



# Implementing the Child Care and Development Block Grant Reauthorization: **A Guide for States**

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## **THE CENTER FOR LAW AND SOCIAL POLICY**

**(CLASP)** advocates for public policies that reduce poverty, improve the lives of poor people, and create ladders to economic security for all, regardless of race, gender, or geography. CLASP targets large-scale opportunities to reform federal and state programs, funding, and service systems and then works on the ground for effective implementation. CLASP's research, analysis, and advocacy foster new ideas, position governments, and advocate to better serve low-income people.

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# Introduction

**IN NOVEMBER 2014, CONGRESS REAUTHORIZED THE CHILD CARE AND DEVELOPMENT BLOCK GRANT (CCDBG),<sup>1</sup>** the major federal child care program, for the first time since 1996. This reauthorization presents a promising opportunity for states to help families access safe, reliable, affordable child care that allows parents to work and promotes children's healthy growth and development. The legislation includes critical provisions to ensure the health and safety of children in child care settings, improve the quality of care, and make it easier for families to get and keep child care assistance—strengthening its dual roles as both a major early childhood education program and a work support for low-income families. By giving states more flexibility to structure policies around the needs of children and families, the reauthorization also makes it easier to link the child care assistance program to other programs, including other early childhood education programs and additional supports for families.

To take advantage of the opportunity offered by the reauthorization, and fulfill the goals of the legislation, states will need to be strategic and thoughtful about implementation, including paying careful attention to resources. States should:

- Determine their broader goals in implementing the new law;
- Identify the full set of changes they need to make to their current policies to meet those goals; and
- Assess the financial and other resources necessary to overcome the gap between their current policies and their goals for the implementation.

A piecemeal approach to implementation that lacks a clear vision could result in policy decisions that do not add up to meaningful change for families—or worse, could result in states making tradeoffs that harm families by, for example,

shifting resources to comply with the law in a way that causes children and their families to lose child care assistance. This guide suggests strategies for maximizing the opportunities presented by the law and minimizing negative consequences. In addition, the guide demonstrates how additional resources can enable states to realize the full potential of the law for helping children and families.

## WHAT THE RESEARCH SAYS: HOW AN IMPROVED CCDBG CAN HELP BOTH CHILDREN AND PARENTS

The reauthorized CCDBG recognizes that child care is a two-generation support and advances the dual goals of child care assistance and child care itself: supporting parents' work and promoting children's healthy development. Child care assistance helps parents afford reliable child care, which can help them gain and maintain stable employment; for example, one study found that single mothers of young children who received child care assistance were 39 percent more likely to still be employed after two years than those who did not receive any help paying for child care.<sup>2</sup> Research also demonstrates the importance of high-quality child care to children's development: studies have shown that children who have attended high-quality care perform better on tests of cognitive skills, language ability, vocabulary, mathematical ability, memory and attention, and social skills.<sup>3</sup>

These two goals—helping parents work and promoting children's well-being—are interrelated. When parents are able to work and earn a steady income, they can offer their children more stability, opportunities, and resources. Families can live in better neighborhoods with better schools, provide nutritious meals, and buy books and toys that allow their children to learn and explore. And when parents have peace of mind that their children are in child

care that offers a safe, nurturing environment, they are more likely to be productive at work, and thus more likely to stay employed and possibly even advance to a position with higher pay.<sup>4</sup>

As states implement the reauthorization law, their policy decisions should be centered around these two important and complementary goals of supporting parents' ability to work and promoting child well-being.

### NEW OPPORTUNITIES

The new CCDBG law recognizes the need for a new vision of child care in the United States: one in which all children have access to higher-quality child care, and one

in which parents seeking help to pay for child care face fewer barriers. Key provisions in the new law support the following objectives:

- Protecting the health and safety of children in care through more consistent standards and monitoring of standards.
- Improving the quality of care, including through increased supports for child care providers.
- Enabling families to more easily access child care assistance that supports stable and continuous care and that can be coordinated with other programs (see Table 1).

**Table 1. Key CCDBG Reauthorization Opportunities**

Opportunities	Provisions
Protecting the health and safety of children in care through more consistent standards and monitoring of standards	<ul style="list-style-type: none"> <li>• Establishes minimum health and safety standards, including pre-service or orientation training and ongoing training for providers on specific topic areas.</li> <li>• Requires comprehensive criminal background checks and on-site inspections for all providers, including those who are license-exempt.</li> <li>• Requires training for licensing inspectors and appropriate inspector-to-provider ratios.</li> <li>• Requires that states establish group size limits and appropriate provider-to-child ratios.</li> </ul>
Improving the quality of care, including through increased supports for child care providers	<ul style="list-style-type: none"> <li>• Increases the quality set-aside over five years and authorizes a set-aside to increase the supply and quality of infant-toddler care.</li> <li>• Requires states to mandate ongoing training that provides for a progression of professional development to improve the skills of providers.</li> <li>• Requires states to implement early learning and development guidelines.</li> <li>• Promotes building the supply of high-quality care for underserved populations.</li> <li>• Requires states to establish payment policies and practices that reflect generally accepted payment practices for child care providers.</li> </ul>
Enabling families to more easily access child care assistance that supports stable and continuous care and that can be coordinated with other programs	<ul style="list-style-type: none"> <li>• Expands consumer education and outreach requirements.</li> <li>• Establishes a minimum 12-month eligibility period for all families.</li> <li>• Allows for continued assistance as families' income increases (as long as it remains below the federal eligibility limit).</li> <li>• Requires redetermination processes that do not unduly disrupt parents' employment.</li> <li>• Encourages states to take steps to meet the needs of underserved populations.</li> </ul>

As states undertake the policy changes necessary to achieve the above objectives through these and other strategies included in the new law, state leaders and agencies should also take the opportunity to reexamine and systematically revise their administrative rules and procedures to ensure they effectively serve children and families. States should consider where they can reduce or eliminate unnecessary complexity in administrative policies and practices that create burdens for families and agencies. States should examine how they can use data, technology, staff training, and other approaches and tools to improve the way they administer their child care assistance programs. In a number of states, administrators and policymakers have already made significant strides creating systems that are more family-friendly, more efficient, and more accountable;<sup>5</sup> going forward, states will be able to build on this progress and learn from one another as they improve administration of their programs.

## NEW CHALLENGES

The reauthorization also entails new challenges—and new costs—for states as they work to comply with the law's new requirements. The law's objectives of raising health and safety standards for all children receiving CCDBG-funded child care and increasing the quality of care are essential for the well-being of children, especially the most vulnerable children. Yet states need to find a way to attain these objectives without diverting resources from other essential areas, such as maintaining families' access to child care assistance. As states weigh tradeoffs, they should always keep in mind the ultimate goals of the law: advancing children's healthy development and learning and promoting families' economic security and success, both of which are critical to our broader national prosperity.

While states will be positioned differently with respect to the extent of policy changes needed to comply with the law, all states will face some new costs, and in many states these costs will be substantial. Yet, unlike the past two reauthorizations in 1990 and 1996, this law was not accompanied with a guarantee of significant new federal funds. While Congress recognized that some additional resources were needed to implement the law, it only increased the authorization levels for discretionary CCDBG funding (the funding specified each year in the annual

appropriations measure) by 16 percent over six years, an increase of less than \$400 million above total funding for the same period at the fiscal year (FY) 2014 (pre-reauthorization) funding level. Moreover, these funds are not guaranteed and must be allocated by Congress each year. The law does not increase the mandatory portion of CCDBG funding (see Table 2 and Appendix IV). States are also required to contribute funding in the form of state matching and maintenance-of-effort (MOE) funds.<sup>6</sup>

**Table 2. Federal CCDBG Funding**

	Federal Discretionary (in billions of \$)	Federal Mandatory (in billions of \$)
<b>FY 2015 – Actual</b>	\$2.435	\$2.917
<b>FY 2016 – Authorized</b>	\$2.478	\$2.917
<b>FY 2017 – Authorized</b>	\$2.540	\$2.917
<b>FY 2018 – Authorized</b>	\$2.603	\$2.917
<b>FY 2019 – Authorized</b>	\$2.669	\$2.917
<b>FY 2020 – Authorized</b>	\$2.749	\$2.917

The absence of new resources to implement the law raises the possibility that states could make tradeoffs that will undermine the very goals of the reauthorization. States should work to prevent such outcomes—and in particular, they should avoid reducing the number of children receiving child care assistance. Already, the number of children receiving assistance has declined significantly. In 2013, CCDBG served the smallest number of children since 1998. Since 2006 alone, an estimated 315,000 children have lost child care assistance (see Figure 1 and Appendix V).<sup>7</sup> The U.S. Department of Health and Human Services (HHS) estimated that only one in six children eligible under federal eligibility rules actually received assistance in 2011, even before additional children lost subsidies from 2011 to 2013.<sup>8</sup> Further declines would deprive more families of the help they need, with negative consequences for their children; parents without access to child care assistance are forced to choose among difficult options in order to work, often leaving their children in unsafe settings.<sup>9</sup>

States should also be extremely cautious about diverting resources from areas essential to child care quality, such as professional development for child care providers and provider payment rates. Research demonstrates that high-quality interactions between providers and children are critical to children's well-being—and the providers' understanding of child development and effective teaching strategies necessary to produce those interactions requires both professional development and ongoing support. If states shortchange investments in educating the child care workforce, providers will lack the knowledge and skills they need to offer a high-quality learning experience for children in their care. If states lower payment rates, maintain them at inadequate levels, or increase provider licensing or other fees, child care programs will lack the resources to offer salaries sufficient to attract and retain qualified staff. Failing to support child care providers adequately also has a negative impact on the providers themselves, most of whom are women and many of whom are struggling to support their own families.

