Executive Officer, Pacific Business Group on Health; Dr. Daniel Lyons, Senior Vice President, Government Programs, Independence Blue Cross; Dr. Frank B. McArdle, Manager, Hewitt Research Office, Hewitt Associates; Traci McClellan, J.D., Executive Director, National Indian Council on Aging; Dr. Keith Mueller, Professor and Section Head, Health Services Research and Rural Health Policy, University of Nebraska; Lee Partridge, Senior Health Policy Advisor, National Partnership for Women and Families; Gary A. Puckrein, PhD., President and Chief Executive Officer, National Minority Quality Forum; Rebecca Snead, Executive Vice President and Chief Executive Officer, National Alliance of State Pharmacy Associations; William A. Steel, Past President, The National Grange; Marvin Tuttle, Jr., CAE, Executive Director and Chief Executive Officer, Financial Planning Association; Catherine Valenti, Consultant, American Academy of HIV Medicine; and Grant Wedner, Vice President, Partnerships and Corporate Development, Daily Strength, Inc.

The agenda for the June 26, 2008 meeting will include the following:

- Recap of the previous (March 11, 2008) meeting.
- Medicare Outreach and Education Strategies.
- Public Comment.
- Listening Session with CMS Leadership.
- Next Steps.

Individuals or organizations that wish to make a 5-minute oral presentation on an agenda topic should submit a written copy of the oral presentation to Lynne Johnson at the address listed in the **ADDRESSES** section of this notice by the date listed in the **DATES** section of this notice. The number of oral presentations may be limited by the time available. Individuals not wishing to make a presentation may submit written comments to Ms. Johnson at the address listed in the **ADDRESSES** section of this notice by the date listed in the **DATES** section of this notice.

Individuals requiring sign language interpretation or other special accommodations should contact Ms. Johnson at the address listed in the **ADDRESSES** section of this notice by the date listed in the **DATES** section of this notice.

Authority: Sec. 222 of the Public Health Service Act (42 U.S.C. 217a) and sec. 10(a) of Pub. L. 92–463 (5 U.S.C. App. 2, sec. 10(a) and 41 CFR 102–3).

(Catalog of Federal Domestic Assistance Program No. 93.733, Medicare—Hospital Insurance Program; and Program No. 93.774, Medicare—Supplementary Medical Insurance Program)

Dated: April 23, 2008.

Kerry Weems,

Acting Administrator, Centers for Medicare & Medicaid Services.

[FR Doc. E8–10778 Filed 5–22–08; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–2273–N2 and CMS–2265–N]

RIN 0938–AO99 and 0938–APO7

State Children's Health Insurance Program (SCHIP); Retrospective Adjustment for Additional Allotments To Eliminate Fiscal Year (FY) 2007 Funding Shortfalls; Final SCHIP Allotments for FYs 2008 and 2009; Redistribution of Unused SCHIP FY 2005 Allotments To Eliminate FY 2008 Funding Shortfalls; Additional Allotments To Eliminate FY 2008 Funding Shortfalls; and Provisions for Continued Authority for Qualifying States To Use a Portion of Certain SCHIP Funds for Medicaid Expenditures

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice describes the implementation of certain funding provisions under title XXI of the Social Security Act (SCHIP) as amended by the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), (Pub. L. 110–173), and other related SCHIP legislation. These funding provisions include: The retrospective adjustment of the additional allotments to eliminate fiscal year (FY) 2007 SCHIP funding shortfalls; the final FYs 2008 and 2009 SCHIP allotments; the redistribution of the amounts of States' unused FY 2005 allotments to eliminate FY 2008 SCHIP funding shortfalls; the provision of additional allotments to eliminate FY 2008 SCHIP funding shortfalls; and the provision for ''qualifying States'' to elect to use a portion of their available SCHIP allotments as increased Federal matching funds for certain expenditures in their Medicaid programs under title XIX of the Act.

DATES: *Effective Date*: This notice is effective on June 23, 2008. The allotments set forth in this notice are available for expenditures on or after the start of the identified fiscal year to which they pertain.

FOR FURTHER INFORMATION CONTACT: Richard Strauss, (410) 786–2019.

SUPPLEMENTARY INFORMATION

I. Background

A. Availability and Redistribution of SCHIP Fiscal Year Allotments

Title XXI of the Social Security Act (the Act) sets forth the State Children's Health Insurance Program (SCHIP) to enable States, the District of Columbia, and specified Commonwealths and Territories to initiate and expand health insurance coverage to uninsured, low-income children. The 50 States, the District of Columbia, and the Commonwealths and Territories may implement the SCHIP through a separate child health program under title XXI of the Act, an expanded Medicaid program under Title XIX of the Act, or a combination of both.

Federal funds appropriated for Title XXI are limited, and the law specifies a formula to divide the total annual appropriation into individual allotments available for each State, the District of Columbia, and each U.S. Territory and Commonwealth with an approved child health plan.

Section 2104(b) of the Act requires States, the District of Columbia, and U.S. Territories and Commonwealths to have an approved child health plan for the fiscal year in order for the Secretary to provide an allotment for that fiscal year.

Section 2104(e) of the Act specifies that in general the SCHIP allotments for a Federal fiscal year are available for payment to States for their expenditures under an approved State child health plan for an initial 3-fiscal year period of availability, including the fiscal year for which the allotment was provided. Section 2104(f) of the Act specifies that in general the amounts of States' allotments which are not expended during the initial 3-year period of availability are to be redistributed to those States that have fully spent these fiscal year allotments during this period of availability in accordance with an appropriate procedure determined by the Secretary. Furthermore, section 2104(e) of the Act specifies that the amounts of the redistributed allotments continue to be available for expenditure by the States receiving these redistributions to the end of the fiscal year in which these funds are redistributed.

B. Enactment of the National Institutes of Health Reform Act, the U.S. Troop Readiness, Veteran's Care, Katrina Recovery, and Iraq Accountability Appropriations Act, and Special Rules for Addressing FY 2007 SCHIP Funding Shortfalls

Under section 2104(e) and (f) of the Act, in general any unexpended SCHIP allotments remaining following the end of the initial 3-year period of availability would otherwise be redistributed in accordance with an appropriate procedure determined by the Secretary. However, section 201(a) of the National Institutes of Health Reform Act of 2006 (NIHRA) (Pub. L. 109–482, enacted on January 15, 2007) amended the SCHIP statute to add a new section 2104(h) of the Act. This legislation provided for special rules to address States' FY 2007 SCHIP funding shortfalls. Specifically, in order to address States' FY 2007 SCHIP funding shortfalls, section 2104(h)(*1*) of the Act provided for the redistribution in FY 2007 of the unexpended FY 2004 allotments remaining at the end of FY 2006. Furthermore, section 2104(h)(*2*) of the Act provided for the redistribution in months after March 31, 2007 of certain amounts of unexpended FY 2005 allotments. On May 29, 2007, we published a notice in the **Federal Register** (72 FR 29502) describing the implementation of section 201(a) of the NIHRA and containing the amounts of the States' redistributed FY 2004 and FY 2005 allotments, determined in accordance with the NIHRA legislation.

In accordance with the methodology established under NIHRA, the amounts of the States' projected FY 2007 shortfalls, and the associated FY 2004 and FY 2005 redistributed allotments, were determined on a monthly basis to address the FY 2007 shortfalls. Since the total amounts of the FY 2004 and FY 2005 allotments available for redistribution were limited (to about $146.9 million and $137.8 million, respectively), the total FY 2007 shortfalls for the 6 States receiving the redistributions were not fully addressed. The total amounts of the FY 2004 and FY 2005 redistributed allotments that were provided to the six recipient States were only sufficient to address the States' FY 2007 shortfalls experienced through May 2007. These amounts were not sufficient to cover the States' remaining FY 2007 shortfalls occurring in months after May 2007; nor were these amounts sufficient to address other States' FY 2007 projected shortfalls occurring after May 2007.

On May 29, 2007, the U.S. Troop Readiness, Veteran's Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (UTRA), (Pub. L. 110–28) was enacted; in particular, title VII of this law amended section 2104(h) of the Act (as amended by NIHRA), to provide for additional allotment amounts to fund States' remaining SCHIP funding shortfalls in FY 2007.

Under paragraph 2104(h)(7) of the Act as amended by the NIHRA, the special rules for the redistribution of the unexpended FY 2004 and FY 2005 allotments in FY 2007 to address FY 2007 SCHIP funding shortfalls apply only to a State that receives an allotment for FY 2007 under section 2104(b) of the Act. Under section 2104(b) of the Act, allotments are made only to the 50 States and the District of Columbia. Therefore, section 2104(h) of the Act, as amended by NIHRA and as further amended by UTRA, does not apply to the Commonwealths and Territories, which received SCHIP allotments for FY 2007 under the authority of section 2104(*c*) of the Act. Accordingly, unless otherwise indicated in this notice, in referring to the redistribution of the FY 2004 and FY 2005 allotments or the additional allotments for eliminating FY 2007 shortfalls, the term ''State'' means only the 50 States and the District of Columbia, as applicable.

On December 19, 2007 we published a notice in the **Federal Register** (72 FR 71915) which indicated the amounts of States' additional allotments to eliminate SCHIP funding shortfalls in FY 2007. These additional allotments were determined based on the most recent data available prior to the end of FY 2007. As indicated in that notice, under section 2104(h)(5) of the Act a retrospective adjustment may be applied with respect to the amounts of the redistributions and additional shortfall allotments the States' received in FY 2007 to eliminate the FY 2007 shortfalls based on States' actual FY 2007 SCHIP-related expenditures reported no later than November 30, 2007. Section II of this notice contains the final additional FY 2007 shortfall allotments determined based on the retrospective adjustment provision of section 2104(h)(5) of the Act.

C. Enactment of Continuing Appropriations and Medicare, Medicaid, and SCHIP Extension Act of 2007

The continuing appropriation legislation enacted on September 29, 2007 (Pub. L. 110–92) contained provisions to extend funding under the SCHIP through November 16, 2007. In particular, section 136(a) of Public Law 110–92 appropriated $5 billion for the purposes of providing FY 2008 allotments to the 50 States, the District of Columbia, and the Commonwealths and Territories. Additionally, $40 million was appropriated by this section to provide additional allotments to the Commonwealths and Territories in FY 2008. Section 136(b) of Public Law 110–92 provided that the FY 2008 allotments be determined in accordance with the same methodology as previous SCHIP fiscal year allotments were determined. Section 136(c) of Public Law 110–92 amended the SCHIP statute to add a new section 2104(i) of the Act to provide for the redistribution in FY 2008 of the unexpended FY 2005 allotments remaining at the end of FY 2007 to those 50 States or the District of Columbia that had estimated shortfalls in FY 2008. Finally, section 106 of Public Law 110–92 provided that the FY 2008 allotment funds were only available for States' SCHIP expenditures for assistance provided through November 16, 2007.

Subsequent to the enactment of Public Law 110–92, further continuing appropriation legislation was enacted which extended the dates through which the FY 2008 allotment funds were available as provided in section 106 of Public Law 110–92; in particular, Public Law 110–116 (enacted on November 13, 2007), Public Law 110–137 (enacted on December 14, 2007), and Public Law 110–149 (enacted on December 21, 2007) extended the dates to December 14, 2007, December 21, 2007, and December 31, 2007, respectively.

