the difference between the limitation and the total claims paid for the fiscal year is added to the next year's limitation. The sum of the second year's limitation and the excess funds from the first year comprises the State's maximum grant. A State may claim its full maximum grant for the second year.

States may add to each year's limitation only the amount that represents the difference between the prior year's limitation and the total in claims paid for the prior year. This ensures that the statutory requirement is met, i.e., that excess funds for one fiscal year are only used for the immediately succeeding fiscal year.

Family Contributions. The State must establish a sliding fee formula, based on the family's ability to pay, which provides for contributions from each family towards the cost of care. The agency may waive contributions if a family's income is at or below the poverty level for a family of the same size. States have the option of collecting fees from families or of having the family pay fees directly to providers.

Arrangements for Services. A State may use any of several methods of payment to provide care, while allowing the family the opportunity to choose the arrangement, if more than one category of child care is available. Options include child care centers and family child care providers.

METHODOLOGY

We selected a purposive sample of 16 States, which permitted a selection of small, medium and large States with varied patterns of participation and expenditures. Twelve States were drawn from those 45 with approved At-Risk State plans and with At-Risk Child Care expenditures qualifying for funding in FYs 1991 and 1992. We also selected two from three with approved State plans but with no expenditures qualifying for funding. Both of these two States, Louisiana and West Virginia, were approved for funding in FY 1991 and FY 1992 but did not draw down funds; Louisiana has not started an At-Risk Child Care program, while West Virginia implemented its program in the first month of FY 1993. It has not yet been able to draw down any Federal funds for At-Risk Child Care because that program is on a credit line which is experiencing financial difficulty. Lastly, we also selected two of the three States which did not submit State plans for approval: Michigan and Tennessee did not apply for funding in FYs 1991-1992. We selected the latter four States in order to learn why they drew down no Federal funds or chose not to apply. All 16 sample States were contacted in March 1993 to learn the basis for their decisions regarding the program.

The 13 States with approved plans and with At-Risk programs in place are Arkansas, California, Connecticut, Indiana, Massachusetts, Minnesota, New York, North Carolina, Oklahoma, South Dakota, Texas, Utah, and West Virginia. Expenditures in these 13 States qualified for a total of $172.4 million in Federal matching funds for both FYs, representing 45 percent of all qualifying expenses for that period. Twelve of the 13 States with At-Risk programs have implemented them Statewide; the other State has several counties which chose not to have At-Risk programs.

From the 13 States with At-Risk programs, we selected a total of 92 respondents purposively and interviewed them by phone during April, May, and June 1993. They included 13 State officials, 16 local agency representatives, 40 child care providers, and 20 representatives of advocacy groups. The States provided related data and documents at our request.

We analyzed, both qualitatively and quantitatively, State and local documents and records and key interview responses by all respondent groups.

FINDINGS

DESPITE SLOW START, MOST SAMPLE STATES NOW EXPECT TO MAKE FULL USE OF AVAILABLE AT-RISK CHILD CARE FUNDS

Only seven of the 13 sample States with At-Risk programs drew down Federal At-Risk funds in FY 1991. However, this increased to 12 States in FY 1992. The total amount of At-Risk expenditures by the 13 States in FY 1991 was $46.1 million, which qualified for 47 percent of available Federal funds. In FY 1992, expenditures nearly tripled, resulting in the use of 76 percent of available funds for both years. (See Table 1 below.) Eleven of the 12 States with data report serving more children in the At-Risk Child Care program in FY 1992 than in FY 1991. One State reports serving the same number.

The experience of the sample States is similar to the national experience. For FY 1992, 48 State At-Risk Child Care programs (including the District of Columbia) were approved for funding. According to ACF, through May 1993, 45 States have reported expenditures eligible for $406.1 million in FFP. This represents 68 percent of the $600 million available for FYs 1991-92. Most of these expenditures ($309 million) took place in FY 1992.

For the first half of FY 1993, all sample States with At-Risk programs report expenditures totalling $56.5 million. All but one of these States expect to qualify for the full amount of Federal funds in FY 1993.

A number of factors appear to have contributed to the slow start. As noted earlier, At-Risk Legislation was signed in November 1990, but was effective October 1, 1990. The Family Support Administration, ACF's predecessor, sent instructions to States on how to apply for At-Risk Child Care funding in December 1990. On June 25, 1991, ACF published a Notice of Proposed Rulemaking. Thus, States could not implement the At-Risk Child Care program when it was first effective. States also needed time to appropriate State matching funds, further delaying implementation. According to most respondents, States initiated or increased their expenditures in FY 92 primarily because their legislatures made initial or additional matching funds available. This allowed them to establish or expand their programs. In some States with county-administered programs, some counties experienced further delays because States were slow to disburse At-Risk Child Care funds to them.