For states to comply fully with the new requirements of the reauthorization while avoiding tradeoffs that harm children and families—and the child care providers who serve them—it will be essential for policymakers to appropriate significant new federal and state resources.

### ABOUT THIS GUIDE

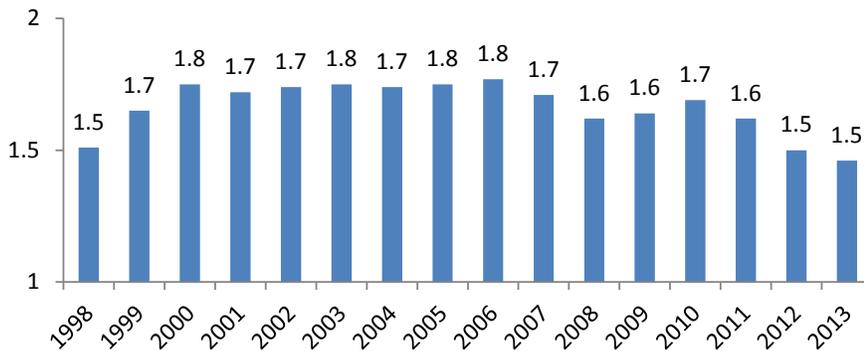
This guidebook summarizes and analyzes key sections of the law, offers recommendations—and cautions—for states as they consider how to implement those sections,

and suggests related resources that may be useful for background information or model policies. The appendices include a summary of the law, a detailed chart comparing specific provisions of the new law with those of the previous law, a timeline showing when states must begin implementing the different provisions of the law, a checklist indicating state compliance with select provisions of the law, and state-by-state information on CCDBG funding and children served.

This guide offers a preliminary assessment of the reauthorization law and promising strategies for implementing its provisions. CLASP and NWLC will continue to gather information and input and provide analysis, recommendations, and technical assistance as states proceed with implementation and as the federal government issues additional guidance and regulations.

The guide is designed to help advocates and policymakers gain a better understanding of what will be entailed in fully implementing the law, so that they can make the case for the necessary legislative and administrative policy changes at the state level and for funding increases at the federal and state level. States can begin to plan now for the fiscal and legislative impact of the law, including both those provisions that are effective upon enactment and those provisions for which implementation is staggered over a three-year period. With a carefully thought-out approach, and the necessary resources, states can take advantage of the opportunity presented by the reauthorization to support and advance the well-being of children and families.

**Figure 1. Average Number of Children Served Monthly in CCDBG in the United States FY 1998-2013 (in millions)**



Source: HHS administrative data. FY 2013 data are preliminary.

## GOING FORWARD

Achieving the full vision of the CCDBG reauthorization will take tremendous work at all levels—by advocates, policymakers, and others—and significant new resources. As a nation, we must be ready and willing to make those important changes and necessary investments. This implementation guide is meant to be a starting point. There will be more guidance to come, and more budgets to be debated. CLASP and NWLC will continue to work closely with those involved in implementing the law in the states and at the federal level to realize the potential benefits of the reauthorization.

## GETTING STARTED ON IMPLEMENTATION

This guide provides states with a toolkit of policies and implementation strategies and processes to use as they work to implement the reauthorization. The following steps may be helpful for states as they get started:

1. **Reflect on program goals.** Consider the goals of the reauthorization—making the program more child-focused, family friendly, and fair to providers—and how implementation of new policies and improved program administration and management can achieve these goals. Also consider broader agency or statewide goals—such as promoting economic opportunities and jobs, strengthening parents' educational opportunities, improving children's early learning or school readiness, or increasing the efficiency of state or local government—that can be advanced through implementation.
2. **Thoroughly and carefully assess existing state policies, processes, and implementation.** Comprehensively and honestly assess the state's child care subsidy policies and processes to identify problematic areas for families or agency workers, evaluate gaps between the program's current policies and requirements under the new law, consider how the current policies and processes may impede fulfillment of identified program goals, and seek additional resources necessary to achieve these goals. For this assessment, solicit as many perspectives as possible—from local managers and caseworkers, clients or parents, providers, and policy staff—to gain a true understanding of policies as experienced on the front line.
3. **Use data and technology thoughtfully to improve services.** Effective and ongoing use of data and careful design of computer systems can allow those implementing the child care assistance program to obtain feedback about program efficiency and service delivery and facilitate overall program evaluation.
4. **Examine business processes.** Consider ways to improve business processes, including the use of technology and tools, administrative structures and systems, and caseworker staffing decisions, to increase the efficiency and effectiveness of office policies and practices.
5. **Reinforce changes through multiple strategies and communication at all levels.** Implementing systemic change requires modifications in policy and regulation, staff training, program integrity rules, oversight approaches, administrative practices, tools for workers, and data collection. Ensure that everyone from state administrators to intake staff understand both the changes in policies and practice and the philosophy behind them, elevating the goals of access to services, stability for families, efficiency, and workload reduction for staff. These efforts will need to be sustained over time and adapted in response to new information.

Note: This text draws on "How to Start Simplifying and Aligning Policies," in *Confronting the Child Care Eligibility Maze: Simplifying and Aligning Child Care with Other Work Supports*, Urban Institute and CLASP, 2013.

- 1 CCDBG is also commonly referred to as the Child Care and Development Fund (CCDF) and the two terms may be used interchangeably.
- 2 Heather Boushey, *Staying Employed After Welfare: Work Supports and Job Quality Vital to Employment Tenure and Wage Growth*, Economic Policy Institute, 2002, [http://www.epi.org/publication/briefingpapers\\_bp128/](http://www.epi.org/publication/briefingpapers_bp128/).
- 3 See, for example, National Institute of Child Health and Human Development, *Preschoolers Who Experienced Higher Quality Care Have Better Intellectual and Language Skills*, 2001; Ellen S. Peisner-Feinberg, Richard M. Clifford, Mary L. Culkin, et al., *The Children of the Cost, Quality, and Outcomes Study Go To School*, University of North Carolina at Chapel Hill, Frank Porter Graham Child Development Center, 1999, [http://fpg.unc.edu/sites/fpg.unc.edu/files/resources/reports-and-policy-briefs/NCEDL\\_CQO\\_technical\\_report.pdf](http://fpg.unc.edu/sites/fpg.unc.edu/files/resources/reports-and-policy-briefs/NCEDL_CQO_technical_report.pdf).
- 4 Robert H. Bradley and Robert F. Corwyn, "Socioeconomic Status and Child Development," *Annual Review of Psychology* 53 (2002); Greg J. Duncan, Pamela A. Morris, and Chris Rodrigues, "Does Money Really Matter? Estimating Impacts of Family Income on Young Children's Achievement with Data from Random-Assignment Experiments," *Developmental Psychology* 47 (2011).
- 5 Ed. Olivia Golden, *New Perspectives on Transforming States' Health and Human Services: Practical Commentaries on the First Year of the Work Support Strategies Initiative*, Urban Institute, 2013, <http://www.urban.org/publications/412833.html>.
- 6 The total state contribution in FY 2015 is estimated at \$2.2 billion. The state matching contribution changes yearly, though not significantly.
- 7 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Child Care and Development Fund Statistics*, "Average Monthly Adjusted Number of Families and Children Served," FY 2001, <http://www.acf.hhs.gov/programs/occ/resource/ccdf-data-01acf800-0>, and FY 2013 (Preliminary Data), <http://www.acf.hhs.gov/programs/occ/resource/fy-2013-ccdf-data-tables-preliminary-table-1>.
- 8 U.S. Department of Health and Human Services, Office of Human Services Policy, Office of the Assistant Secretary for Planning and Evaluation, *ASPE Issue Brief: Estimates of Child Care Eligibility and Receipt for Fiscal Year 2011*, 2015, [http://aspe.hhs.gov/hsp/15/ChildCareEligibility/ib\\_ChildCareEligibility.pdf](http://aspe.hhs.gov/hsp/15/ChildCareEligibility/ib_ChildCareEligibility.pdf).
- 9 See, e.g., Karen Schulman and Helen Blank, *In Their Own Voices: Parents and Providers Struggling with Child Care Cuts*, NWLC, 2005; Children's Action Alliance, *The Real Reality of Arizona's Working Families—Child Care Survey Highlights*, 2004; Deborah Schlick, Mary Daly, and Lee Bradford, *Faces on the Waiting List: Waiting for Child Care Assistance in Ramsey County*, Minnesota Center for Survey Research at the University of Minnesota, 1999; Philip Coltoff, Myrna Torres, and Natasha Lifton, *The Human Cost of Waiting for Child Care: A Study*, Children's Aid Society, 1999; Jennifer Guley and Ann Hilbig, *Waiting List Survey: Gulf Coast Workforce Development Area*, Neighborhood Centers, Inc., 1999; Jeffrey D. Lyons, Susan D. Russell, Christina Gilgor, and Amy H. Staples, *Child Care Subsidy: The Costs of Waiting*, Day Care Services Association, 1998; Casey Coonerty and Tamsin Levy, *Waiting for Child Care: How Do Parents Adjust to Scarce Options in Santa Clara County?*, Policy Analysis for California Education, 1998; Philadelphia Citizens for Children and Youth, et al., *Use of Subsidized Child Care by Philadelphia Families*, 1997; Greater Minneapolis Day Care Association, *Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance*, Greater Minneapolis Day Care Association, 1995.