Section 201 of MMSEA amended section 2104(a) of the SCHIP statute to explicitly provide funding for SCHIP allotments in the amount of $5 billion for each of FYs 2008 and 2009 for the 50 States and the District of Columbia and the Commonwealths and Territories, and for $40 million for the Commonwealths and Territories for each of FYs 2008 and 2009. These allotments would be determined in accordance with the existing methodology in SCHIP statute for fiscal years prior to FY 2008. The funding provided for FY 2008 under the Continuing Appropriation Acts discussed above and enacted prior to MMSEA would no longer be available (and thus expenditures for FY 2008 would be paid from the MMSEA allotments). MMSEA provides that the FY 2008 and FY 2009 allotment funds were only available for expenditures through March 31, 2009.

Section 201 of MMSEA amended SCHIP statute to add section 2104(j) of the Act which appropriates $1.6 billion for the purpose of providing additional

allotments to eliminate States' SCHIP shortfalls in FY 2008.

D. Expenditures, Authority for Qualifying States To Use Available SCHIP Allotments for Medicaid Expenditures

Under section 2105(a)(1)(A) through (D) and (a)(2) of the Act, and before enactment of Public Law 108–74 (Extension of Availability of SCHIP Allotment Act, enacted on August 15, 2003), only Federal payments for the following Medicaid and SCHIP expenditures were applied against States' available SCHIP allotments: (1) Medical assistance provided under Title XIX (Medicaid) to targeted low-income children in a SCHIP-related Medicaid expansion, for which the enhanced SCHIP Federal Medical assistance program (FMAP) rate is available; (2) medical assistance provided on behalf of a child during a period of presumptive eligibility under section 1920A of the Act (these funds are matched at the regular Medicaid FMAP rate); (3) child health assistance to targeted low-income children that meets minimum benefit requirements under SCHIP; and (4) expenditures in SCHIP that are subject to the 10-percent limit on non-primary expenditures (including other child health assistance for targeted low-income children, health services initiatives, outreach, and administrative costs).

Section 1(b) of Public Law 108–74, as amended by Public Law 108–127 (Social Security Act, Technical corrections, enacted November 17, 2003), added new section 2105(g) to the Act under which certain ''qualifying States'' that met prescribed criteria could elect to use up to 20 percent of any of the States' available SCHIP allotments for FY 1998, 1999, 2000, or 2001 to increase the FMAP rate for regular Medicaid expenditures to the enhanced FMAP rate available under SCHIP. As described in the **Federal Register** published on July 23, 2004 (69 FR 44013), if a qualified State submitted both 20 percent allowance expenditures and other ''regular'' SCHIP expenditures at the same time in a quarter, the 20 percent allowance expenditures would be applied first against the available fiscal year reallotments. However, the 20 percent allowance expenditures could be applied only against the specified fiscal year allotment funds (upon which the 20 percent allowances were based) and which would remain available. Under section 2104(g)(1)(B)(iii) of the Act, the amounts of States' FY 2001 reallotments would only be available through the end of FY 2005; therefore, the FY 2001 20 percent allowances for the qualifying States are only available through the end of FY 2005.

Section 6103 of the Deficit Reduction Act of 2005 (Pub. L. 109–171, enacted on February 8, 2006) amended section 2105(g) of the Act to provide for continued authority for qualifying States to use a portion of their available FY 2004 and FY 2005 SCHIP allotments to allow the use of the enhanced (FMAP) rate (as determined under section 2105(b) of the Act) for certain expenditures made under the Medicaid program.

Section 201(b) of the NIHRA amended section 2105(g) of the Act to provide for continued authority for qualifying States to use a portion of their available FY 2006 and FY 2007 SCHIP allotments to allow the use of the enhanced Federal Medical assistance percentage (FMAP) rate (as determined under section 2105(b) of the Act) for certain expenditures made under the Medicaid program.

Finally, section 201(b) of MMSEA amended 2105(g) of the Act to provide for continued authority for qualifying States to use a portion of their available FY 2008 and FY 2009 SCHIP allotments to allow the use of the enhanced Federal Medical assistance percentage (FMAP) rate (as determined under section 2105(b) of the Act) for certain expenditures made under the Medicaid program. Thus, MMSEA provides that the FY 2008 and FY 2009 allotment funds were only available for expenditures through March 31, 2009.

II. Provisions of This Notice

The purpose of this notice is to: Describe the retrospective adjustment for the FY 2007 shortfall funding; set forth the FY 2008 and FY 2009 allotments for the 50 States and the District of Columbia, and the U.S. Commonwealths and Territories; describe the methodology and process used to implement the MMSEA provisions for eliminating States' SCHIP funding shortfalls in FY 2008 including the determination of FY 2005 redistributions and the additional FY 2008 allotments; and describe the implementation of the continued authority for ''qualifying States'' to elect to receive a portion of certain of their available FY 2008 and FY 2009 SCHIP allotments as increased Federal matching funds for certain expenditures in their Medicaid programs.

A. Retrospective Adjustment of FY 2007 Shortfall Allotments

Section 2104(h)(5) of the Act, as amended by NIHRA and UTRA, provides for a potential retrospective adjustment with respect to the amounts of States' FY 2004 and FY 2005 redistributed funds and FY 2007 shortfall allotments provided to them in FY 2007 and based on expenditure reports for FY 2007 submitted no later than November 30, 2007. Prior to the end of FY 2007 and based on States' estimated FY 2007 SCHIP expenditures, we had provided approximately $616.0 million in total additional FY 2007 shortfall allotments to States with projected FY 2007 shortfalls. However, based on the States' actual FY 2007 expenditures, as submitted through November 30, 2007, the actual shortfalls after the provisions of the FY 2004 and FY 2005 redistributed allotments in FY 2007 totaled only to approximately $528.2 million. Therefore, there was approximately $87.8 million ($616.0 million minus $528.2 million) in excess FY 2007 shortfall allotments provided to States in FY 2007 to address FY 2007 shortfalls; this $87.8 million represents the total of the amounts of retrospective adjustments that will be made to the FY 2007 shortfall allotments made under the provisions of section 2104(h)(5) of the Act. Since States still had $528.2 million in shortfalls in FY 2007 without consideration of the FY 2007 shortfall allotments, we will not make any retrospective adjustments to the FY 2004 and FY 2005 redistributed allotments made in FY 2007. Table 1 in this notice presents the final FY 2007 shortfall allotments after making the retrospective adjustment under section 2104(h)(5) of the Act.

B. Final FY 2008 and FY 2009 Allotments

Initially, section 136 of the continuing appropriation legislation (Pub. L. 110–92) appropriated $5.0 billion for the purpose of providing FY 2008 allotments to the 50 States and the District of Columbia and the Commonwealths and Territories, and $40 million for the purpose of providing additional allotments to the Commonwealths and Territories. Subsequently, this authority was replaced by the provisions of section 201 of MMSEA, which amended section 2104(a)(11) of the Act to appropriate $5.0 billion for each of FYs 2008 and 2009 for the purpose of providing FY 2008 and FY 2009 allotments to the 50 States and the District of Columbia and the Commonwealths and Territories, and $40 million for each of FYs 2008 and 2009 for the purpose of providing additional allotments to the Commonwealths and Territories in FYs 2008 and 2009. As described in detail below, the FYs 2008 and 2009 allotments are determined in

accordance with the same methodology as applicable to the calculation of SCHIP fiscal year allotments prior to FY 2008. Under section 201(a)(2) of the MMSEA, the FYs 2008 and 2009 allotments are not available for States' expenditures for child health assistance for items and services furnished after March 31, 2009.

Section 2104(a) of the Act provides that, for purposes of providing allotments to the 50 States and the District of Columbia, the following amounts are appropriated: $4,295,000,000 for FY 1998; $4,275,000,000 for each FY 1999 through FY 2001; $3,150,000,000 for each FY 2002 through FY 2004; $4,050,000,000 for each FY 2005 through FY 2006; and $5,000,000,000 for FY 2007. Additionally, as amended by MMSEA, section 2104(a)(11) of the Act appropriates $5,000,000,000 for each of FY 2008 and FY 2009. However, under section 2104(c) of the Act, 0.25 percent of the total amount appropriated each year is available for allotment to the U.S. Territories and Commonwealths of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands. The total amounts are allotted to the U.S. Territories and Commonwealths according to the following percentages: Puerto Rico, 91.6 percent; Guam, 3.5 percent; the Virgin Islands, 2.6 percent; American Samoa, 1.2 percent; and the Northern Mariana Islands, 1.1 percent.

Section 2104(c)(4)(B) of the Act provides for additional amounts for allotment to the Territories and Commonwealths: $34,200,000 for each FY 2000 through FY 2001; $25,200,000 for each FY 2002 through FY 2004; $32,400,000 for each FY 2005 through FY 2006; and $40,000,000 for FY 2007. Additionally, as amended by MMSEA, $40,000,000 is appropriated for additional allotments for the Commonwealths and Territories for each of FY 2008 and FY 2009. Since, for FY 2008 and FY 2009, title XXI of the Act provides an additional $40,000,000 for allotment to the U.S. Territories and Commonwealths, the total amount available for allotment to the U.S. Territories and Commonwealths in FY 2008 and FY 2009 is $52,500,000; that is, $40,000,000 plus $12,500,000 (0.25 percent of the FY 2008/2009 appropriation of $5,000,000,000).

Therefore, the total amount available nationally for allotment for the 50 States and the District of Columbia for FY 2008 and FY 2009 was determined in accordance with the following formula:

$A_T = S_{2104(a)} - T_{2104(c)}$

A_T = Total amount available for allotment to the 50 States and the District of Columbia for the fiscal year.

$S_{2104(a)}$ = Total appropriation for the fiscal year indicated in section 2104(a) of the Act. For FY 2008 and FY 2009, this is $5,000,000,000.

$T_{2104(c)}$ = Total amount available for allotment for the U.S. Territories and Commonwealths; determined under section 2104(c) of the Act as 0.25 percent of the total appropriation for the 50 States and the District of Columbia. For FY 2008 and FY 2009, this is: .0025 × $5,000,000,000 = $12,500,000.

Therefore, for each of FY 2008 and FY 2009, the total amount available for allotment to the 50 States and the District of Columbia is $4,987,500,000. This was determined as follows:

A_T ($4,987,500,000) = $S_{2104(a)}$ ($5,000,000,000) − $T_{2104(c)}$ ($12,500,000)

For purposes of the following discussion, the term ''State,'' as defined in section 2104(b)(1)(D)(ii) of the Act, ''means one of the 50 States or the District of Columbia.''

Under section 2104(b) of the Act, the determination of the number of children applied in determining the SCHIP allotment for a particular fiscal year is based on the three most recent March supplements to the Current Population Survey (CPS) of the Bureau of the Census officially available before the beginning of the calendar year in which the fiscal year begins. The determination of the State cost factor is based on the annual average wages per employee in the health services industry, which is determined using the most recent 3 years of such wage data as reported and determined as final by the Bureau of Labor Statistics (BLS) of the Department of Labor to be officially available before the beginning of the calendar year in which the fiscal year begins. Since FY 2008 begins on October 1, 2007 (that is, in calendar year 2007), in determining the FY 2008 SCHIP allotments, we are using the most recent official data from the Bureau of the Census and the BLS, respectively, available before January 1 of calendar year 2007 (that is, through the end of December 31, 2006). Similarly, with respect to the FY 2009 SCHIP allotment we are using the most recent official data from the Census and the BLS, respectively, available before January 1 of calendar year 2008 (that is, through the end of December 31, 2007).