The three sample States without At-Risk programs, Louisiana, Michigan and Tennessee, cite a lack of available State funding as the primary reason for not implementing a program in FY 1991 and FY 1992. However, one has had its program approved and is providing services; another is awaiting ACF approval of its program. The third continues to lack matching funds and does not expect to have an At-Risk program in FY 1993.

STATES REPORT TARGETING FAMILIES MOST AT RISK OF GOING ON WELFARE

The 13 sample States with At-Risk programs have set a wide range of income eligibility scales for the At-Risk Child Care program. Their ceilings for a family of four range from $17,982 to $40,491. (See Table 1 below.) However, States believe they are serving the families in greatest need of child care. In all 13 States, respondents estimate that most of the families actually receiving services have annual incomes between $10,000 and $15,000. One State respondent says that families at the high end of the income eligibility scale do not even apply for At-Risk child care. As a family's income increases, it is required to pay a greater percentage of its child care fees.

States have set their income eligibility ceilings for different reasons. For example, some with high eligibility ceilings chose a percent of their State median income which matched the liberal rate previously set for their own State-subsidized child care programs. Most States also have the same income eligibility levels for their At-Risk and block grant child care programs. Another State chose its level to allow families to remain eligible if their income increased, but they still needed some subsidized child care. Others established their levels because of the high cost of living, coupled with high child care costs, in their States. In two of the latter States, income eligibility ceilings are high, but families must have incomes of under $27,000 to establish initial eligibility. (See Table 1 below.)

States have made various efforts to serve the neediest families, as illustrated by their experience with waiting lists for child care and outreach activities:

> Eight States have general waiting lists for all of their subsidized child care programs with eligible At-Risk Child Care families currently on them. Seven of these give priority to what they deem to be the most vulnerable families. In four of these States, families previously on AFDC, including former Transitional Child Care recipients and caretakers without a high school diploma or GED, are placed on the top of the list; those families not previously enrolled in any subsidized child care program are given lower priority. In the three remaining States with county-administered programs, priority was given to the neediest families in some counties where former Transitional Child Care recipients and low-income families are targeted. A State respondent underscores this priority process, stating: "We always try to reach the low-income families just off or recently off AFDC. They get first priority for this program." Another State respondent offers: "It's my sense that most At-Risk families are former TCC recipients."

> Respondents from 12 of the 13 States mention that they advertise their subsidized child care programs, including the At-Risk program, primarily to the neediest families. For example, they focus their publicity efforts on low-income communities, welfare offices and Food Stamp offices.

TABLE 1
SAMPLE STATE CHARACTERISTICS RANKED BY INCOME ELIGIBILITY CEILINGS FOR A FAMILY OF FOUR

STATES	EXPENDITURE % 91	EXPENDITURE % 92	FEDERAL MATCHING RATE	SOURCE OF BASE INCOME AND %	INCOME ELIGIBILITY CEILINGS
North Carolina	100	60	66	57%SMI	$17,982#
Arkansas	0	13	74	$1,538/MO	$18,460#
Oklahoma	0	200*	70	$1,674/MO	$20,088#
West Virginia	0	0	77	60%SMI	$20,200#
South Dakota	0	13	71	150%FPL	$21,600#
Texas	25	67	64	150%FPL	$21,600#
Utah	75	22	75	59%SMI	$22,793#
Indiana	0	5	63	190%FPL	$27,360#
New York	100	100	50	200%FPL	$28,800#
Minnesota	50	100	54	75%SMI	$32,273#
California	0	200*	50	84%SMI	$37,955#
Connecticut	75	125*	50	50%SMI	$26,965++ $40,448
Massachusetts	100	100	50	50%SMI	$26,994++ $40,491

Eligibility in these States begins at or below these income levels and ends when these levels are exceeded.

++ The income for a family of four must be below these levels to establish eligibility; thereafter, income may increase to the second figure before eligibility may be terminated.

* Includes Federal funds available from prior year not previously matched.

Federal Matching Rate: Federal Medical Assistance Percentage rate averaged for the two years and rounded

SMI: 1992/1993 State Median Income - family of four

FPL: 1992 Federal Poverty Level - family of four: $14,400

STATES ARE COORDINATING THE AT-RISK CHILD CARE PROGRAM WITH OTHER SUBSIDIZED CHILD CARE PROGRAMS; SOME CONCERNS EXPRESSED

States report that they are providing seamless child care services

Most States utilize the same policies on income eligibility, payment rates and sliding fee scales for At-Risk Child Care and the Child Care Development and Social Services Block Grants. For example, 12 of the 13 sample States have the same income elgibility levels in the At-Risk and Child Care Development Block Grants Programs; all 13 use the same fee schedule; and 11 use the same payment rates. (See Table 2 below). Families, therefore, are able to retain or change providers without being burdened with how, and by whom, their child care is subsidized. One State respondent says, "We've attempted to make funding streams invisible to families and providers."