# Purposes and Select General Administration Provisions

*For complete detail on all provisions related to general administration of CCDBG, see Appendix VIII: Changes to Previous Law. Many of these provisions are also discussed in later chapters of this guide.<sup>1</sup>*

## Key Provisions in the Law

### CCDBG Goals

The reauthorization amended and expanded upon the goals of the CCDBG program, which are:

- Allow each state maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within that state;
- Promote parental choice to empower working parents to make their own decisions regarding the child care services that best suit their family's needs;
- Encourage states to provide consumer education information to help parents make informed choices about child care services and to promote involvement by parents and family members in the development of their children in child care settings;
- Assist states in delivering high-quality, coordinated early childhood care and education services to maximize parents' options and support parents trying to achieve independence from public assistance;
- Assist states in improving the overall quality of child care services and programs by implementing the health, safety, licensing, training, and oversight standards established in CCDBG and in state law (including state regulations);
- Improve child care and development of participating children; and
- Increase the number and percentage of low-income children in high-quality child care settings.

### Lead Agency Responsibilities

- A state Lead Agency may be a state agency or a joint interagency office established by the governor. Lead Agency duties include administering the CCDBG program, developing the state plan with opportunity for public comment, and coordinating the provision of services with other federal, state, and local child care and early childhood development programs.
- The state plan period is now three years (changed from two years). States have the option of submitting amendments to state plans during this time period to reflect updated policies.
- To the extent practicable, CCDBG services must be efficiently coordinated with programs operated at the federal, state, and local levels for children in preschool programs, tribal early childhood programs, and other early childhood programs in order to expand accessibility and continuity of care and assist children to receive full-day services. If the state elects to combine funding for CCDBG with that of other early childhood programs, it must describe the funding streams in its state plan and explain how it will use the combined resources.

### Eligibility for Child Care Assistance

- The reauthorization did not make changes to the eligibility of children for child care assistance. Eligible children are defined as under 13 years of age (or between ages 13 and 19 and physically and/or mentally incapable of self-care or under court supervision); in families whose income does not exceed 85 percent of the state median income (SMI) for a family of the same size; and residing with a parent or parents who are working or attending a job training or educational program or receiving, or needing to receive, protective services.

### Use of CCDBG Funds

- The reauthorization maintains the existing allowable uses of funds, including priority given to children of families with very low incomes and children with special needs. States must also prioritize investments for children of families in areas with significant concentrations of poverty and unemployment and without high-quality child care.
- Specifically, states may use CCDBG funds for:
  - child care services on a sliding fee scale basis;
  - activities that improve the quality or availability of such services;
  - activities that improve access to child care services, including for homeless children; and
  - the establishment/support of a system of local/regional child care resource and referral (CCR&R) organizations (coordinated by a statewide lead CCR&R). Under this provision, the CCR&R agency must be designed to provide parents with complete consumer education information about all available child care options; work directly with families receiving CCDBG assistance to help them enroll their children in appropriate, high-quality child care settings; collect data and provide information on coordination of services and supports and the supply of and demand for child care; establish partnerships with public agencies and private entities; and coordinate activities among the Lead Agency and local agencies that administer CCDBG funds.
- The reauthorization maintains a 5 percent limit on administrative expenditures.
- States must reserve the required quality set-aside funds, increasing from 4 percent to 9 percent of CCDBG funds in FY 2020 (in addition to 3 percent for improving the supply and quality of infant-toddler care beginning in FY 2017), and from the remainder must spend a minimum of 70 percent of CCDBG funds on direct services (i.e., access to child care).

### Waiver Authority

- The Secretary of the U.S. Department of Health and Human Services (HHS) is permitted to waive provisions or penalties in the statute for up to three years (with the option of a one-year extension) based on a request from a state identifying duplicative requirements preventing

the effective delivery of child care services; extraordinary circumstances, such as a natural disaster or financial crisis; or an extended period of time for a state legislature to enact legislation to implement the statute.

### Federal Reports and Noncompliance

- Beginning November 2016, and every two years thereafter, the U.S. Comptroller General must produce a report on waiting lists for child care assistance that includes the number of families in each state that are eligible for CCDBG assistance, have applied for assistance (identified by the type of assistance requested), and have been placed on a waiting list for the assistance.
- By September 30, 2016 and each September 30 thereafter, the HHS Administration for Children and Families (ACF) must determine whether each state uses CCDBG funds for child care services or activities that improve quality, availability, or access to such services, with priority given to services for children with very low family incomes or special needs.
  - A state found to be noncompliant will have six months to appropriately modify its state plan, after which 5 percent of the state's CCDBG funds may be withheld.
  - This penalty may be waived for one year if the noncompliance is determined to be the result of extraordinary circumstances.

### Implementation Considerations

#### CCDBG Goals

While maintaining state flexibility and parental choice, the revised goals of CCDBG emphasize parental involvement, the coordination of high-quality early care and education services, improvements to the overall quality of child care, and improved access to high-quality care for low-income children. Achieving these goals will require a critical assessment of state child care assistance policies, revisions that support access to high-quality care and promote continuity so that children can stay in high-quality settings for longer periods, and policies that better support access to high-quality care for children of parents who are working or enrolled in school or training programs. In achieving all aspects of this vision, states will need to address the challenge posed by the costs of improving and maintaining quality, continuity, and increased access.

**While maintaining state flexibility and parental choice, the revised goals of CCDBG emphasize parental involvement, the coordination of high-quality early care and education services, improvements to the overall quality of child care, and improved access to high-quality care for low-income children.**

### **Lead Agency Responsibilities**

States have flexibility to select a Lead Agency and states vary in whether the Lead Agency is an education agency, human services agency, or independent early childhood agency. Coordination across state agencies and high-level leadership can strengthen comprehensive early care and education. However, even when state-level offices of early education or early learning have been created, the administration of the subsidy system often remains separate from quality improvement initiatives and other early childhood programs. The reauthorization of CCDBG offers an opportunity to think about how subsidies promote access to high-quality child care and to ensure that child care subsidies, regardless of which agency is the Lead Agency, are fully integrated into statewide early learning efforts and/or broader goals of any early childhood offices.

In states with locally administered systems, Lead Agencies will need to consider new approaches to ensure that the provisions of the updated CCDBG law are fully implemented. For example, changes in eligibility policies will require intensive training of eligibility staff, implementation monitoring, and support at the local level to ensure the new policies are fully carried out in compliance with the law. This will be particularly important in states where counties or other local entities have a major role in administering subsidies, or that subcontract to CCR&R agencies or other regional entities for subsidy administration.

**State Plan.** The CCDBG state plan period was extended from two to three years; however, states should not assume that means that three years should go by without changes to subsidy policies, including provider payment rates, particularly in the early years of implementation of the new law. There is an inherent tension between enacting thoughtful policies, informed by data and assessment, and coming into compliance with requirements in the new law by the effective dates.<sup>2</sup> States should not let immediate requirements of the law prevent the consideration of large-scale changes to their child care programs that may be possible now or at a future date.

In March 2015, ACF announced that states will have until March 1, 2016 to submit their FY 2016-2018 State Plans, instead of July 1, 2015 as originally scheduled. This allows additional time for states to engage in thoughtful planning for implementation. As states consider immediate steps for coming into compliance with the new law, they can simultaneously envision larger changes that may take more time and resources.

**Coordination.** The reauthorization strengthens coordination activities at the state level. Child care subsidies can play an integral role in expanding access to high-quality child care and early education programs. Key subsidy policies addressed in the reauthorization—for example, 12-month eligibility periods—make it easier to align CCDBG with Head Start, including Early Head Start-Child Care Partnerships. States can also use that flexibility to extend access to care for children participating in state prekindergarten programs, offering longer days and full-year opportunities by providing child care assistance to cover the additional hours when parents are at work.