1. Number of Children

For FY 2008, as specified by section 2104(b)(2)(A)(iii) of the Act, the number of children is calculated as the sum of 50 percent of the number of low-income, uninsured children in the State, and 50 percent of the number of low-income children in the State. The number of children factor for each State is developed from data provided by the Bureau of the Census based on the standard methodology used to determine official poverty status and uninsured status in the annual CPS on these topics. As part of a continuing formal process between the Centers for Medicare & Medicaid Services (CMS) and the Bureau of the Census, each fiscal year we obtain the number of children data officially from the Bureau of the Census.

Under section 2104(b)(2)(B) of the Act, the number of children for each State (provided in thousands) was determined and provided by the Bureau of the Census based on the arithmetic average of the number of low-income children and low-income children with no health insurance as calculated from the three most recent March supplements to the CPS officially available from the Bureau of the Census before the beginning of the 2007 calendar year. In particular, through December 31, 2006, the most recent official data available from the Bureau of the Census on the numbers of children were data from the three March CPSs conducted in March 2004, 2005, and 2006 (representing data for years 2003, 2004, and 2005). Similarly, for the FY 2009 SCHIP allotments the most recent official data available from the Bureau of the Census on the numbers of children were data from the three March CPSs conducted in March 2005, 2006, and 2007 (representing data for years 2004, 2005, and 2006).

2. State Cost Factor

The State cost factor is based on annual average wages in the health services industry in the State. The State cost factor for a State is equal to the sum of: 0.15 and 0.85 multiplied by the ratio of the annual average wages in the health industry per employee for the State to the annual wages per employee in the health industry for the 50 States and the District of Columbia.

Under section 2104(b)(3)(B) of the Act, as amended by the Balanced Budget Refinement Act of 1999 (BBRA) Public Law 106–113, enacted on November 29, 1999, the State cost factor for each State for a fiscal year is calculated based on the average of the annual wages for employees in the health industry for each State using data for each of the most recent 3 years as reported and determined as final by the BLS in the Department of Labor and available before the beginning of the calendar year in which the fiscal year begins. Therefore, the State cost factor for FY 2008 is based on the most recent

3 years of BLS data officially available as final before January 1, 2007 (the beginning of the calendar year in which FY 2008 begins); that is, it is based on the BLS data available as final through December 31, 2006. In accordance with these requirements, we used the final State cost factor data available from BLS for 2003, 2004, and 2005 in calculating the FY 2008 final allotments. Similarly, for the FY 2009 allotments we used the final State cost factor data available from BLS for 2004, 2005, and 2006.

The State cost factor is determined based on the calculation of the ratio of each State's average annual wages in the health industry to the national average annual wages in the health care industry. Since BLS is required to suppress certain State-specific data in providing us with the State-specific average wages per health services industry employee due to the Privacy Act, we calculated the national average wages directly from the State-specific data provided by BLS. As part of a continuing formal process between CMS and the BLS, each fiscal year CMS obtains these wage data officially from the BLS.

Section 2104(b)(3)(B) of the Act, as amended by the BBRA, refers to wage data as reported by BLS under the ''Standard Industrial Classification'' (SIC) system. However, in calendar year 2002, BLS phased-out the SIC wage and employment reporting system and replaced it with the ''North American Industry Classification System'' (NAICS). In accordance with section 2104(b)(3)(B) of the Act, for purposes of calculating the FY 2008 allotments, BLS provided wage data for the 3 most recent years as available through December 31, 2006; in this case, the 3 years of wage data are 2003, 2004, and 2005. Because of the wage and employment classification change at BLS, the BLS wage data used in calculating the FY 2008 SCHIP allotments necessarily reflect NAICS data, rather than SIC data, to obtain the 3-year average required for the allotments. Similarly, for purposes of calculating the FY 2009 SCHIP allotments, BLS provided wage data for the 3 most recent years as available through December 31, 2007; in this case, the 3 years of wage data are 2004, 2005, and 2006.

Under the SIC system, BLS provided CMS with wage data for each State under the SIC Code. However, the wage data codes under the SIC system do not map exactly to the wage data codes under the NAICS. As a result, BLS provided us with wage data using three NAICS wage data codes that represent approximately 98 percent of the wage data that would have been provided under the related SIC Code 80. Specifically, in lieu of SIC Code 80 data, BLS provided CMS data that are based on the following three NAICS codes: NAICS Code 621 (Ambulatory health care services), Code 622 (Hospitals), and Code 623 (Nursing and residential care facilities).

Under section 2104(b)(4) of the Act, each State and the District of Columbia is allotted a ''proportion'' of the total amount available nationally for allotment to the States. The term ''proportion'' is defined in section 2104(b)(4)(D)(i) of the Act and refers to a State's share of the total amount available for allotment for any given fiscal year. In order for the entire total amount available to be allotted to the States, the sum of the proportions for all States must exactly equal one. Under the statutory definition, a State's proportion for a fiscal year is equal to the State's allotment for the fiscal year divided by the total amount available nationally for allotment for the fiscal year. In general, a State's allotment for a fiscal year is calculated by multiplying the State's proportion for the fiscal year by the national total amount available for allotment for that fiscal year in accordance with the following formula:

$SA_i = P_i \times A_T$

SA_i = Allotment for a State or District of Columbia for a fiscal year.

P_i = Proportion for a State or District of Columbia for a fiscal year.

A_T = Total amount available for allotment to the 50 States and the District of Columbia for the fiscal year. For each FY 2008 and FY 2009, this is $4,987,500,000.

In accordance with the statutory formula for determining allotments, the State proportions are determined under two steps, which are described below in further detail.

Under the first step, each State's proportion is calculated by multiplying the State's Number of Children and the State Cost Factor to determine a ''product'' for each State. The products for all States are then summed. Finally, the product for a State is divided by the sum of the products for all States, thereby yielding the State's preadjusted proportion.

3. Application of Floors and Ceiling

Under the second step, the preadjusted proportions are subject to the application of proportion floors, ceiling, and a reconciliation process, as appropriate. The SCHIP statute specifies three proportion floors, or minimum proportions, that apply in determining States' allotments. The first proportion floor is equal to $2,000,000 divided by the total of the amount available nationally for the fiscal year. This proportion ensures that a State's minimum allotment would be $2,000,000. The second proportion floor is equal to 90 percent of the allotment proportion for the State for the previous fiscal year; that is, a State's proportion for a fiscal year must not be lower than 10 percent below the previous fiscal year's proportion. The third proportion floor is equal to 70 percent of the allotment proportion for the State for FY 1999; that is, the proportion for a fiscal year must not be lower than 30 percent below the FY 1999 proportion.

Each State's allotment proportion for a fiscal year is also limited by a maximum ceiling amount, equal to 145 percent of the State's proportion for FY 1999; that is, a State's proportion for a fiscal year must be no higher than 45 percent above the State's proportion for FY 1999. The floors and ceiling are intended to minimize the fluctuation of State allotments from year to year and over the life of the program as compared to FY 1999. The floors and ceiling on proportions are not applicable in determining the allotments of the U.S. Territories and Commonwealths; they receive a fixed percentage specified in the statute of the total allotment available to the U.S. Territories and Commonwealths.

As determined under the first step for determining the States' preadjusted proportions, which is applied before the application of any floors or ceiling, the sum of the proportions for all the States and the District of Columbia will be equal to exactly one. However, the application of the floors and ceiling under the second step may change the proportions for certain States; that is, some States' proportions may need to be raised to the floors, while other States' proportions may need to be lowered to the maximum ceiling. If this occurs, the sum of the proportions for all States and the District of Columbia may not exactly equal one. In that case, the statute requires the proportions to be adjusted, under a method that is determined by whether the sum of the proportions is greater or less than one.

The sum of the proportions would be greater than one if the application of the floors and ceiling resulted in raising the proportions of some States (due to the application of the floors) to a greater degree than the proportions of other States were lowered (due to the application of the ceiling). If, after application of the floors and ceiling, the sum of the proportions is greater than one, the statute requires the Secretary to determine a maximum percentage increase limit, which, when applied to

the State proportions, would result in the sum of the proportions being exactly one.

If, after the application of the floors and ceiling, the sum of the proportions is less than one, the statute requires the States' proportions to be increased in a ''pro rata'' manner so that the sum of the proportions again equals one. Finally, it is also possible, although unlikely, that the sum of the proportions (after the application of the floors and ceiling) will be exactly one; in that case, the proportions would require no further adjustment.

4. Determination of Preadjusted Proportions

The following is an explanation of how we applied the two State-related factors specified in the statute to determine the States' ''preadjusted'' proportions for FY 2008 and FY 2009. The term ''preadjusted,'' as used here, refers to the States' proportions before the application of the floors and ceiling and adjustments, as specified in the SCHIP statute. The determination of each State and the District of Columbia's preadjusted proportion for both FY 2008 and FY 2009 is in accordance with the following formula:

$PP_i = (C_i \times SCF_i) / ?(C_i \times SCF_i)$.

PP_i = Preadjusted proportion for a State or District of Columbia for a fiscal year.

C_i = *Number of children* in a State (section 2104(b)(1)(A)(i) of the Act) for a fiscal year. This number is based on the number of low-income children for a State for a fiscal year and the number of low-income uninsured children for a State for a fiscal year determined on the basis of the arithmetic average of the number of such children as reported and defined in the three most recent March supplements to the CPS of the Bureau of the Census, officially available before the beginning of the calendar year in which the fiscal year begins. (*See* section 2104(b)(2)(B) of the Act.)

For FYs 2008 and 2009, the number of children is equal to the sum of 50 percent of the number of low-income uninsured children in the State for the fiscal year and 50 percent of the number of low-income children in the State for the fiscal year. (*See* section 2104(b)(2)(A)(iii) of the Act.)

SCF_i = *State Cost Factor* for a State (section 2104(b)(1)(A)(ii) of the Act). For a fiscal year, this is equal to: $0.15 + 0.85 \times (W_i / W_N)$.

W_i = The annual average wages per employee for a State for such year (section 2104(b)(3)(A)(ii)(I) of the Act).

W_N = The annual average wages per employee for the 50 States and the District of Columbia (section 2104(b)(3)(A)(ii)(II) of the Act).

The annual average wages per employee for a State or for all States and the District of Columbia for a fiscal year is equal to the average of such wages for employees in the health services industry, as reported and determined as final by the BLS of the Department of Labor for each of the most recent 3 years officially available before the beginning of the calendar year in which the fiscal year begins. (See section 2104(b)(3)(B) of the Act).

$(Ci \times SCFi)$ = The sum of the products of (Ci x SCFi) for each State (section 2104(b)(1)(B) of the Act).

The resulting proportions would then be subject to the application of the floors and ceiling specified in the SCHIP statute and reconciled, as necessary, to eliminate any deficit or surplus of the allotments because the sum of the proportions was either greater than or less than one.

Section 2104(e) of the Act requires that the amounts allotted to a State for a fiscal year be available to the State for a total of 3 years; the fiscal year for which the amounts are allotted, and the 2 following fiscal years.

Table 2 and Table 3 in this notice present the FY 2008 and FY 2009 SCHIP allotments, respectively, determined in accordance with section 2104 of the Act.

C. FY 2005 Redistributed Allotments and Additional Allotments to Eliminate States' SCHIP funding shortfalls in FY 2008

Section 2104(i)(1) and (2) of the Act, as amended by section 136(c) of Public Law 110–92 specifies the methodology for determining the amounts of States' redistributions of the unexpended FY 2005 allotments remaining at the end of FY 2007.

