

NLWJC - Kagan

DPC - Box 024 - Folder 008

**Family - Child Care Funding
Allocation Issue**

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funding allocation issue



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Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Diana Fortuna/OPD/EOP
Subject: No news at the weekly welfare meeting

For the first time in months, we really had nothing to discuss. We were all in the same place on the budget (no one knows anything); we spoke some about the upcoming events.

One issue is on the horizon: apparently the FY 1997 state by state child care allocation was done using the best data at the time; now better data reveals that some states got more money than they should have and others less. An administrative solution would be for states who "owe" money to have a year or two to pay it back. HHS wants to propose a legislative solution, which would deem this year's distribution to be correct, and start with the new formula next year. OMB has concerns. Paper will be shared soon. Emily Bromberg's bottom line: no one says a peep to anyone until after the NGA meeting, to avoid complaining governors.