### **Eligibility for Child Care Assistance**

The reauthorization did not make changes to the eligibility of children for child care assistance. Eligibility criteria in states beyond the criteria identified above have been developed at the states' discretion and are therefore under state control to revise or eliminate. The federal law also does not specify how states should define, collect, or verify any eligibility elements, which gives states wide latitude to design their subsidy programs.<sup>3</sup>

**Ages of Children.** Nationally, 27 percent of children receiving CCDBG-funded child care are under age three;

28 percent are ages three and four; 11 percent are age five; and 34 percent are ages six and older.<sup>4</sup> As states consider implementation of new policies, including enhanced alignment with other early learning programs, states should maintain their support for school-age children in CCDBG. Many of these families have few other options for safe, affordable after-school care, and for families with multiple children, different rules around access to care for different ages of children can be burdensome. School-age programs and providers not only offer enrichment opportunities for low-income children that can improve their chance of succeeding in school but also ensure their safety and well-being and decrease the potential of risky behavior.<sup>5</sup>

### Use of CCDBG Funds

**Direct Services.** Direct services refer to the provision of child care assistance to eligible families. The reauthorization law's requirement that at least 70 percent of funds are used for direct services reinforces the importance of ensuring that CCDBG funds support access to child care for low-income working families.

**Child Care Resource and Referral.** One way in which states may use CCDBG funds is to establish or support a system of child care resource and referral agencies. Currently, state and local CCR&Rs across the country help parents choose child care by providing them with information about types of child care, characteristics of high-quality child care, relevant licensing regulations, average costs, availability of public subsidies, and state child care quality rating and improvement systems (QRIS). CCR&Rs offer consumer education and referrals in person, by telephone, and online. CCR&Rs also support providers, each year offering training to more than 580,000 child care providers and on-site technical assistance to 95,000 child care programs. In addition, CCR&Rs collect and analyze data on child care supply, demand, cost, and quality through community needs assessments, market rate surveys, and economic impact studies. Some CCR&Rs administer child care assistance programs as well.

**Administrative Costs.** The reauthorization maintains the existing 5 percent limit on administrative costs within CCDBG. While the law does not define administrative activities, it specifies that such costs do not include the

costs of providing direct services. Current federal regulations (that were written prior to reauthorization) list activities that are, and are not, administrative costs. As states calculate administrative costs, the regulations note that the following should be included: salaries and related costs of staff engaged in the administration and implementation of the program; travel costs incurred for official business in carrying out the program; administrative services, including accounting services; audit services; other costs for goods and services required for the administration of the program, including rental or purchase of equipment, utilities, and office supplies; and indirect costs as determined by an indirect cost agreement or cost allocation plan. The following activities should not be considered administrative: eligibility determination and redetermination; preparation and participation in judicial hearings; child care placement; recruitment, licensing, inspection, reviews, and supervision of child care placements; rate setting; resource and referral services; training of child care staff; and establishment and maintenance of computerized child care information systems.

**Conducting outreach to potentially eligible families, doing initial screening for eligibility, and creating and maintaining an active waiting list help create a more accurate picture of the need for child care subsidies and make the case for increased resources over the long term.**

**Priority Populations.** States must give priority for child care assistance to children of families with very low incomes and children with special needs, as defined by states. States will have to describe how they will give priority to children from families in areas that have significant concentrations of poverty and unemployment, also defined by states. States may choose to give priority to additional categories of children.

In addition, states must describe in their state plans how they will implement strategies to increase the supply and improve the quality of child care for children in underserved areas, including rural areas; infants and toddlers; children with disabilities; and children who receive care during non-traditional hours.

### Waiver Authority

The legislation lays out the criteria under which a state may seek a waiver of one or more requirements in the law. The waiver authority is provided to deal with circumstances in which conflicting or duplicative requirements prevent the effective delivery of child care, extraordinary circumstances, or an extended period of time needed for state legislative action to implement CCDBG provisions. The circumstances must prevent the state from complying with a statutory or regulatory requirement of CCDBG and the waiver must, by itself, improve the state's ability to carry out CCDBG purposes.

Granted waivers must be consistent with CCDBG objectives and must not compromise the health, safety and well-being of children served by CCDBG. HHS has 90 days to approve or disapprove a waiver request. Granted waivers must be no longer than three years, with an option to renew for no more than one year. As of this writing, it is unclear whether states will request waivers, and under what circumstances HHS will grant approval of requests. It is clear, however, that individual states face extraordinary financial challenges implementing the law and some states—particularly those with bi-annual legislatures—may require more time to implement provisions of the law that require statutory change for compliance.

### Federal Reports and Noncompliance

**Noncompliance.** The reauthorization increases accountability provisions within CCDBG, including a first-ever provision to withhold 5 percent of a state's funds for noncompliance with the statutory directive to use CCDBG funds for child care services or activities that improve quality, availability, or access to such services, with priority given to services for children with very low family incomes or special needs. According to ACF, the state plan process will be the primary mechanism by which ACF determines compliance with CCDBG requirements. ACF intends to work with states to monitor progress on achieving the requirements and will conduct periodic reviews of state implementation plans.

**Eligibility, Applicants, and Waiting Lists.** While the responsibility for utilization and waiting list data collection is assigned to the federal level under the new law, it will be important for states to ensure that the U.S. Comptroller General's study of state data is as informative as possible by having state-level policies that support meaningful access to subsidies for low-income working families. States that limit the pool of families eligible for or applying for subsidies by setting restrictive eligibility criteria and/or doing little to advertise the availability of child care assistance may show data that obscure the actual need for assistance. States should keep centralized waiting lists in order to have that data available for tracking at the state and national levels. Conducting outreach to potentially eligible families, doing initial screening for eligibility, and creating and maintaining an active waiting list help create a more accurate picture of the need for child care subsidies and make the case for increased resources over the long term.

- 1 The provisions here and in later chapters apply to states; the HHS Office of Child Care will be issuing policy guidance on how the reauthorization applies to tribes.
- 2 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Timeline of Effective Dates for States and Territories: Child Care and Development Block Grant (CCDBG) Act of 2014*, <http://www.acf.hhs.gov/programs/occ/resource/pi-2015-02-attachment-timeline-of-effective-dates-for-states-and-territories-ccdbg-act-of-2014>.
- 3 For more on simplifying core eligibility criteria, see Gina Adams and Hannah Matthews, *Confronting the Child Care Eligibility Maze: Simplifying and Aligning Child Care with Other Work Supports*, Urban Institute and CLASP, 2013, <http://www.clasp.org/resources-and-publications/publication-1/WSS-CC-Paper.pdf>.
- 4 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, "FY 2013 Preliminary Data Table 9 - Average Monthly Percentages of Children In Care By Age Group (FY 2013)," 2014, <http://www.acf.hhs.gov/programs/occ/resource/fy-2013-ccdf-data-tables-preliminary-table-9>.
- 5 Afterschool Alliance, *Afterschool Programs: Making a Difference in America's Communities by Improving Academic Achievement, Keeping Kids Safe and Helping Working Families*, [http://www.afterschoolalliance.org/Afterschool\\_Outcomes\\_2013.pdf](http://www.afterschoolalliance.org/Afterschool_Outcomes_2013.pdf).

# Consumer Education and Provider Compliance with Health and Safety Standards

*The CCDBG Act of 2014 includes important provisions to protect the health and safety of children in child care through more consistent standards and monitoring of standards. In addition to minimum health and safety requirements, the law seeks to increase parents' knowledge of child care quality, child development, and other public resources for young children. The new law aims to promote parental choice and consumer education in selecting child care that best suits families' needs, as well as parental involvement in the development and care of children.*

## In This Chapter:

- Consumer Education
- Enforcement of Licensing and Other Regulatory Requirements
- Establishment and Enforcement of Health and Safety Requirements
- Criminal Background Checks

## CONSUMER EDUCATION

### Key Provisions in the Law

#### Consumer Education on Child Care Options and Quality of Child Care

- States must provide parents, the general public, and providers with comprehensive information on the range of child care options, including information about the quality of CCDBG providers (if available).
- If a state has a quality rating system, it must make information about providers' ratings available.
- States must provide information on research and best practices concerning children's development, including social and emotional development, early childhood development, meaningful parent and

family engagement, and physical health and development (particularly healthy eating and physical activity).

- States must provide information on state policies regarding the social-emotional behavioral health of young children (which may include positive behavioral intervention and support models) and policies on expulsion of preschool-age children in early childhood programs receiving CCDBG funds.

#### Information on Child Care Assistance and Other Benefits

- States must provide information on the availability of assistance to help with child care costs.
- States must disseminate information on other assistance that may be available for CCDBG-eligible families, including Head Start and Early Head Start, the Supplemental Nutrition Assistance Program (SNAP), the Low-Income Home Energy Assistance Program (LIHEAP), Temporary Assistance for Needy Families (TANF), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Medicaid and the Children's Health Insurance Program (CHIP), programs under the Individuals with Disabilities Education Act (IDEA), and the Child and Adult Care Food Program (CACFP).