In general, section 2104(f) of the Act provides for the Secretary to determine an appropriate procedure to redistribute the entire amount of States' unexpended SCHIP allotments following the end of the related initial 3-year period of availability only to those States that fully expended the allotments by the end of the initial 3-year period of availability. However, section 2104(i) of the Act as added by section 136(c) of Public Law 110–92, specifies the application of special rules for the redistribution of the unexpended FY 2005 allotments in FY 2008 with respect to certain ''shortfall States.'' As described below, the procedure for redistribution of States' unexpended FY 2005 allotments remaining at the end of FY 2007 is in accordance with the provisions of section 2104(i) of the Act relating to the elimination of funding shortfalls in the SCHIP in FY 2008.

Under section 2104(i)(2) of the Act, a shortfall State is a State with an approved child health plan under Title XXI of the Act, for which the Secretary estimates, on a monthly basis using the most recent data available to the Secretary, that the State's projected FY 2008 expenditures under this plan will exceed the sum of:

- The amount of the State's allotments for each of FY's 2006 and 2007 that were not expended by the end of FY 2007 and remain available in FY 2008;
- The amount of the State's allotment for FY 2008.

In determining the amount of any unexpended FY 2005 allotments that might be redistributed to address a State's FY 2008 SCHIP funding shortfall, we first determined the amount, if any, of each State's FY 2005 allotments that were not expended by the end of FY 2007 based on the States' quarterly expenditure reports (Forms CMS–21 and CMS–64) as submitted and certified by States through November 30, 2007. We also determined the amounts of each States' unexpended FY 2006 and FY 2007 allotments that were not expended by the end of FY 2007, also based on States' quarterly expenditure reports (Forms CMS–21 and CMS–64) as submitted and certified by States through November 30, 2007. The amounts of the States' allotments for FY 2008 are as published in this **Federal Register**.

For purposes of calculating the FY 2005 redistribution amounts, we initially based the determination of the amounts of States' projected FY 2008 expenditures using the States' most recent estimates for such expenditures available as of the date of the enactment of Public Law 100–92, September 29, 2007; that is, we used the States' estimates of their FY 2008 expenditures obtained from their certified submissions of their August 2007 quarterly report forms CMS–21b and CMS–37. Using that data, we had projected that States would not face shortfalls in FY 2008 until sometime in December 2007. Since section 2104(i)(2) of the Act requires that we determine the shortfall status of States on a monthly basis using the most recent data available for such purpose, we subsequently used the States' updated estimates of their FY 2008 expenditures contained in their certified submissions of their November 30, 2007 quarterly report Forms CMS–21b and CMS–37 to determine the States' FY 2008 funding shortfalls on a monthly basis for the months of December 2007 and following months through March 2008 (the month through which the FY 2005 redistributed allotments were exhausted). In accordance with section 2104(i)(4) of the Act, if the amounts of the unexpended FY 2005 allotments available for redistribution are less than the total amounts of the estimated

shortfalls determined for a month, the amount of the FY 2005 redistribution for that month must be reduced proportionally. This was the basis for determining the amount of the March 2008 FY 2005 redistributions. Table 4 provides the monthly determination and total of the FY 2005 redistributed allotments for the months of December 2007 through March 2008.

As indicated, the FY 2005 redistributed allotments determined under section 2104(i) of the Act were insufficient to fully eliminate the States' FY 2008 funding shortfalls; however, section 201(c) of MMSEA added a new section 2104(j) of the Act. Under that section, $1.6 billion was appropriated for purposes of providing additional allotments to eliminate FY 2008 funding shortfalls for the 50 States and the District of Columbia; it also provides for certain amounts of that appropriation to be available for additional allotment to the Commonwealths and Territories.

In particular, section 2104(j)(2) of the Act, as amended by MMSEA, provides for additional allotment amounts to eliminate the FY 2008 SCHIP funding shortfalls remaining after the redistribution of the unexpended FY 2005 allotments in FY 2008, both for States that received the FY 2005 redistributions, as well as for other States that did not receive such redistributions, but which also have projected FY 2008 shortfalls. Under section 2104(j)(2) of the Act, a ''shortfall State'' is defined as a State for which the Secretary estimates on the basis of the most recent data available to the Secretary as of November 30, 2007 that the projected FY 2008 Federal SCHIP expenditures will exceed the sum of:

- The amounts of the State's allotments for FY 2006 and FY 2007 that were not expended by the end of FY 2007.
- The amounts, if any, of the FY 2005 allotments that were redistributed to the State in FY 2008, in accordance with section 2104(i) of the Act (as described above).
- The amount of the State's allotment for FY 2008.

Furthermore, section 2104(j)(3) of the Act, as amended by MMSEA, provided for certain amounts to be provided as additional FY 2008 allotments to the Commonwealths and Territories. In particular, 1.05 percent of the sum of the FY 2008 shortfall allotments for the 50 States and the District of Columbia (determined as indicated above) is available for additional allotments to the Commonwealths and Territories. This total amount is allocated to each Commonwealth/Territory in accordance with the percentage specified in section 2104(c)(3) of the Act.

Finally, under the retrospective adjustment provisions sections 2104(i)(5) and 2104(j)(5) of the Act, the Secretary may adjust the determinations of the FY 2005 redistributed allotments and the additional FY 2008 allotments, respectively, on the basis of actual expenditures for FY 2008 reported by States not later than November 30, 2008 on the Forms CMS–64 or CMS–21.

Table 5 indicates the calculation of the additional FY 2008 shortfall allotments to the 50 States and the District of Columbia, and to the Commonwealths and Territories.

D. Ordering of Expenditures

In applying States' expenditures against their available SCHIP allotments, expenditures are ordered in accordance with the provisions of section 2105(a)(1)(A) through (D) and 2105(a)(2) of the Act as follows:

- Title XIX SCHIP-related expenditures for which payment is made at the enhanced FMAP (section 2105(a)(1)(A) of the Act);
- Title XIX expenditures for medical assistance provided during a presumptive eligibility period under section 1920A of the Act (section 2105(a)(1)(B) of the Act);
- Child health assistance for targeted low-income children in the form of providing health benefits coverage that meets the requirements of section 2103 (per section 2105(a)(1)(C) of the Act);
- Expenditures listed in section 2105(a)(1)(D)(i) through (iv) of the Act, respectively: Other child health assistance for targeted low-income children; health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children); expenditures for outreach activities; and administration expenditures.

In accordance with the ordering of allotments and expenditures provisions described above, for FY 2008 the expenditures of States will be applied against the FY 2006 and FY 2007 SCHIP allotments carried over into FY 2008, the FY 2008 allotments, the FY 2005 redistributed allotments, and the additional FY 2008 shortfall allotments.

E. No Ordering Election for Amounts of States' FY 2005 Redistributed Allotments and FY 2008 Shortfall Allotments

In the past, for purposes of applying States' expenditures against the redistributed allotments, States receiving redistributed allotment amounts were given flexibility to decide the ordering of the redistributed allotments with respect to the States' other available allotments. This allowed the redistribution States to optimize the use of these redistributed funds. However, because of the statutory provisions made by the MMSEA on the identification of shortfall States and the determination of the amount of the funding shortfalls on a monthly basis, and the requirement that these redistributed allotments and additional allotments be available only after the States' other SCHIP allotment funds have been exhausted, we believe that the FY 2005 redistributed allotments and the additional FY 2008 allotments must be ordered after the States' other available allotments are exhausted. Therefore, shortfall States must spend their available FY 2006, FY 2007, and FY 2008 allotments first, before any amounts of redistributed FY 2005 allotments and FY 2008 shortfall allotments. Furthermore, since the FY 2008 shortfall allotments are only available for any remaining FY 2008 shortfalls, the FY 2005 redistributed allotments must be ordered prior to any FY 2008 shortfall allotments.

As specified in section 2104(i)(6) of the Act (as amended by section 136(c) of Pub. L. 110–92), the amounts of the unexpended FY 2005 allotments redistributed to a State in FY 2008, and the amounts of the FY 2008 shortfall allotments (as specified in section 2104(j)(6) of the Act (as amended by MMSEA) are only available for expenditure by the State through September 30, 2008; and, any amounts of these redistributed allotments or additional allotments remaining at the end of FY 2008 shall not be subject to redistribution under section 2104(f) of the Act.

The amounts of the FY 2005 redistributed allotment amounts, and the amounts of the additional FY 2008 shortfall allotments, will be incorporated into the Form CMS–21C (Allocation of Title XIX and Title XXI Expenditures to the SCHIP Fiscal Year Allotment). Form CMS–21C is used for tracking States' expenditures against their available SCHIP allotments. The Medicaid and SCHIP expenditure system will then automatically apply expenditures reported on the quarterly expenditure reports for FY 2008 against all of the SCHIP allotment funds available in FY 2008.

IV. Tables

Following are the keys and associated tables for the SCHIP funding provisions as discussed in previous sections:

Table 1. Retrospective Adjustment for the FY

2007 Shortfall Funding
Table 2. Final FY 2008 Allotments
Table 3. Final FY 2009 Allotments
Table 4. Redistribution of Unexpended FY 2005 Allotments
Table 5. Additional FY 2008 Allotments

A. Table 1—Retrospective Adjustment for FY 2007 Shortfall Funding

Key to Table 1

Column/Description

Column A = *State.* Column A contains the name of the State, District of Columbia, U.S. Commonwealth or Territory.

Column B = *Final FY 2007 Expenditures Reported 11/30/07.* Column B contains the final FY 2007 expenditures as reported and certified by States on the Forms CMS–21 and CMS–64 through November 30, 2007.

Column C = *NET FY 2005 Allotments.* Column C contains the ''net'' FY 2005 allotment for each State remaining after the application of section 2104(h)(3) of the Act. Under that provision, for specified States identified in section 2104(h)(3)(A) of the Act, certain amounts of their unexpended FY 2005 allotments in FY 2007 became unavailable to such States on and after April 1, 2007; such amounts were effectively ''contributed'' as an FY 2005 redistribution in FY 2007 to certain States with SCHIP funding shortfalls in FY 2007. The implementation of this provision was described in the **Federal Register** published on May 29, 2007 (72 FR 29502). The amount of the net FY 2005 allotment remaining after the application of the provisions of section 2104(h)(3) of the Act and available to each State for expenditure in FY 2007 is contained in Column C.

Column D = *FY 2006 Allotments C/O Fr. FY 2006.* Column D contains the amount of the unexpended FY 2006 allotments remaining at the end of FY 2006 and available for expenditure in FY 2007.

Column E = *FY 2007 Allotments.* Column D contains the full amount of each state's FY 2007 allotment available for expenditure in FY 2007, as contained in the **Federal Register** published on July 28, 2006 (71 FR 42854).

Column F = *Tot. Allots in FY 07 NOT Incl. FY 04/05 Redists. C + D + E.* Column F contains the total SCHIP allotment funds for each State available for expenditure in FY 2007 not including any FY 2004 or FY 2005 redistributed allotments, calculated as the sum of the amounts in Column C, D, and E.

Column G = *Tot. FY 07 SF Before Redist. Or Addt'l Allots. B–F.* For States with projected expenditures for FY 2007 in Column B that are in excess of their available SCHIP allotment funds in F, Column G contains the shortfall in SCHIP funds in FY 2007 calculated as the amount in Column B minus the amount in Column F.

