Federal funds are provided to:

- States must spend no more than 5 percent on administration. Minnesota currently spends 4.5 percent.
- States must spend at least 8 percent of their funds on activities to improve the quality and availability of child care. This rises to 9 percent in Federal Fiscal Year 2020. Additionally, 3 percent of funds are set aside to improve the quality of care specifically for infants and toddlers.
- States must spend at least 70 percent, or about $36.8 million, of the Child Care and Development Fund mandatory and matching funds on families receiving Temporary Assistance for Needy Families benefits, transitioning from Temporary Assistance for Needy Families or at risk of becoming eligible for Temporary Assistance for Needy Families. Minnesota currently spends more than $131 million in Child Care and Development Fund dollars on the Child Care Assistance Program.
- There is a state maintenance of effort requirement ($19.7 million) and a state match requirement ($29.3 million) to draw down the maximum federal allocation.

### Minnesota's total annual funds available for Federal Fiscal Year 2018 were:

- Federal Child Care and Development Fund: $121.7 million
- State match and maintenance of effort: $49 million
- Temporary Assistance for Needy Families transfer funds: $49.7 million
- Additional state funds: $104 million
- Total: $324.4 million

### Federal Fiscal Year 2018 expenditures were:

- Child care assistance: $265.2 million
- Quality set-aside: $14.1 million
- Infant/toddler quality set-aside: $4.5 million
- Systems: $1 million
- Administration: $6.6 million
- Total: $291.5 million