States' administrative processes have also enhanced coordination. The State agency which administers the Aid to Families with Dependent Children program also directly administers the At-Risk Child Care program in six of the 13 States; in the remaining seven, the agency contracts with outside agencies, including other State offices and resource and referral agencies, to administer part or all of the program. In one State, child care provider organizations operate the program on a day-to-day basis under contractual arrangements with the State. In another, each county has a local council, comprised of schools, local government, nonprofit agencies, providers and consumers, which conducts needs assessments and develops a plan of action. These councils, directly or by contract, also coordinate the different child care funding streams, determine eligibility and process applications. Five States have established either a single government unit for the different child care programs or combined the administration of them. Four States have promoted good relations between different State agencies and with child care providers and advocates. For example, they have established State child care task forces or cabinets. One State respondent says, "We brought partners together that never really talked before."

Several States also sequence the different child care funding streams. Four States use all of their block grant money before drawing down funds for matching programs. Eight require that families use Transitional Child Care before receiving At-Risk services. Several of these eight States automatically inform Transitional Child Care recipients that they are eligible for At-Risk services once their Transitional benefits have expired.

Concerns exist about the variation among different child care funding streams

While States believe they are effectively coordinating the At-Risk Child Care program within their States to provide seamless services, it is not without difficulty. Many State, local and advocate respondents feel that States are accomplishing this despite funding and statutory variations among Federal funding streams which make them fragmented, inconsistent and difficult to administer.

TABLE 2
INCOME ELIGIBILITY, PAYMENT RATES, AND FEE SCALES OF BLOCK GRANT PROGRAMS COMPARED TO AT-RISK PROGRAM

	ARE POLICIES SAME AS AT-RISK?*					
	CHILD CARE BLOCK GRANT			SOCIAL SERVICES BLOCK GRANT		
STATES	INCOME ELIGIBILITY	PAYMENT RATES	FEE SCALES	INCOME ELIGIBILITY	PAYMENT RATES	FEE SCALES
North Carolina	Y	Y	Y	Y	N	Y
Arkansas	Y	Y	Y	Y	Y	Y
Oklahoma	Y	Y	Y	Y	Y	Y
West Vir_inia	Y	Y	Y	Y	Y	Y
South Dakota	Y	Y	Y	NA	NA	NA
Texas	Y	Y	Y	Y	Y	Y
Utah	Y	Y	Y	Y	Y	Y
Indiana	Y	Y	Y	Y	N	Y
New York	Y	N	Y	N	Y	Y
Minnesota	Y	Y	Y	Y	Y	Y
California	N	N	Y	NA	NA	NA
Connecticut	Y	Y	Y	Y	Y	Y
Massachusetts	Y	Y	Y	NA	NA	NA

* Y= Yes, same as At-Risk
N= No, not the same as At-Risk
NA= Not Applicable, as the State does not use Social Services Block Grant funds for child care.

CONCLUSION

Our review of early implementation of the At-Risk Child Care program did not reveal extraordinary matters requiring special attention. We encountered only the normal delays inherent in obtaining State level authorizations and appropriations and in developing administrative systems to determine eligibility and provide funds to qualified beneficiaries and providers.

However, our respondents did raise serious concerns about the difficulties they face in coordinating the various Federally supported child care programs. The fact that States which are implementing the At-Risk Child Care program have, with few exceptions, adopted the same eligibility criteria, payment levels, and sliding fee scales as they have for the Child Care Development Block Grant program shows how successful they have been. But, it also suggests that the distinctions between these two programs may be at least somewhat artificial. Although not as universal, similar connections have been made with the child care services paid for under the Social Services Block Grant. In addition, States are attempting to coordinate these programs with the JOBS Child Care and Transitional Child Care programs.

All-in-all, considerable demands are being placed on States to coordinate the different funding streams and to provide seamless services to families. With this in mind, the Congress in reviewing and reauthorizing these programs, and the Administration for Children and Families in administering them, might well wish to explore ways to make it easier for States to coordinate and manage these programs.

COMMENTS

We shared a copy of the draft of this report with ACF and subsequently met with ACF representatives to discuss their comments. All of ACF's comments were technical in nature, and corresponding changes have been incorporated into this final report.