Column H = *For SF States FY 2004 Redistributions u/NIHRA.* For States with a projected FY 2007 shortfall in SCHIP funds in Column G, Column H contains the total FY 2004 redistribution provided to such State in FY 2007 as determined in accordance with the provisions of section 2104(h)(1) of the Act and as contained in the **Federal Register** published on May 29, 2007 (72 FR 29502).

Column I = *For SF States FY 2005 Redistributions u/NIHRA.* For States with a projected FY 2007 shortfall in SCHIP funds in Column G, Column H contains the total FY 2005 redistribution provided to such State in FY 2007 as determined in accordance with the provisions of section 2104(h)(2) of the Act and as contained in the **Federal Register** published on May 29, 2007 (72 FR 29502).

Column J = *Tot. FY 04/05 Redist. Amounts. H + I.* Column J contains the total of the FY 2004 and FY 2005 redistributed allotments available to each State in FY 2007, calculated as the sum of the amounts in Column H and Column I.

Column K = *Retro Adjusted FY 07 SF Allot After Redist. G–J.* For States with FY 2007 shortfalls before the provision of any FY 2004 and FY 2005 redistributions as indicated in Column G, and for which such shortfalls are greater than the total available FY 2004 and FY 2005 redistributed allotments as indicated in Column J, Column K contains the final remaining shortfall for the State, calculated as the amount of the shortfall in Column G minus the amount of the total FY 2004 and FY 2005 redistributions in Column J; the amount in Column K represents the amount of the final retrospective adjustment for the FY 2007 shortfall allotment, determined under the purview of section 2104(h)(5) of the Act.

TABLE 1 - RETROSPECTIVE ADJUSTMENT FOR THE FY 2007 SHORTFALL FUNDING

STATE	Final FY 2007 Expenditures Reported 11/30/07	NET FY 2005 Allotments /1	FY 2006 Allotments C/O Fr. FY 2006	FY 2007 Allotments	Tot. Allots in FY 07 NOT Incl. FY 04/05 Redists C + D + E	Tot. FY 07 SF Before Redist. or Addtl Allots. B - F	For SF States FY 2004 Redistributions u/NIHRA /2	For SF States FY 2005 Redistributions u/NIHRA /2	Tot. FY 04/05 Redist. Amounts H + I	Retro Adjusted FY 07 SF Allot After Redist. G - J
A	B	C	D	E	F	G	H	I	J	K
Alabama	$95,241,524	$2,561,671	$64,182,128	$74,295,313	$141,039,112	$0	$0	$0	$0	$0
Alaska	$16,217,204	$0	$5,270,465	$11,534,589	$16,805,054	$0	$0	$0	$0	$0
Arizona	$117,681,872	$0	$22,907,967	$127,858,497	$150,766,464	$0	$0	$0	$0	$0
Arkansas	$68,787,989	$32,172,778	$43,795,428	$49,307,483	$125,275,689	$0	$0	$0	$0	$0
California	$980,749,941	$0	$486,033,373	$790,789,213	$1,276,822,586	$0	$0	$0	$0	$0
Colorado	$65,916,210	$36,110,945	$57,951,287	$71,544,798	$165,607,030	$0	$0	$0	$0	$0
Connecticut	$30,070,269	$24,452,297	$34,535,088	$39,890,581	$98,877,966	$0	$0	$0	$0	$0
Delaware	$8,625,809	$6,463,460	$9,045,121	$11,057,552	$26,566,133	$0	$0	$0	$0	$0
District of Columbia	$7,181,599	$6,330,992	$9,557,107	$11,708,552	$27,596,651	$0	$0	$0	$0	$0
Florida	$261,704,169	$169,411,165	$249,329,871	$296,066,768	$714,807,804	$0	$0	$0	$0	$0
Georgia	$328,056,099	$0	$17,791,405	$165,874,160	$183,665,565	$144,390,534	$7,033,401	$28,653,319	$35,686,720	$108,703,814
Hawaii	$18,722,945	$4,963,730	$12,404,524	$15,314,228	$32,682,482	$0	$0	$0	$0	$0
Idaho	$27,383,129	$19,197,008	$20,610,739	$24,316,412	$64,124,159	$0	$0	$0	$0	$0
Illinois	$448,536,789	$0	$3,258,082	$209,767,107	$213,025,189	$235,511,600	$18,116,576	$37,071,617	$55,188,193	$180,323,407
Indiana	$92,143,473	$40,878,025	$73,000,528	$93,469,355	$207,347,908	$0	$0	$0	$0	$0
Iowa	$51,337,743	$0	$5,470,174	$36,229,776	$41,699,950	$9,637,793	$0	$0	$0	$9,637,793
Kansas	$45,136,408	$522,663	$27,489,909	$36,541,720	$64,554,292	$0	$0	$0	$0	$0
Kentucky	$81,229,305	$16,204,296	$57,764,350	$70,114,712	$144,083,358	$0	$0	$0	$0	$0
Louisiana	$119,858,587	$0	$67,242,403	$89,585,836	$156,828,239	$0	$0	$0	$0	$0
Maine	$31,249,494	$0	$9,327,915	$15,171,887	$24,499,802	$6,749,692	$0	$0	$0	$6,749,692
Maryland	$138,446,014	$0	$4,712,289	$66,960,838	$71,673,127	$66,772,887	$10,784,498	$15,638,268	$26,422,766	$40,350,121
Massachusetts	$211,517,193	$0	$137	$73,334,995	$73,335,132	$138,182,061	$40,642,921	$21,616,185	$62,259,106	$75,922,955
Michigan	$171,555,438	$0	$65,896,197	$149,382,856	$215,279,053	$0	$0	$0	$0	$0
Minnesota	$64,436,512	$0	$14,307,326	$48,613,498	$62,920,824	$1,515,688	$0	$0	$0	$1,515,688
Mississippi	$107,462,912	$0	$36,432,330	$60,494,559	$96,926,889	$10,536,023	$0	$0	$0	$10,536,023
Missouri	$79,360,456	$0	$23,248,070	$72,140,346	$95,388,416	$0	$0	$0	$0	$0
Montana	$18,241,033	$3,953,265	$12,558,064	$15,736,459	$32,247,788	$0	$0	$0	$0	$0
Nebraska	$33,154,098	$0	$11,706,585	$21,891,551	$33,598,136	$0	$0	$0	$0	$0
Nevada	$30,339,072	$26,773,624	$41,896,088	$52,056,449	$120,726,161	$0	$0	$0	$0	$0
New Hampshire	$11,128,191	$5,904,101	$9,192,336	$10,779,193	$25,875,630	$0	$0	$0	$0	$0
New Jersey	$280,007,379	$0	$2,678,405	$105,206,164	$107,884,569	$172,122,810	$50,484,114	$27,708,720	$78,192,834	$93,929,976
New Mexico	$49,882,711	$30,254,889	$42,156,779	$52,045,406	$124,457,074	$0	$0	$0	$0	$0
New York	$324,369,298	$158,069,046	$272,452,310	$340,806,655	$771,328,011	$0	$0	$0	$0	$0
North Carolina	$166,646,858	$0	$46,263,692	$136,117,313	$182,381,005	$0	$0	$0	$0	$0
North Dakota	$10,507,847	$0	$4,655,638	$7,737,529	$12,393,167	$0	$0	$0	$0	$0
Ohio	$186,931,469	$0	$91,330,334	$157,996,958	$249,327,292	$0	$0	$0	$0	$0
Oklahoma	$96,376,717	$1,957,419	$57,370,830	$70,828,185	$130,156,434	$0	$0	$0	$0	$0
Oregon	$66,550,259	$26,864,035	$46,886,967	$56,734,200	$130,485,202	$0	$0	$0	$0	$0
Pennsylvania	$189,962,069	$31,495,433	$134,097,011	$173,554,494	$339,146,938	$0	$0	$0	$0	$0
Rhode Island	$47,747,057	$0	$6,228,523	$13,982,960	$20,211,483	$27,535,574	$19,818,422	$7,144,187	$26,962,609	$572,965
South Carolina	$31,443,638	$27,696,060	$55,545,268	$70,651,421	$153,892,749	$0	$0	$0	$0	$0
South Dakota	$9,815,781	$0	$5,291,176	$10,354,308	$15,645,484	$0	$0	$0	$0	$0
Tennessee	$4,141,305	$58,904,574	$80,406,910	$97,459,570	$236,771,054	$0	$0	$0	$0	$0
Texas	$385,656,675	$429,972,119	$454,741,626	$557,980,188	$1,442,693,933	$0	$0	$0	$0	$0
Utah	$38,856,325	$6,544,453	$32,207,704	$40,485,868	$79,238,025	$0	$0	$0	$0	$0
Vermont	$5,936,710	$2,843,319	$4,817,413	$5,753,333	$13,414,065	$0	$0	$0	$0	$0
Virginia	$110,731,159	$9,721,332	$72,302,825	$94,070,318	$176,094,475	$0	$0	$0	$0	$0
Washington	$36,808,872	$44,705,479	$64,705,479	$79,883,308	$189,294,266	$0	$0	$0	$0	$0
West Virginia	$35,413,299	$7,852,933	$23,349,395	$27,516,914	$58,719,242	$0	$0	$0	$0	$0
Wisconsin	$84,507,065	$0	$26,672,001	$69,563,162	$96,235,163	$0	$0	$0	$0	$0
Wyoming	$7,815,499	$4,706,456	$5,881,004	$6,942,463	$17,529,923	$0	$0	$0	$0	$0
TOTAL	$5,931,569,469	$1,237,487,567	$3,026,958,576	$4,987,500,000	$9,251,946,143	$812,954,662	$146,879,932	$137,832,296	$284,712,228	$528,242,434

/1 "Net" FY 2005 Allotments Available to State after reduction (if applicable) based on NIHRA and February 2007 Estimates
/2 As determined under NIHRA and published in the Federal Register on May 29, 2007

B. Table 2 Final FY 2008 Allotments and Table 3 Final FY 2009 Allotments

Key to Table 2 and Table 3

Column/Description

Column A = *State.* Column A contains the name of the State, District of Columbia, U.S. Commonwealth or Territory.

Column B = *Number of Children.* Column B contains the number of children for each State (provided in thousands) was determined and provided by the Bureau of the Census based on the arithmetic average of the number of low-income children and low-income uninsured children, and is based on the three most recent March supplements to the CPS of the Bureau of the Census officially available before the beginning of the calendar year in which the fiscal year begins. The FY 2008 allotments were based on the 2004, 2005, and 2006 March supplements to the CPS; the FY 2009 allotments were based on the 2005, 2006, and 2007 March supplements to the CPS. These data represent the number of people in each State under 19 years of age whose family income is at or below 200 percent of the poverty threshold appropriate for that family, and who are reported to be without health insurance coverage. The number of children for each State was developed by the Bureau of the Census based on the standard methodology used to determine official poverty status and uninsured status in its annual March CPS on these topics.

For FY 2008 and FY 2009, the number of children is equal to the sum of 50 percent of the number of low-income uninsured children in the State and 50 percent of the number of low-income children in the State.

Column C = *State Cost Factor.* Column C contains the State cost factor for a State is equal to the sum of: 0.15, and 0.85 multiplied by the ratio of the annual average wages in the health industry per employee for the State to the annual wages per employee in the health industry for the 50 States and the District of Columbia. The State cost factor for each State was calculated based on such wage data for each State as reported and determined as final by the BLS in the Department of Labor for each of the most recent 3 years and available before the beginning of the calendar year in which the fiscal year begins. The FY 2008 allotments were based on final BLS wage data for 2003, 2004, and 2005; the FY 2009 allotments were based on final BLS wage data for 2004, 2005, and 2006.