#### Developmental Screenings

- States are required to provide information about how parents can obtain a developmental screening for their child. States are to publicize the resources and services that support access to developmental screenings and referrals to services, including coordinated use of Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) through Medicaid and developmental screening under IDEA Section 619 (Preschool Grants) and Part C (Grants for Infants and Families).

### Monitoring and Inspection Reports

- States must make public electronically the results of monitoring and inspection reports for licensed and license-exempt providers receiving CCDBG funds by November 19, 2017.
- Information published electronically by the states must be consumer-friendly, easily accessible to the public, and provider-specific. It must include the results of monitoring and inspection reports, including those due to major substantiated complaints about failure to comply with CCDBG or state child care policies.
- The information must include the number of deaths, serious injuries, and instances of substantiated child abuse that occurred in child care settings annually. It also must include the date of inspection and information on corrective action taken (if any).

### National Toll-Free Hotline and Website

- The Secretary of the U.S. Department of Health and Human Services (HHS) must operate a national toll-free hotline and website for consumer education. The national website must be hosted by [childcare.gov](http://childcare.gov), must be available 24 hours a day, and must offer the widest possible access to services for families who speak languages other than English.
- The website should provide or link to information on CCDBG-eligible child care providers; provider-specific information on quality indicators and compliance with licensing and health and safety requirements (to the extent the information is publicly available and to the extent practicable); referrals to local child care resource and referral (CCR&R) agencies; and state information about child care subsidy programs and other financial support for families.
- Parents must be able to anonymously report CCDBG providers suspected of child abuse or neglect, or violations of health and safety requirements, to the toll-free hotline.

### Implementation Considerations

#### Consumer Education

Too often parents lack information about the quality of care or standards that child care providers are required to meet. Low-income parents, in particular, may lack the time or resources to investigate their child care options as they struggle to make ends meet while often working long

and unpredictable hours. CCDBG law has always required states to provide consumer information on child care to parents; the new law strengthens this requirement. As states implement their consumer education strategy, they should use the multiple languages spoken in communities and ensure that information provided is appropriate for the language and literacy levels of parents. In addition to websites, states should consider other means to reach parents, including social media, pediatricians' offices and health clinics, radio and television, local businesses, and internet advertising. States should work to identify effective and trusted partners for sharing information with hard-to-reach groups, such as language-minority communities and immigrant communities. States may also consider collaboration with resource and referral agencies, labor organizations, schools, and others in direct contact with parents and providers.

#### Linking Families to Available Programs and Services

**Connecting to Other Early Learning Programs.** Child care assistance is one of multiple child care and early learning programs available in states, including Head Start and Early Head Start, home visiting, and state prekindergarten programs. As part of their strengthened consumer education efforts on child care subsidies, states can also examine ways in which they can connect families applying for or receiving child care subsidies to other programs. For example, more than half of children served in CCDBG-funded child care live in households with incomes below the federal poverty level, making them eligible for Head Start/Early Head Start as well.<sup>1</sup> States could make it possible for eligible families applying for or receiving child care assistance to be referred to Head Start or Early Head Start programs. This takes coordination at the local level to identify programs when slots open up. Administering agencies and resource and referral agencies can also refer families to child care programs participating in new Early Head Start-Child Care Partnerships when spaces are available. Families with eligible preschool-age children could be referred to state-funded prekindergarten in those states that have it. By linking families with other early learning programs, states can provide additional options and allow families to combine programs that operate on a part-day schedule—as is the case with many Head Start and prekindergarten programs—with CCDBG funds to cover the remaining hours of the day while parents work.

**Connecting to Other Public Benefits and Programs.**

Many families receiving child care assistance are also eligible for other public benefit programs, yet there are considerable gaps in program participation among eligible families. A study using 2001 data found that only 5 percent of low-income working families obtained a full work support package of Medicaid/CHIP, SNAP, and child care subsidy.<sup>2</sup>

States should consider not only informing families about the availability of these programs during the eligibility and intake process but also streamlining parents' access to benefits and services. Because these programs often have separate eligibility and renewal processes and requirements, families can find it burdensome to maintain all benefits that are important for children's health and well-being. Requiring independent processes for all programs also creates inefficiencies for administering agencies.

**States can go beyond simply providing information to families, to actively and intentionally connecting families with other benefits and services. For example:**

- States have created online portals allowing clients to screen, apply for, and track multiple benefits, including child care assistance.
- States are aligning eligibility criteria and other policies across benefit programs to reduce the duplicative processes that parents currently experience applying for and retaining Medicaid, SNAP, child care assistance, and other benefits.
- States use data collected from one program, most commonly SNAP, to deem families income-eligible for child care assistance.<sup>3</sup>

The Office of Child Care has encouraged states through guidance to share information, such as common documents and household information, across programs in order to avoid unnecessary duplication on the part of families and agencies.

States should make it a priority to inform parents about CACFP, an important program that provides valuable nutrition assistance to children in child care settings. States should also make every effort to ensure that eligible child care providers are enrolled in CACFP, including license-exempt providers who receive CCDBG funds.

**Additional Programs and Benefits.** In addition to those benefit programs specified in the legislation, states should consider outreach to inform parents and providers about other programs that provide important support for working families, including the Child Tax Credit, the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, and health coverage through the Affordable Care Act.

**Connecting to Developmental Screening.** Early, regular, and reliable screening can help identify problems or potential problems that may threaten a child's developmental foundation and lead to delays and deficits later in childhood. In relaying information to parents about the availability of developmental screenings as now required by CCDBG, states should coordinate efforts with other agencies and entities providing access to screening, such as those administering early intervention services and other programs that have requirements related to developmental screening. Such programs include Head Start, which requires all children to be screened within 90 days of entry; Medicaid, which requires a package of services that includes periodic well-child visits and a variety of developmental and medical screenings for children; and IDEA Section 619 and Part C, which obligate administering agencies to identify any child who may be eligible for services. While most states do not use CCDBG funds to conduct developmental screenings, some have used the CCDBG quality set-aside to build the capacity of providers to conduct developmental screenings.

State early childhood advisory councils, and other cross-sector early childhood collaborations, can play a role in supporting state efforts to better coordinate access to screening and follow-up treatment as necessary.

**In Connecticut, the Office of Early Childhood established the Help Me Grow program, a model that is being adapted in many states nationwide. Connecticut Help Me Grow provides families and community partners, including health professionals and child care providers, with information on the availability of mental health and developmental services, and access to developmental screening to identify mental health issues and developmental delays. Parents have access to information and screening via a toll-free telephone number, and through community partners participating in the collaboration. In addition to screening, Help Me Grow connects families to diagnosis and treatment, and follows up with families to ensure they have accessed the services they need.<sup>4</sup> The Office of Early Childhood also provides parents with information about Help Me Grow and other resources related to developmental screening on its website.<sup>5</sup>**

### Behavioral Health

For some states, reporting on social-emotional behavioral health policies for young children may be new. As states develop policies in this area, they should work across agencies, including the CCDBG Lead Agency and the state education agency. Guidance from the U.S. Departments of Education and HHS recommends that state efforts in this area focus on “prevention, developing and communicating clear behavioral expectations, and ensuring fairness, equity, and continuous improvement” in early childhood settings.<sup>6</sup> The guidance includes resources and information for states. State policies should pay particular attention to strategies for preventing behavioral problems, which can include training providers on developmentally appropriate behavior interventions and increasing access

to comprehensive services, including health and behavioral health services. States should also use data to inform their practices, paying particular attention to providing intervention services, as well as to data on preschool expulsions by age, race, gender, disability, and home language.

### Online Licensing and Monitoring Information

Online sources of licensing and monitoring information available to the public and potential consumers can positively influence parents' choices in caregivers. Low-income parents should have access to information about child care quality and available child care services in their community. The information should be provided in the languages spoken in the state or community and should be easy to understand for parents, including those with low literacy levels. States should also have policies and procedures that will protect providers, by ensuring that the information is accurate and up-to-date and that providers have the opportunity to review and correct information as necessary.

As of 2013, 29 states posted inspection reports or complaint findings on the internet for parents (including 16 that posted full reports and 13 that posted report summaries). Some states allow providers to do an initial review of the posting or respond publicly when complaints or violations are posted.<sup>7</sup> States should consider policies to offer all providers opportunities for corrective action, as well as opportunities to challenge inspection findings with which they disagree.

States may consider requiring all child care providers to report incidents of serious child injuries or death to improve tracking capabilities. States should coordinate efforts with their state's Child Death Review program and the National Center for the Review and Prevention of Child Deaths.<sup>8</sup>

## ENFORCEMENT OF LICENSING AND OTHER REGULATORY REQUIREMENTS

### Key Provisions in the Law

#### Inspections of Providers

- By November 19, 2016, states must put policies and practices in place to regulate and monitor all providers offering services under CCDBG, including license-exempt providers.

