

UNDERSTANDING THE FEDERAL TO STATE FUNDING RELATIONSHIPS

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**EVERY CHILD MATTERS:
2010 AND BEYOND**



**HOW DOES FEDERAL MONEY
COME TO MAINE?**

Block Grants:

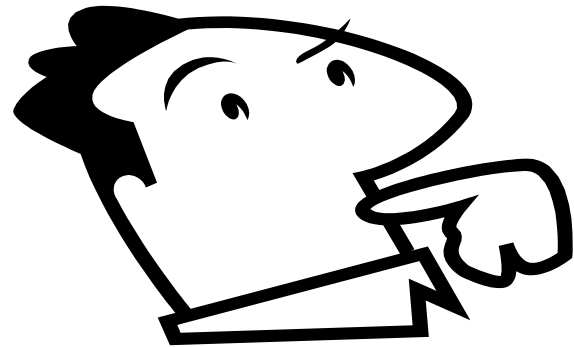
Funding comes to states in a “block” or “chunk” with federal regulations that provide an overview of how the money is expected to be used. States have flexibility in how they implement the broad expectations of the Federal program

Examples include: Child Care Development Block Grant (CCDBG), Individuals with Disabilities Act (IDEA), Child Welfare (Title IV-E), Community Services Block Grant(CSBG)

Federal to Local Grants

- Some funding flows directly to local grantees.
 - Examples include Early Head Start and Head Start, Community Development Block Grant (CDBG), Title I funding for elementary schools
 - Often, these resources have a blend of funding to support local grantees as well as activities at the state level
 - These resources come with very specific mandates and reporting requirements

How Do the Feds Do It?



There are two primary ways to determine how much funding a state receives from the federal government:

- FMAP
- Census Data

What is FMAP?

FMAP stands for:

Federal Medical Assistance Percentages

- This is the amount, or **share**, of a state's total medical expenditures the federal government pays.
- The FMAP is determined annually, based on the state's per capita income

Maine's FMAP

- Prior to the American Recovery Reinvestment Act (ARRA), Maine's FMAP rate was 65%, with the state share at 35%
- The ARRA increased FMAP for 2010 is 74.9%, with the state share at 25.1%

Census Data

- Some Federal funds are distributed to states based on the number of low income individuals accounted for in the US Census
- Title I funding, Child & Adult Care Food Program, and the Public School Lunch Program are examples of this funding formula
- This is one of the reasons why assuring all low income children in Maine are counted in the current census is so crucial

What is the current situation for Maine?

- Over the past ten years these programs have been consistently flat funding or received less funding
- When states and local community providers have had to adjust for increases in the cost of business, this has often resulted in:
 - a decline in services
 - A decline in the number of families served
 - a drop to the minimum federal requirements of service

- Stimulus resources stabilized a threatened infrastructure and allowed for an increase of some services
- State agencies have been cautious in regards to extending services to families because of the two year limit
- Maine has been forced to make significant cuts in the education and health and human services budgets

How Have Children Benefited from ARRA?



State Budget

- Without ARRA funding, the cuts in our state budget across the board would have been far more dramatic
- Two of the most important ARRA provisions :
 - Stabilization funds for education and community service
 - Enhanced FMAP rate

ARRA also protected many other essential services for children

Nutrition

The WIC increase allowed more families to participate

Child Nutrition funds increase to provide breakfast and lunch to low income children

Health

- The FMAP increase allowed for continued access to health care for low income children and their families
- Child immunizations purchased for assuring access

Child Welfare

- Increased FMAP rate allowed for a stabilization of resources preventing even deeper cuts

Head Start/Early Head Start

68 additional Head Start and 168 additional Early Head Start slots were added

- However, because Maine needed to tighten compliance with federal regulations for Medicaid, Head Start grantees in Maine lost a total of \$4 million dollars in federal resource in the 2009 program year. In local communities the decrease has resulted either in a reduction of families served or changes in the program delivery

Education

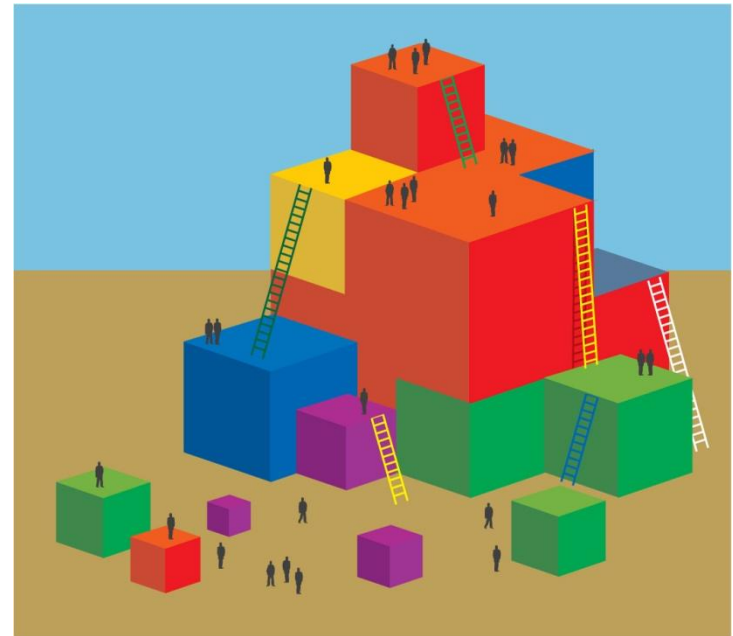
- An increase of 29 public pre-k classrooms
- Title I funding stabilized local and state education budgets

Child Care

The number of families on the wait list for child care subsidy was reduced

Additional funds were used for improvements to technology, and investments in training.

Next Steps



Retaining the stimulus funds is essential for states like Maine to be able to hold fast while the economy corrects itself

It is important to retain the services essential to children and families

A full and accurate count of low income children in this year's census is key to assuring adequate federal funds come to Maine