Column D = *Product.* Column D contains the Product for each State was calculated by multiplying the Number of Children in Column B by the State Cost Factor in Column C. The sum of the Products for all 50 States and the District of Columbia is below the Products for each State in Column D. The Product for each State and the sum of the Products for all States provides the basis for allotment to States and the District of Columbia.

Column E = *Proportion of Total.* Column E contains the calculated percentage share for each State of the total allotment available to the 50 States and the District of Columbia. The Percent Share of Total is calculated as the ratio of the Product for each State in Column D to the sum of the Products for all 50 States and the District of Columbia below the Products for each State in Column D.

Column F = *Adjusted Proportion of Total.* Column F contains the calculated percentage share for each State of the total allotment available after the application of the floors and ceiling and after any further reconciliation needed to ensure that the sum of the State proportions is equal to one. The three floors specified in the statute are: (1) The percentage calculated by dividing $2,000,000 by the total of the amount available for all allotments for the fiscal year; (2) an annual floor of 90 percent

of (that is, 10 percent below) the preceding fiscal year's allotment proportion; and (3) a cumulative floor of 70 percent of (that is, 30 percent below) the FY 1999 allotment proportion. There is also a cumulative ceiling of 145 percent of (that is, 45 percent above) the FY 1999 allotment proportion.

Column G = *Allotment.* Column G contains the SCHIP allotment for each State, Commonwealth, or Territory for the fiscal year. For each of the 50 States and the District of Columbia, this is determined as the Adjusted Proportion of Total in Column F for the State multiplied by the total amount available for allotment for the 50 States and the District of Columbia for the fiscal year.

For each of the U.S. Territories and Commonwealths, the allotment is determined as the Proportion of Total in Column E multiplied by the total amount available for allotment to the U.S. Territories and Commonwealths. For the U.S. Territories and Commonwealths, the Proportion of Total in Column E is specified in section 2104(c) of the Act. The total amount is then allotted to the U.S. Territories and Commonwealths according to the percentages specified in section 2104 of the Act. There is no adjustment made to the allotments of the U.S. Territories and Commonwealths as they are not subject to the application of the floors and ceiling. As a result, Column F in the table, the Adjusted Proportion of Total, is empty for the U.S. Territories and Commonwealths.

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TABLE 2 - STATE CHILDREN'S HEALTH INSURANCE PROGRAM ALLOTMENTS FOR FEDERAL FISCAL YEAR:						2008
A	B	C	D	E	F	G
STATE	NUMBER OF CHILDREN (000)	STATE COST FACTOR	PRODUCT	PROPORTION OF TOTAL (3)	ADJUSTED PROPORTION OF TOTAL (3)	ALLOTMENT (1)
ALABAMA	271	0.9710	262.6615	1.4466%	1.4502%	$72,328,116
ALASKA	39	1.0416	40.6241	0.2237%	0.2243%	$11,186,515
ARIZONA	474	1.0953	519.1515	2.8593%	2.8663%	$142,956,789
ARKANSAS	188	0.9184	172.6572	0.9509%	0.9533%	$47,543,965
CALIFORNIA	2,513	1.1406	2,865.8719	15.7842%	15.8228%	$789,164,316
COLORADO	254	1.0624	269.3176	1.4833%	1.4345%	$71,544,798
CONNECTICUT	125	1.1275	140.9403	0.7762%	0.7781%	$38,810,205
DELAWARE	41	1.1441	46.3370	0.2552%	0.2558%	$12,759,650
DISTRICT OF COLUMBIA	35	1.2691	43.7855	0.2412%	0.2417%	$12,057,061
FLORIDA	1,054	1.0396	1,095.7204	6.0348%	6.0496%	$301,724,376
GEORGIA	595	1.0258	609.8200	3.3587%	3.3669%	$167,923,820
HAWAII	50	1.1071	55.3542	0.3049%	0.3056%	$15,242,690
IDAHO	98	0.8821	86.4415	0.4761%	0.4773%	$23,803,069
ILLINOIS	732	1.0343	756.6061	4.1671%	4.1773%	$208,343,771
INDIANA	368	0.9623	353.6559	1.9478%	1.9526%	$97,384,888
IOWA	134	0.8991	120.4847	0.6636%	0.6652%	$33,177,409
KANSAS	147	0.9050	133.0412	0.7327%	0.7345%	$36,635,060
KENTUCKY	260	0.9531	247.8029	1.3648%	1.3682%	$68,236,560
LOUISIANA	332	0.8881	294.3987	1.6214%	1.6859%	$84,083,019
MAINE	60	0.9351	56.1069	0.3090%	0.3098%	$15,449,944
MARYLAND	245	1.0754	262.9344	1.4481%	1.4517%	$72,403,254
MASSACHUSETTS	241	1.1246	270.4600	1.4896%	1.4704%	$73,334,995
MICHIGAN	528	1.0116	534.1328	2.9418%	2.9490%	$147,082,132
MINNESOTA	176	1.0247	180.3546	0.9933%	0.9747%	$48,613,498
MISSISSIPPI	244	0.9096	221.4821	1.2198%	1.2228%	$60,988,699
MISSOURI	301	0.9364	281.8714	1.5524%	1.5562%	$77,617,870
MONTANA	65	0.8964	57.8205	0.3185%	0.3192%	$15,921,821
NEBRASKA	85	0.9133	77.6296	0.4276%	0.4286%	$21,376,574
NEVADA	155	1.2004	185.4691	1.0215%	1.0240%	$51,071,928
NEW HAMPSHIRE	37	1.0603	38.7000	0.2131%	0.2137%	$10,656,681
NEW JERSEY	338	1.1354	383.1961	2.1105%	2.1157%	$105,519,251
NEW MEXICO	167	0.9451	157.3656	0.8667%	1.0435%	$52,045,406
NEW YORK	1,107	1.0782	1,193.6097	6.5740%	6.5901%	$328,679,791
NORTH CAROLINA	567	0.9753	553.0036	3.0457%	2.7292%	$136,117,313
NORTH DAKOTA	33	0.8815	28.6491	0.1578%	0.1582%	$7,888,996
OHIO	598	0.9586	573.2667	3.1573%	3.1651%	$157,858,294
OKLAHOMA	246	0.8805	216.6141	1.1930%	1.4201%	$70,828,185
OREGON	215	1.0178	218.3122	1.2024%	1.2053%	$60,115,810
PENNSYLVANIA	614	0.9981	612.8498	3.3754%	3.3836%	$168,758,145
RHODE ISLAND	52	0.9842	50.6888	0.2792%	0.2799%	$13,957,989
SOUTH CAROLINA	264	0.9787	257.8997	1.4204%	1.4239%	$71,016,874
SOUTH DAKOTA	41	0.9304	38.1473	0.2101%	0.2106%	$10,504,473
TENNESSEE	356	1.0185	362.5776	1.9969%	2.0018%	$99,841,627
TEXAS	2,087	0.9680	2,019.8213	11.1244%	11.1517%	$556,190,553
UTAH	170	0.8821	149.9529	0.8259%	0.8279%	$41,291,966
VERMONT	22	0.9305	20.4703	0.1127%	0.1130%	$5,636,822
VIRGINIA	324	1.0126	328.0672	1.8069%	1.8113%	$90,338,630
WASHINGTON	320	1.0001	320.0467	1.7627%	1.6017%	$79,883,308
WEST VIRGINIA	104	0.9006	93.2084	0.5134%	0.5146%	$25,666,451
WISCONSIN	272	1.0119	274.7255	1.5131%	1.3948%	$69,563,162
WYOMING	24	0.9571	22.4925	0.1239%	0.1278%	$6,373,481
TOTAL STATES ONLY			18,156.5991	100.0000%	100.0000%	$4,987,500,000
ALLOTMENTS FOR COMMONWEALTHS AND TERRITORIES (2)						
PUERTO RICO				91.6%		$48,090,000
GUAM				3.5%		$1,837,500
VIRGIN ISLANDS				2.6%		$1,365,000
AMERICAN SAMOA				1.2%		$630,000
N. MARIANA ISLANDS				1.1%		$577,500
TOTAL COMMONWEALTHS AND TERRITORIES ONLY				100.0%		$52,500,000
TOTAL STATES AND COMONWEALTHS AND TERRITORIES						$5,040,000,000

FOOTNOTES

The numbers in Columns B - F are rounded for presentation purposes; the actual numbers used in the allotment calculations are not rounded

(1) Total amount available for allotment to the 50 States and the District of Columbia is $4,987,500,000; determined as the fiscal year appropriation ($5,000,000,000) reduced by the total amount available for allotment to the Commonwealths and Territories under section 2104(c) of the Act ($12,500,000)

(2) Total amount available for allotment to the Commonwealths and Territories is $12,500,000 (.25 percent of $5,000,000,000, the fiscal year appropriation), plus $40,000,000, as specified in section 2104(c)(4)(B) of the Act

(3) Percent share of total amount available for allotment to the Commonwealths and Territories is as specified in section 2104(c) of the Act