- Inspections for licensed, regulated, registered, and license-exempt care may be conducted by licensing inspectors or qualified inspectors as designated by the state.<sup>9</sup>

### Licensed Child Care

- The state must certify that it has licensing requirements and describe in its state plan how those requirements are enforced.
- Licensed providers must be inspected at least once prior to licensing to ensure compliance with health, safety, and fire standards.
- Licensed providers must be subject to at least one annual, unannounced inspection for compliance with all child care licensing standards, including health, safety, and fire standards.
- Licensing inspectors must be qualified and receive training in related health and safety requirements and all aspects of the state's licensure requirements.
- States must ensure a sufficient ratio of licensing inspectors or qualified inspectors to child care providers to maintain annual inspections.

### License-Exempt Child Care

- License-exempt providers (except for those related to all children in their care) must be subject to an annual inspection for compliance with health, safety, and fire standards at a time to be determined by the state.
- State plans must include an explanation of how care provided by license-exempt providers does not endanger the health, safety, or development of children.

### Implementation Considerations

Every state currently has child care licensing requirements and mechanisms for enforcement. All states also determine which providers are required to be licensed or regulated and which providers may be legally exempt from licensing. Regular monitoring of child care settings is an important element of protecting children's health and safety in child care, and incorporating unannounced inspections can increase the likelihood that key health and safety regulations are implemented correctly and consistently. Some research indicates that child care providers are more likely to follow licensing regulations at all times when they are more frequently observed for compliance. Research also suggests that monitors are

more likely to observe that best practices are not consistently followed when inspections are unannounced. When information from monitoring visits is coupled with technical assistance, providers can get help complying with standards.<sup>10</sup>

In many states, meeting the new inspection requirements will be costly—particularly if they were not already conducting regular inspections of all subsidized providers, or if a large proportion of families receiving child care assistance choose license-exempt care and this type of care has not been subject to inspection requirements to date. The Oregon Department of Human Services, for example, has estimated that the demand for on-site inspections could increase by 71 percent, requiring the agency to hire at least 8.5 additional staff.<sup>11</sup> In Virginia, the governor proposed a \$2.7 million budget increase to add licensing inspectors to bring the state into compliance with annual inspections for all CCDBG providers.

States may consider various approaches to monitoring, such as reducing the frequency of full compliance reviews for licensed providers and instead adopting abbreviated monitoring systems based on valid methodologies. For license-exempt providers, states will need to consider carefully who appropriate inspectors are (for example, those that have trust in communities) and how to design an on-site inspection to meet both legal requirements and the needs of providers. While increasing the capacity of state monitoring systems will be costly, states should be wary in how they cover those costs. Increasing licensing or inspection fees, for example, would transfer the cost burden to child care providers, potentially limiting their ability to serve families receiving assistance.

### Pre-Licensing and Annual Inspections of Licensed Providers

All state Lead Agencies currently have licensing standards that must be met by licensed providers, and licensors on staff to ensure providers are meeting those requirements. However, many states are not yet meeting the requirements of the reauthorization law because they do not require regular inspections of all types of providers, do not require monitoring visits to be unannounced, and/or do not require these visits to be conducted annually. Even fewer states meet the National Association for Regulatory Administration's (NARA's) recommendation for no fewer

than two inspections, including one unannounced visit, per year for every licensed child care provider.

Fifty states conduct a pre-licensure inspection of child care centers and most states conduct a pre-licensure inspection of family child care homes.<sup>12</sup> In the majority of states, pre-licensure visits are announced. Forty-seven states currently conduct annual or more frequent monitoring visits of licensed centers and 23 states conduct annual or more frequent monitoring visits for licensed family child care providers; some states do not require that these visits be unannounced.<sup>13</sup>

The new law requires that states have a sufficient number of licensing inspectors to fulfill the inspection requirement. Many states' current caseload sizes for licensing staff do not meet this provision. The average caseload size across the country is 103 centers and homes for every one licensing line staff, with caseloads as high as 231 facilities in Vermont.<sup>14</sup> While the CCDBG law does not specify an appropriate caseload size, NARA recommends an average inspector caseload of a maximum of 50 to 60 facilities. For monitoring to be effectively conducted, licensing staff need reasonable caseload sizes that allow them to monitor on a regular basis and promptly investigate complaints against providers.

**If done well, monitoring license-exempt providers, or family friend and neighbor (FFN) providers, can offer an opportunity to bring increased supports to FFN providers that can help promote children's health and safety and increase the quality of care.**

While the provisions of the new law will move states toward best practice in licensing and monitoring, they will require significant additional resources. In order to visit a larger number of providers more frequently, states have turned to various monitoring methods that may be more cost effective. One approach, differential monitoring, allows states to determine the frequency and intensity of

monitoring based on a provider's previous compliance history. Providers that maintain strong records of compliance are allowed fewer periodic inspections. States vary in terms of what factors are reviewed in differential monitoring and how the approach is used to ensure that providers are in compliance with licensing policies.<sup>15</sup>

### **Annual Inspections of License-Exempt Providers**

On-site monitoring is an important part of ensuring safe child care settings. If done well, monitoring license-exempt providers, or family friend and neighbor (FFN) providers, can offer an opportunity to bring increased supports to FFN providers that can help promote children's health and safety and increase the quality of care. However, it also raises a number of challenges different from those involved with monitoring licensed providers—and few states currently monitor license-exempt providers receiving CCDBG funds.<sup>16</sup>

The law allows flexibility for states to determine the most appropriate methods for inspecting license-exempt care, and it explicitly allows states to exclude relative caregivers from the inspection requirements, although it is silent on care provided in children's homes, which few (if any) states currently subject to inspections. Regulations proposed by ACF prior to the passage of the new law would have allowed states to exempt care in children's homes from some or all of the proposed CCDBG health and safety requirements, including inspections; future guidance or regulations should similarly clarify that care in children's homes is exempt from inspections and other health and safety requirements in the new law, as a few states have raised concerns about the prospect of conducting inspections in children's homes.

For license-exempt caregivers that are subject to the requirements, inspections do not have to be unannounced and in fact may need to be announced to ensure that providers and children are present since exempt caregivers, unlike most licensed facilities, may not have regular program hours. Many license-exempt caregivers provide care on the weekends or during evening hours. States will need to consider the implications of having inspectors visit providers when children are present, or not, during non-traditional hours. In some cases, providers may have additional employment during the hours they are not

providing child care and may be difficult to reach to schedule visits. In designing inspection policies and procedures, states should take care not to inadvertently restrict access to license-exempt care by making it difficult for providers to participate in CCDBG.

States should also think about how to use annual inspections as a technical assistance opportunity, rather than solely a compliance review. Inspectors can visit providers equipped with resources that they may need, such as fire extinguishers, child safety plugs, smoke detectors, first aid kits, and other supplies to help providers meet standards, as well as educational materials for children and providers. New York currently includes these resources as part of its inspections of license-exempt providers. In many counties, CCR&R agencies conduct the inspections. If providers are not compliant with health, safety, and fire standards, states should allow providers at least some time to come into compliance prior to restricting a provider from receiving CCDBG funds, unless there is an immediate threat to children's well-being. If inspectors are used to provide technical assistance, states will need to provide specialized training to broaden the inspectors' expertise. In conducting inspections, states may be able to leverage other resources and programs already in contact with license-exempt providers.

Some states, such as California, Illinois, Michigan, New York, and Washington, allow license-exempt child care providers to participate in the federal Child and Adult Care Food Program (CACFP). Because CACFP requires annual unannounced visits to participants, New York has allowed CACFP visits to count as an on-site inspection of license-exempt caregivers. (The state monitors 20 percent of license-exempt providers who are not participating in CACFP.) It should be noted that New York's inspection policies predate the reauthorization and on their own, CACFP monitoring visits would likely not meet the CCDBG statute's requirement to monitor for compliance with health, safety, and fire standards. New Mexico also previously leveraged CACFP inspections to provide a monitoring system for exempt caregivers, but ended the practice due to perceptions of a conflict of interest for monitors.

States that allow license-exempt providers to participate in CACFP may want to examine opportunities to build on CACFP inspections, while recognizing the challenges with this approach. States will need to consider whether CACFP has the capacity for additional monitoring standards, whether adding an inspection role for CACFP could deter providers from participating in the program, and whether that new role would alter the relationship between CACFP monitors and providers.

Similarly, a small number of states and communities have used home visiting as a strategy to bring resources and support to license-exempt caregivers. Because many home-visiting models address health and safety and optimal child development practices, states can consider coordinating with state home-visiting programs and qualifying home visitors to meet the CCDBG inspection requirement. Here, too, states would need to think through the full range of implications and ensure compliance with the statute.

While the law establishes new requirements for license-exempt providers that may prove challenging for states, it is essential that license-exempt providers remain an option for families receiving child care subsidies. License-exempt care is often the preferred option because the family feels comfortable with a friend or family caregiver, or because the caregiver understands the family's language or culture. In many cases, license-exempt care is the family's only option because the parent works night, early morning, or weekend hours and no licensed providers are available during those times or because the parent has variable, unpredictable hours and licensed providers are unable to manage a constantly changing work schedule. It also may be the only option in some communities, particularly in rural areas. In such cases, license-exempt care is the best choice for meeting the law's dual goals of both supporting children's access to high-quality care and parents' employment.