TABLE 3 - STATE CHILDREN'S HEALTH INSURANCE PROGRAM ALLOTMENTS FOR FEDERAL FISCAL YEAR: 2009

A	B	C	D	E	F	G
STATE	NUMBER OF CHILDREN (000)	STATE COST FACTOR	PRODUCT	PROPORTION OF TOTAL (3)	ADJUSTED PROPORTION OF TOTAL (3)	ALLOTMENT (1)
ALABAMA	264	0.9718	256.5460	1.4115%	1.4247%	$71,056,418
ALASKA	37	1.0262	37.9680	0.2089%	0.2089%	$10,419,103
ARIZONA	495	1.0988	543.3470	2.9896%	2.9890%	$149,074,041
ARKANSAS	200	0.9187	183.7485	1.0110%	1.0107%	$50,409,786
CALIFORNIA	2,526	1.1530	2,912.4258	16.0245%	16.0235%	$799,172,168
COLORADO	260	1.0571	274.3115	1.5093%	1.4345%	$71,544,798
CONNECTICUT	123	1.1227	137.5358	0.7567%	0.7567%	$37,742,257
DELAWARE	42	1.1411	47.9245	0.2637%	0.2636%	$13,149,433
DISTRICT OF COLUMBIA	35	1.2759	44.6556	0.2457%	0.2457%	$12,253,325
FLORIDA	1,062	1.0401	1,104.0875	6.0748%	6.0747%	$302,975,056
GEORGIA	626	1.0222	639.8673	3.5206%	3.5199%	$175,553,509
HAWAII	48	1.1098	53.2681	0.2931%	0.2931%	$14,617,724
IDAHO	99	0.8830	86.9789	0.4786%	0.4786%	$23,868,238
ILLINOIS	702	1.0320	723.9290	3.9831%	3.9831%	$198,658,964
INDIANA	360	0.9576	344.2470	1.8941%	1.8941%	$94,467,475
IOWA	139	0.8962	124.1244	0.6829%	0.6829%	$34,057,616
KANSAS	153	0.9017	137.9666	0.7591%	0.7590%	$37,854,500
KENTUCKY	258	0.9534	245.5061	1.3508%	1.3508%	$67,371,232
LOUISIANA	311	0.8913	276.7380	1.5226%	1.6859%	$84,083,019
MAINE	58	0.9347	53.7441	0.2957%	0.2957%	$14,748,335
MARYLAND	238	1.0752	255.9013	1.4080%	1.4080%	$70,223,851
MASSACHUSETTS	234	1.1307	264.0101	1.4526%	1.4526%	$72,449,046
MICHIGAN	529	1.0069	532.6662	2.9308%	2.9308%	$146,173,055
MINNESOTA	188	1.0266	192.9953	1.0619%	0.9747%	$48,613,498
MISSISSIPPI	257	0.9094	233.7164	1.2859%	1.2856%	$64,120,566
MISSOURI	321	0.9311	298.4182	1.6419%	1.6415%	$81,870,388
MONTANA	59	0.9026	52.8003	0.2905%	0.2905%	$14,489,345
NEBRASKA	90	0.9119	82.0711	0.4516%	0.4515%	$22,516,181
NEVADA	158	1.2039	190.2208	1.0466%	1.0437%	$52,056,449
NEW HAMPSHIRE	37	1.0598	38.6812	0.2128%	0.2128%	$10,614,794
NEW JERSEY	330	1.1298	372.2600	2.0482%	2.0482%	$102,154,736
NEW MEXICO	158	0.9467	149.1078	0.8204%	1.0435%	$52,045,406
NEW YORK	1,079	1.0741	1,158.9193	6.3765%	6.3765%	$318,028,014
NORTH CAROLINA	570	0.9677	551.1334	3.0324%	2.7292%	$136,117,313
NORTH DAKOTA	33	0.8841	28.7348	0.1581%	0.1581%	$7,885,338
OHIO	601	0.9545	573.1597	3.1536%	3.1536%	$157,285,194
OKLAHOMA	248	0.8848	219.4350	1.2074%	1.4201%	$70,828,185
OREGON	219	1.0229	223.4943	1.2297%	1.2296%	$61,324,862
PENNSYLVANIA	610	0.9977	608.5915	3.3485%	3.3485%	$167,008,303
RHODE ISLAND	49	0.9824	48.1377	0.2649%	0.2649%	$13,209,840
SOUTH CAROLINA	265	0.9758	258.0882	1.4200%	1.4200%	$70,823,971
SOUTH DAKOTA	43	0.9316	39.5911	0.2178%	0.2178%	$10,862,735
TENNESSEE	356	1.0224	363.4498	1.9997%	1.9997%	$99,737,076
TEXAS	2,073	0.9662	2,002.8577	11.0199%	11.0199%	$549,619,657
UTAH	182	0.8858	160.7746	0.8846%	0.8321%	$41,500,506
VERMONT	20	0.9397	18.7944	0.1034%	0.1034%	$5,157,513
VIRGINIA	349	1.0133	353.1463	1.9430%	1.9424%	$96,877,519
WASHINGTON	299	1.0054	300.6100	1.6540%	1.6017%	$79,883,308
WEST VIRGINIA	102	0.8979	91.1374	0.5014%	0.5014%	$25,009,711
WISCONSIN	259	1.0091	261.3529	1.4380%	1.3948%	$69,563,162
WYOMING	23	0.9631	21.6694	0.1192%	0.1278%	$6,373,481
TOTAL STATES ONLY			18,174.8461	100.0000%	100.0000%	$4,987,500,000
ALLOTMENTS FOR COMMONWEALTHS AND TERRITORIES (2)						
PUERTO RICO				91.6%		$48,090,000
GUAM				3.5%		$1,837,500
VIRGIN ISLANDS				2.6%		$1,365,000
AMERICAN SAMOA				1.2%		$630,000
N. MARIANA ISLANDS				1.1%		$577,500
TOTAL COMMONWEALTHS AND TERRITORIES ONLY				100.0%		$52,500,000
TOTAL STATES AND COMONWEALTHS AND TERRITORIES						$5,040,000,000

FOOTNOTES

The numbers in Columns B - F are rounded for presentation purposes, the actual numbers used in the allotment calculations are not rounded

(1) Total amount available for allotment to the 50 States and the District of Columbia is $4,987,500,000 determined as the fiscal year appropriation $5,000,000,000, reduced by the total amount available for allotment to the Commonwealths and Territories under section 2104(c) of the Act, $12,500,000

(2) Total amount available for allotment to the Commonwealths and Territories is $12,500,000 (.25 percent of $5,000,000,000, the fiscal year appropriation), plus $40,000,000, as specified in section 2104(c)(4)(B) of the Act

(3) Percent share of total amount available for allotment to the Commonwealths and Territories is as specified in section 2104(c) of the Act

C. Table 4—Redistribution of Unexpended FY 2005 Allotments

Table 4 contains the amounts, if any, of each State's FY 2005 redistributed allotment determined in accordance with section 2104(i) of the Act, as amended by section 136(c) of Public Law 110–92. Under this provision, in FY 2008 the redistribution of the unexpended FY 2005 allotments remaining at the end of FY 2007 was determined on a monthly basis using the States' projected FY 2008 expenditures as compared to their other allotments available in FY 2008 to determine States' projected monthly shortfalls in FY 2008. The unexpended FY 2005 allotments were applied towards meeting these projected State FY 2008 monthly shortfalls.

Key to Table 4

Column/Description

Column A = *State*. Column A contains the name of the State.

Column B = *FY 2005 Redistribution for December 2007*. Column B contains the amount if any of the State's FY 2005 redistributed allotment for the month of December 2007, determined in accordance with the provisions of section 2104(i) of the Act.

Column C = *FY 2005 Redistribution for January 2008*. Column C contains the amount if any of the State's FY 2005 redistributed allotment for the month of January 2008, determined in accordance with the provisions of section 2104(i) of the Act.

Column D = *FY 2005 Redistribution for February 2008*. Column D contains the amount if any of the State's FY 2005 redistributed allotment for the month of February 2008, determined in accordance with the provisions of section 2104(i) of the Act.

Column E = *FY 2005 Redistribution for March 2008*. Column E contains the amount if any of the State's FY 2005 redistributed allotment for the month of March 2008, determined in accordance with the provisions of section 2104(i) of the Act.

Column F = *Total FY 2005 Redistribution. B + C + D + E*. Column F contains the total amount if any of the State's FY 2005 redistributed allotment in FY 2008, calculated as the sum of the amounts in Columns B, C, D and E, representing the amounts of such redistributions for the months of December 2007, and January, February, and March of 2008, respectively.

Table 4 - Redistribution of Unexpended FY 2005 Allotments					
Bal. Unexp FY 05 Allots:	$106,975,320	$106,034,309	$80,616,489	$28,993,621	
State	FY 2005 Redistribution for December 2007	FY 2005 Redistribution for January 2008	FY 2005 Redistribution for February 2008	FY 2005 Redistribution for March 2008	Total FY 2005 Redistribution B + C + D + E
A	B	C	D	E	F
Alabama	$0	$0	$0	$0	$0
Alaska	$0	$0	$0	$0	$0
Arizona	$0	$0	$0	$0	$0
Arkansas	$0	$0	$0	$0	$0
California	$0	$0	$0	$0	$0
Colorado	$0	$0	$0	$0	$0
Connecticut	$0	$0	$0	$0	$0
Delaware	$0	$0	$0	$0	$0
Dist. Of Col.	$0	$0	$0	$0	$0
Florida	$0	$0	$0	$0	$0
Georgia	$0	$0	$0	$0	$0
Hawaii	$0	$0	$0	$0	$0
Idaho	$0	$0	$0	$0	$0
Illinois	$0	$0	$0	$0	$0
Indiana	$0	$0	$0	$0	$0
Iowa	$0	$0	$0	$0	$0
Kansas	$0	$0	$0	$0	$0
Kentucky	$0	$0	$0	$0	$0
Louisiana	$0	$0	$0	$0	$0
Maine	$0	$0	$0	$338,173	$338,173
Maryland	$0	$0	$0	$3,274,469	$3,274,469
Massachusetts	$0	$15,182,664	$21,459,681	$10,260,595	$46,902,941
Michigan	$0	$0	$0	$0	$0
Minnesota	$0	$0	$0	$0	$0
Mississippi	$0	$0	$0	$698,349	$698,349
Missouri	$0	$0	$0	$0	$0
Montana	$0	$0	$0	$0	$0
Nebraska	$0	$0	$0	$0	$0
Nevada	$0	$0	$0	$0	$0
New Hampshire	$0	$0	$0	$0	$0
New Jersey	$0	$5,193,397	$25,446,703	$12,166,925	$42,807,025
New Mexico	$0	$0	$0	$0	$0
New York	$0	$0	$0	$0	$0
North Carolina	$0	$0	$0	$0	$0
North Dakota	$0	$0	$0	$0	$0
Ohio	$0	$0	$0	$0	$0
Oklahoma	$0	$0	$0	$0	$0
Oregon	$0	$0	$0	$0	$0
Pennsylvania	$0	$0	$0	$0	$0
Rhode Island	$941,011	$5,041,758	$4,716,484	$2,255,109	$12,954,362
South Carolina	$0	$0	$0	$0	$0
South Dakota	$0	$0	$0	$0	$0
Tennessee	$0	$0	$0	$0	$0
Texas	$0	$0	$0	$0	$0
Utah	$0	$0	$0	$0	$0
Vermont	$0	$0	$0	$0	$0
Virginia	$0	$0	$0	$0	$0
Washington	$0	$0	$0	$0	$0
West Virginia	$0	$0	$0	$0	$0
Wisconsin	$0	$0	$0	$0	$0
Wyoming	$0	$0	$0	$0	$0
Totals	$941,011	$25,417,820	$51,622,868	$28,993,621	$106,975,320

D. Table 5—Determination of the Additional FY 2008 Shortfall Allotments

Key to Table 5—ADDITIONAL FY 2008 ALLOTMENTS TO ELIMINATE THE REMAINING FY 2008 SHORTFALLS

Table 5 presents the determination of the amounts of the additional FY 2008 shortfall allotments to eliminate the shortfalls remaining in FY 2008 for the 50 States and DC based on the most recent expenditure projections for FY 2008, after the provision of the FY 2005 redistributed allotments. It also presents the determination of the additional FY 2008 allotments provided to the Commonwealths and Territories.

Column/Description

Column A = *State*. Column A contains the name of the State, District of Columbia, the Commonwealth or Territory.

Column B = *Total Expenditures FY 2008*. Column B contains the projected FY 2008 Federal expenditures based on the submissions by State through November 30, 2007.

Column C = *Carryover FY 06 & 07 Allotments Avail. in FY 08*. Column C contains the total unexpended FY 2006 and FY 2007 allotments remaining at the end of FY 2007 and carried over into and available in FY 2008.

Column D = *FY 2008 Allotments*. Column D contains the amounts of the 50 States' and District of Columbia FY 2008 allotments (same as in Table 2).

Column E = *FY 2005 Redistribution*. Column E contains the total FY 2005 redistributed allotments determined in accordance with section 2104(i) of the Act (same as in Table 4).

Column F = *FY 2008 Total Available Allotments*. Column F contains the total allotment funds available to each State in FY 2008, calculated as the sums of the amounts in Columns C, D, and E.

Column G = *FY 2008 Shortfall/FY 2008 SF Allotment. B − F*. For the 50 States and the District of Columbia, Column G contains the determination of the shortfall (if any) in SCHIP funding for each State in FY 2008 after the application of the projected expenditures for FY 2008 against the total allotments available in FY 2008, calculated as the amount in Column B minus the amount in Column F. For the 50 States and the District of Columbia, the amount in Column G represents the amount of the FY 2008 shortfall allotment to eliminate the FY 2008 shortfall in SCHIP funding. For the Commonwealths and Territories the amount in Column G is the additional FY 2008 allotment. The aggregate amount available for additional allotment to the Commonwealths and Territories ($12,164,562) is calculated as 1.05 percent of the total projected FY 2008 shortfalls ($1,158,529,602).

Table 5 - FY 2008 Additional Allotments

State	Total Expenditures FY 2008 /1	Carryover FY 06 & FY 07 Allotments Avail. in FY 08	FY 2008 Allotments	FY 2005 Redistribution	FY 2008 Total Available Allotments C + D + E	FY 2008 Shortfall/ FY 2008 SF Allotment B - F
A	B	C	D	E	F	G
Alabama	112,547,000	$45,797,588	$72,328,116	$0	$118,125,704	$0
Alaska	22,780,000	$587,849	$11,186,515	$0	$11,774,364	$11,005,636
Arizona	137,799,000	$33,084,592	$142,956,789	$0	$176,041,381	$0
Arkansas	117,977,000	$56,487,700	$47,543,965	$0	$104,031,665	$13,945,335
California	1,290,430,000	$296,072,645	$789,164,316	$0	$1,085,236,961	$205,193,039
Colorado	77,671,000	$99,690,820	$71,544,798	$0	$171,235,618	$0
Connecticut	33,043,000	$68,807,697	$38,810,205	$0	$107,617,902	$0
Delaware	9,471,000	$17,940,324	$12,759,650	$0	$30,699,974	$0
Dist. Of Col	7,490,000	$20,415,052	$12,057,061	$0	$32,472,113	$0
Florida	290,471,000	$453,103,635	$301,724,376	$0	$754,828,011	$0
Georgia	325,501,000	$0	$167,923,820	$0	$167,923,820	$157,577,180
Hawaii	18,346,000	$13,959,537	$15,242,690	$0	$29,202,227	$0
Idaho	31,109,000	$36,741,030	$23,803,069	$0	$60,544,099	$0
Illinois	268,822,333	$0	$208,343,771	$0	$208,343,771	$60,478,562
Indiana	92,646,000	$115,204,435	$97,384,888	$0	$212,589,323	$0
Iowa	62,374,000	$0	$33,177,409	$0	$33,177,409	$29,196,591
Kansas	51,233,000	$19,417,884	$36,635,060	$0	$56,052,944	$0
Kentucky	83,030,000	$62,854,053	$68,236,560	$0	$131,090,613	$0
Louisiana	137,287,000	$36,969,652	$84,083,019	$0	$121,052,671	$16,234,329
Maine	32,411,000	$0	$15,449,944	$338,173	$15,788,117	$16,622,883
Maryland	159,448,000	$0	$72,403,254	$3,274,469	$75,677,723	$83,770,277
Massachusetts	275,637,000	$0	$73,334,995	$46,902,941	$120,237,936	$155,399,064
Michigan	183,042,000	$43,723,615	$147,082,132	$0	$190,805,747	$0
Minnesota	84,059,000	$0	$48,613,498	$0	$48,613,498	$35,445,502
Mississippi	133,440,000	$0	$60,988,699	$698,349	$61,687,048	$71,752,952
Missouri	108,682,000	$16,027,960	$77,617,870	$0	$93,645,830	$15,036,170
Montana	21,666,000	$14,006,755	$15,921,821	$0	$29,928,576	$0
Nebraska	35,457,000	$444,038	$21,376,574	$0	$21,820,612	$13,636,388
Nevada	37,943,000	$90,387,089	$51,071,928	$0	$141,459,017	$0
New Hampshire	13,350,000	$14,747,439	$10,656,681	$0	$25,404,120	$0
New Jersey	323,057,000	$0	$105,519,251	$42,807,025	$148,326,276	$174,730,724
New Mexico	102,960,000	$74,574,363	$52,045,406	$0	$126,619,769	$0
New York	376,694,000	$446,958,713	$328,679,791	$0	$775,638,504	$0
North Carolina	194,654,000	$15,734,147	$136,117,313	$0	$151,851,460	$42,802,540
North Dakota	12,903,000	$1,885,320	$7,888,996	$0	$9,774,316	$3,128,684
Ohio	208,958,000	$62,395,823	$157,858,294	$0	$220,254,117	$0
Oklahoma	124,361,000	$33,779,717	$70,828,185	$0	$104,607,902	$19,753,098
Oregon	87,017,000	$63,934,943	$60,115,810	$0	$124,050,753	$0
Pennsylvania	226,814,000	$149,194,869	$168,758,145	$0	$317,953,014	$0
Rhode Island	59,733,000	$0	$13,957,989	$12,954,362	$26,912,351	$32,820,649
South Carolina	117,673,000	$122,449,111	$71,016,874	$0	$193,465,985	$0
South Dakota	13,585,000	$5,829,703	$10,504,473	$0	$16,334,176	$0
Tennessee	113,290,000	$177,866,480	$99,841,627	$0	$277,708,107	$0
Texas	792,682,000	$1,012,721,814	$556,190,553	$0	$1,568,912,367	$0
Utah	51,585,000	$40,381,700	$41,291,966	$0	$81,673,666	$0
Vermont	4,389,000	$7,477,355	$5,636,822	$0	$13,114,177	$0
Virginia	124,805,000	$65,363,316	$90,338,630	$0	$155,701,946	$0
Washington	30,043,000	$144,588,787	$79,883,308	$0	$224,472,095	$0
West Virginia	40,490,000	$23,305,943	$25,666,451	$0	$48,972,394	$0
Wisconsin	80,054,000	$11,728,098	$69,563,162	$0	$81,291,260	$0
Wyoming	7,793,000	$9,714,424	$6,373,481	$0	$16,087,905	$0
Totals	**$7,348,702,333**	**$4,026,356,015**	**$4,987,500,000**	**$106,975,320**	**$9,120,831,335**	**$1,158,529,602**

	Pct. Share For Territories	Tot. Avail for Add'tl Allots to Territories /2
		$12,164,561
Amer. Samoa	1.20%	$145,975
Guam	3.50%	$425,760
N. Mariana Islands	1.10%	$133,810
Puerto Rico	91.60%	$11,142,738
Virgin Islands	2.60%	$316,279
Total	100.00%	$12,164,562
National Total		$1,170,694,164

Footnotes:
/1 Estimates as submitted through November 30, 2007
/2 Under sec. 2104(j) of the Soc. Sec. Act, total available for Territories, $12,164,561, calculated as 1.05% of total shortfall for the 50 States/D.C. ($1,158,529,602)

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IV. Regulatory Impact Statement

We have examined the impact of this rule as required by Executive Order 12866 (September 1993, Regulatory Planning and Review), the Regulatory Flexibility Act (RFA) (September 19, 1980 Pub. L. 96–354), section 1102(b) of the Social Security Act, the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4) and Executive Order 13132 on Federalism, and the Congressional Review Act (5 U.S.C. 804(2)).

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for major rules with economically significant effects ($100 million or more in any one year). We have determined that this notice is economically significant. However, this notice only announces the availability of such allotment funds determined that were calculated based on methodologies specified in statute and does not put forward any discretionary administrative policies. Therefore, we have determined that there are no policy options that require an analysis beyond that which is presented in section II. above.

The RFA requires agencies to analyze options for regulatory relief of small businesses if a rule. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and small governmental jurisdictions. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of less than $6.5 million to $31.5 million in any 1 year. Individuals and States are not included in the definition of a small entity. We are not preparing an analysis for the RFA because we have determined that this notice will not have a significant economic impact on a substantial number of small entities.

In addition, section 1102(b) of the Act requires us to prepare a regulatory impact analysis if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. This analysis must conform to the provisions of section 604 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside of a Core-Based Statistical Area and has fewer than 100 beds. We are not preparing an analysis for section 1102(b) of the Act because we have determined that this notice will not have a significant impact on the operations of a substantial number of small rural hospitals.

Section 202 of the Unfunded Mandates Reform Act of 1995 also requires that agencies assess anticipated costs and benefits before issuing any rule whose mandates require spending in any 1 year of $100 million in 1995 dollars, updated annually for inflation. That threshold level is currently approximately $125 million. This notice will not create an unfunded mandate on States, tribal, or local governments. Therefore, we are not required to perform an assessment of the costs and benefits of this notice.

Executive Order 13132 establishes certain requirements that an agency must meet when it publishes a proposed rule (and subsequent final rule) that imposes substantial direct requirement costs on State and local governments, preempts State law, or otherwise has Federalism implications. We have reviewed this notice and have determined that it does not significantly affect States' rights, roles, and responsibilities.

Low-income children will benefit from payments under this program through increased opportunities for health insurance coverage. We believe this notice will have an overall positive impact by informing States, the District of Columbia, and Commonwealths and Territories of the extent to which they are permitted to expend funds under their child health plans using the additional FY 2007 shortfall allotment amounts.

In accordance with the provisions of Executive Order 12866, this notice was reviewed by the Office of Management and Budget.

V. Waiver of Notice of Proposed Rulemaking and Delay in Effective Date

We ordinarily publish a proposed notice in the **Federal Register** to provide a period of public comment before the provisions of a notice, such as this, are effective in accordance with section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). We also ordinarily provide a 30-day delay in the effective date of the provisions of a notice in accordance with section 553(d) of the APA (5 U.S.C 553(d)). However, we can waive both the notice of proposed rulemaking and the 30-day delay in effective date if the Secretary finds, for good cause, that it is impracticable, unnecessary, or contrary to the public interest, and incorporates a statement of the finding and the reasons in the notice.

We find there is good cause to waive notice of proposed rulemaking and the delay in the effective date of this issuance of the SCHIP funding provisions and associated methodologies because the delay required for a notice of proposed rulemaking and the delay in the effective date would be contrary to the public interest because the pressing financial needs faced by some States mean that such delays could result in disruption of program operations.

We determined the amounts of the FY 2008 SCHIP funds discussed in this notice as expeditiously as possible in order to make them available to the States as soon as possible. We believe that this was necessary to minimize any disruption in program operations that could result if States did not have secure funding commitments. In determining the amounts of the FY 2008 SCHIP funds discussed in this notice, we used State FY 2007 expenditures and FY 2008 projected Federal expenditures as contained in the most recent available States' quarterly expenditure and budget report submissions as certified by the States through November 30, 2007. The FY 2008 allotments, the FY 2005 redistributed allotments, and the additional FY 2008 allotments make available Federal funds to all States, and particularly shortfall States that may need these funds to continue program operations.

We are waiving notice of proposed rulemaking and the 30-day delay in effective date, and are publishing this issuance of the **Federal Register** as a notice.

In accordance with the provisions of this notice, we have determined the amounts of the FY 2008 SCHIP funding provisions contained in this notice are effective immediately upon publication of this notice.

Authority: Section 1102 of the Social Security Act (42 U.S.C. 1302).

(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program)

(Catalog of Federal Domestic Assistance Program No. 93.767, State Children's Health Insurance Program)

Dated: April 1, 2008.

Kerry Weems,

Acting Administrator, Centers for Medicare & Medicaid Services.

Dated: April 29, 2008.

Michael O. Leavitt,

Secretary.

[FR Doc. E8–11612 Filed 5–22–08; 8:45 am]

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