As states collect and report on data from monitoring visits, they should identify areas of recurring non-compliance in order to focus training and technical assistance efforts for child care and licensing staff. In this way, states can use increased on-site monitoring as a tool for continuous quality improvement, not just an enforcement mechanism.

## ESTABLISHMENT AND ENFORCEMENT OF HEALTH AND SAFETY REQUIREMENTS

### Key Provisions in the Law

#### Ratios and Group Size

- The state must determine standards for CCDBG providers that address: group size limits for different ages; appropriate provider-to-child ratios, in terms of age of children; and required qualifications for providers.
- The law prohibits HHS from requiring specific provider-to-child ratios but allows for the provision of guidance to states on this issue.

#### Health and Safety Training

- States must certify that they have established health and safety requirements applicable to child care providers in 10 substantive areas: the prevention and control of infectious diseases (including immunizations); prevention of sudden infant death syndrome and use of safe sleeping practices; administration of medication; prevention of and response to emergencies due to food and allergic reactions; building and physical premises safety; prevention of shaken baby syndrome and abusive head trauma; emergency preparedness and emergency response planning; the handling and storage of hazardous materials and the appropriate disposal of biocontaminants; appropriate precautions in transporting children (if applicable); and first aid and CPR.
- States must ensure that providers receiving CCDBG funds complete minimum pre-service or orientation health and safety training as well as ongoing training. Training must be appropriate to the provider setting and address the 10 identified health and safety areas.
- States may also include training requirements related to nutrition, physical activity, or other areas determined to promote child development or protect children's health and safety.

#### Compliance with Health, Safety, and Child Abuse Reporting Requirements

- States must certify that they have procedures to ensure that providers receiving CCDBG funds comply with all state or local health and safety requirements.
- States must certify that providers comply with child abuse reporting requirements as established in the federal Child Abuse Prevention and Treatment Act.

#### Disaster Planning

- The state plan must include a statewide child care disaster plan to ensure children are safe before, during, and after a major emergency.
- The plan should outline coordination of activities among the state Lead Agency, the licensing agency, local resource and referral organizations, the state resource and referral system, and the State Early Childhood Advisory Council.

### Implementation Considerations

#### Ratios and Group Size

Limiting the number of children per staff is essential for the health and safety of children, particularly should an emergency arise—for example, if young children need to be evacuated quickly in the case of a fire. Having sufficient staff available to provide the supervision and individualized care that children need is also a critical component of high-quality child care. When one caregiver is responsible for only a small number of children, the caregiver is better able to offer one-on-one attention to each child and have more interactions that encourage language and healthy social-emotional development. Research shows that both child development and caregiving quality improves when child-provider ratios and group sizes (i.e., the number of children assigned to a caregiver or team of caregivers in a classroom, or well-defined space within a larger room) in child care settings are smaller.<sup>17</sup>

While states are not required to set provider-to-child ratios or group sizes at any particular level, in setting or adjusting their requirements, they can look to research-based recommendations offered by early childhood experts. Recommended ratios and group sizes vary based on the child care setting and the age of children, recognizing that younger children require more individual attention. For example, *Caring for Our Children*, a joint effort by the American Academy of Pediatrics (AAP), the American Public Health Association (APHA), and the National Resource Center for Health and Safety in Child Care and Early Education, recommends provider-to-child ratios and group sizes for child care centers based on children's ages (see Table 4).<sup>18</sup>

**Table 4. *Caring for Our Children*  
Recommended Ratios and Group Sizes**

Age	Provider-to-Child Ratio	Group Size
≤ 12 months	1:3	6 children
13-35 months	1:4	8 children
3 years	1:7	14 children
4 to 5 years	1:8	16 children
6 to 8 years	1:10	20 children
9 to 12 years	1:12	24 children

Eleven states do not regulate group size for any age groups of children and an additional 10 states do not regulate group size for at least one age group.<sup>19</sup> Seventeen states do not regulate group size for at least one age group of children under five years old.<sup>20</sup> States that adopt new group size requirements or improve existing requirements will need to plan for the changes and offer support and assistance to providers to help them come into compliance with these requirements—for example, by making space modifications or hiring additional staff.

**Health and Safety Training**

The establishment of minimum health and safety training requirements is an important step forward for improving children’s safety in care. Pre-service or orientation training and ongoing training will allow providers to be better prepared to care for children. States should have a plan in place for approving training content and the expertise of training providers to ensure there is accountability and quality in training. In order to take advantage of existing resources and avoid duplication, states should coordinate any new training with existing training opportunities available through CCR&Rs, community colleges, and other entities.

Current state policies on pre-service and ongoing training requirements vary widely. As of 2011, only 17 states required any specific pre-service training before caring for children of any age in a child care center; 48 states had ongoing annual training requirements. Among the 17 states with pre-service training, requirements ranged from having 12 clock hours of training to attaining a Child Development Associate (CDA) plus one year of

experience.<sup>21</sup> CCDBG law allows the pre-service training requirement to be met during an orientation period, as defined by the state. States should allow caregivers to provide care for children during this orientation period while under supervision of someone who has received the required training. Allowing providers to meet the training requirement shortly after they begin caring for children, rather than only allowing them to care for children after completing the training, will be particularly important for license-exempt caregivers, since newly employed parents often rely on them to fill an immediate need for child care.

As states create access to training opportunities for providers, they should consider how to overcome barriers that current providers may face, including cost, limited English proficiency, and inability to take time off of work to attend classes. Increasing the education levels of the provider workforce also requires addressing the needs of non-traditional students who must juggle work and family responsibilities. Training should be accessible for providers through many avenues—including online and community based—and the training should articulate to credentials and degrees. To the extent practicable, trainings should be offered in multiple languages.

**Compliance with Health and Safety Requirements**

The new law specifies health and safety requirements for CCDBG-funded providers. While new requirements apply to all CCDBG providers, states have the option of exempting individuals caring only for related children from some or all CCDBG health and safety requirements. Prior to reauthorization, as of 2012, 19 states reported requiring relative CCDBG providers to comply with all health and safety requirements, while 26 states required compliance with a subset of health and safety requirements.<sup>22</sup>

**Disaster Preparedness**

Maintaining the safety of children in the event of a disaster or emergency is of critical importance. Following a large disaster or emergency, the need for emergency child care services or the rebuilding of child care facilities in a community can be an important priority. The HHS Administration for Children and Families (ACF’s) Office of Child Care (OCC) has offered guidance to states in emergency preparedness and response (see additional resources at the end of this chapter).

## CRIMINAL BACKGROUND CHECKS

### Key Provisions in the Law

#### Background Check Requirements

- States must require a comprehensive set of criminal background checks for all child care providers and their staff. This provision is not limited to CCDBG providers. Persons subject to background checks include any individual employed by a child care provider or whose activities involve the care or supervision of children for a child care provider or unsupervised access to children who are cared for or supervised by a child care provider.
- Required checks for every staff person include searches of state-based criminal and sex offender registries and child abuse and neglect registries in the state in which he or she resides, as well as any state where the individual has resided in the past five years; a Federal Bureau of Investigation (FBI) fingerprint check using the Integrated Automated Fingerprint Identification System; and a National Sex Offender Registry check.
- Child care staff must undergo this comprehensive criminal background check at least every five years.
- Prospective staff who have undergone the check while previously employed with another provider within the past five years do not need a new check to start working with a new provider.<sup>23</sup>
- Any provider who employs a staff member for whom the checks described above reveal a disqualifying conviction (or who refuses to consent to the criminal background check or knowingly makes a materially false statement in connection with such criminal background check) will be barred from receiving CCDBG assistance. Disqualifying convictions include specific felonies, as well as violent misdemeanors involving children.<sup>24</sup>
- For staff members employed prior to the enactment of the reauthorization law, providers must request background checks by September 30, 2017.
- States must meet all background check requirements by September 30, 2017. A one-year extension may be granted if the state demonstrates a good faith effort to comply with the requirements. HHS is authorized to withhold 5 percent of CCDBG funds from states for non-compliance with background check requirements.

#### Required Protections for Providers

- A state must complete a background check within 45 days of the request for the check.
- States must have policies and procedures in place for individuals to appeal the findings of the criminal background checks.
- States completing background checks may disclose to the provider only whether the staff member (or potential staff member) is eligible for employment, without revealing any disqualifying crime. If the staff member is ineligible, however, the state must provide the individual with a notice identifying the specific disqualifying crime(s), as well as information about the process to appeal the determination. Only convictions may be considered disqualifying, not arrests.
- States are permitted to charge providers a fee for costs associated with processing applications and administering a criminal background check but are prohibited from charging more than the actual cost to the state.

#### Implementation Considerations

The CCDBG Act of 2014 includes important provisions to strengthen criminal background check requirements for child care providers. The provisions apply to all licensed, regulated, or registered child care providers (including child care centers and family child care homes) and all providers receiving CCDBG funds, excluding relative caregivers.

To ensure effective implementation of these provisions to protect children's safety, states will need to examine the steps involved in carrying out the background checks and the costs entailed. States will first need to determine how the new background check requirements compare to the types of background checks they currently require and the types of staff to which these requirements apply. While all states currently require at least some background checks, as of 2013, only 13 states mandated five comparable background checks for center-based programs, and only 14 states had those requirements for family child care.<sup>25</sup>

The additional costs entailed by the new background checks include costs to develop a process for the background checks and to run the checks; infrastructure for gathering information required for the background checks; and resources for coordinating among different agencies responsible for different background checks. States can

look to other states that already require more extensive background checks (though not in accordance with the new law) in order to begin to estimate the total costs of the new requirements. For example, in California, a comprehensive background check policy that includes three state sources and FBI fingerprint checks costs approximately \$124 for each individual. It may be paid by the provider, the child care agency, the parent, or another party.<sup>26</sup>

In assessing the full costs and developing comprehensive processes for administering the background checks, states will need to recognize that some cases may be particularly complicated. For example, many states do not currently check criminal history from other states, which requires significant coordination among entities from different states and requires the applicant to self-disclose the states he or she has previously lived in. States examining the background check requirements have observed that such interstate checks are also redundant with a national FBI check—but the reauthorization law nonetheless requires both.

States will need to design procedures to ensure background checks are completed within 45 days of the request. Obtaining results of background checks quickly is crucial for parents who need child care immediately in order to start a job or an education or training program, as well as for providers waiting to be eligible for payments. Some states permit providers to care for children provisionally while background checks are being completed. For example, in some cases of immediate need, providers in California can provide care for a designated period of time while awaiting background check results and in some cases may receive retroactive pay for the time when services are requested and provided, once the background checks are completed. States should consider allowing staff to work under the supervision of an employee who has been cleared by a background check while awaiting background check results.

States must also develop an appeals process that can be completed in a reasonable timeframe. Individuals must have an opportunity to challenge the accuracy or completeness of background checks and ensure that erroneous results do not impair their employment

prospects. FBI records in particular are often incomplete and do not include the final disposition of an individual's case, yet in many cases this missing information is favorable to job seekers—making it particularly important that affected individuals have an opportunity to show, for example, that an arrest did not result in conviction or was reduced to a lesser offense.<sup>27</sup>

States should also offer the individualized review process authorized by the law, during which they can determine whether a prospective employee who has been convicted of a disqualifying drug-related offense can be deemed eligible for employment despite that record. The reauthorization law specifies that this review process must be consistent with Title VII of the Civil Rights Act of 1964; states should consult the U.S. Equal Employment Opportunity Commission's guidance on the consideration of criminal records in employment decisions to ensure compliance with Title VII's prohibition against employment discrimination (see additional resources).

## Additional Resources

### Connecting Families with Benefits and Services

- CLASP and Urban Institute, *Confronting the Child Care Eligibility Maze: Simplifying and Aligning Child Care with Other Work Supports*, <http://www.clasp.org/resources-and-publications/publication-1/WSS-CC-Paper.pdf>.
- U.S. Department of Health and Human Services, *Birth to 5: Watch Me Thrive*, <http://www.acf.hhs.gov/programs/eecd/child-health-development/watch-me-thrive>.
- CLASP, *First Steps for Early Success: State Strategies to Support Developmental Screening in Early Childhood Settings*, <http://www.clasp.org/resources-and-publications/publication-1/State-Strategies-to-Support-Developmental-Screening-in-Early-Childhood-Settings.pdf>.
- U.S. Departments of Education and Health and Human Services, *Policy Statement On Expulsion And Suspension Policies In Early Childhood Settings*, [http://www.acf.hhs.gov/sites/default/files/eecd/expulsion\\_suspension\\_final.pdf](http://www.acf.hhs.gov/sites/default/files/eecd/expulsion_suspension_final.pdf).

### Emergency Preparedness

- ACF Information Memorandum (CCDF-ACF-IM-2011-01), *Framework For Developing Child Care Emergency Preparedness And Response Plans, Attachment A: Emergency Preparedness and*

*Response Resources for Child Care*, <http://www.acf.hhs.gov/programs/occ/resource/information-memorandum-ccdf-acf-im-2011-01>.

### Licensing and Inspections

- Child Care Aware of America, *We Can Do Better—2013 Update: Ranking of State Child Care Center Regulations and Oversight*, <http://www.naccrra.org/node/3025>.
- Office of Child Care's National Center on Child Care Quality Improvement and the National Association for Regulatory Administration, *Trends in Child Care Center Licensing Regulations and Policies for 2011*, [http://www.qrisnetwork.org/sites/all/files/resources/Debi%20Mathias/2012-12-01%2007:08/999\\_1208\\_Center\\_Licensing\\_Trends\\_Brief\\_FINAL.pdf](http://www.qrisnetwork.org/sites/all/files/resources/Debi%20Mathias/2012-12-01%2007:08/999_1208_Center_Licensing_Trends_Brief_FINAL.pdf).
- CLASP, *Charting Progress for Babies in Child Care: Expand Monitoring and Technical Assistance*, [http://www.clasp.org/babiesinchildcare/recommendations/healthy-and-safe-environments-in-which-to-explore-and-learn/expand-monitoring-and-technical-assistance/file/cp\\_rationale9.pdf](http://www.clasp.org/babiesinchildcare/recommendations/healthy-and-safe-environments-in-which-to-explore-and-learn/expand-monitoring-and-technical-assistance/file/cp_rationale9.pdf).
- CLASP, *Extending Home Visiting to Kinship Caregivers, and Family, Friend, and Neighbor Caregivers*, <http://www.clasp.org/resources-and-publications/files/homevisitingkinshipffn.pdf>.
- CLASP, *Home Away From Home: A Toolkit for Planning Home Visiting Partnerships with Family, Friend, and Neighbor Caregivers*, <http://www.clasp.org/resources-and-publications/files/Home-Away-from-Home.pdf>.

### Background Checks

- Child Care Aware of America, *Background Checks*, <http://www.naccrra.org/about-child-care/state-child-care-licensing/background-checks>.
- U.S. Equal Employment Opportunity Commission, *Enforcement Guidance on the Consideration of Arrest and Conviction Records in Employment Decisions under Title VII of the Civil Rights Act of 1964*, [http://www.eeoc.gov/laws/guidance/upload/arrest\\_conviction.pdf](http://www.eeoc.gov/laws/guidance/upload/arrest_conviction.pdf).

- 1 U.S. Department of Health and Human Services, Administration for Children and Families, *101: Early Head Start-Child Care Partnerships*, 2014, [https://www.acf.hhs.gov/sites/default/files/ece/ece\\_ccp\\_101\\_final\\_hhsacf\\_logo\\_2014.pdf](https://www.acf.hhs.gov/sites/default/files/ece/ece_ccp_101_final_hhsacf_logo_2014.pdf).
- 2 Gregory Mills, Jessica F. Compton, and Olivia Golden, *Assessing the Evidence about Work Support Benefits and Low-Income Families*, Urban Institute, 2011, <http://www.urban.org/UploadedPDF/412303-Work-Support-Benefits.pdf>.
- 3 For more on all of these policies, see Gina Adams and Hannah Matthews, *Confronting the Child Care Eligibility Maze: Simplifying and Aligning Child Care with Other Work Supports*, Urban Institute and CLASP, 2013, <http://www.clasp.org/resources-and-publications/publication-1/WSS-CC-Paper.pdf>.
- 4 More information about this initiative is available at United Way of Connecticut, *Help Me Grow*, <http://www.ctunitedway.org/CDI/HelpMeGrow.html>.
- 5 Connecticut Office of Early Childhood, <http://www.ct.gov/oec/cwp/view.asp?a=4546&q=535676>.
- 6 U.S. Department of Health and Human Services and U.S. Department of Education, *Policy Statement On Expulsion And Suspension Policies In Early Childhood Settings*, 2014, [http://www.acf.hhs.gov/sites/default/files/ece/expulsion\\_suspension\\_final.pdf](http://www.acf.hhs.gov/sites/default/files/ece/expulsion_suspension_final.pdf).
- 7 National Association for Regulatory Administration, *The 50-State Child Care Licensing Study: 2011-2013 Edition*, 2013, [http://www.naralicensing.org/Resources/Documents/2011-2013\\_CCLS.pdf](http://www.naralicensing.org/Resources/Documents/2011-2013_CCLS.pdf).
- 8 For more information, see The National Center for the Review and Prevention of Child Deaths, <http://www.childdeathreview.org>.
- 9 The law specifies that inspection requirements apply to licensed, regulated, and registered providers. States differ with respect to which providers are required to be licensed, regulated, registered, or exempt from licensing. For purposes of this guide, references to licensed providers include those regulated and registered providers to whom the law applies.
- 10 Stephanie Schmit and Hannah Matthews, *Better for Babies: A Study of State Infant and Toddler Child Care Policies*, CLASP, 2013, <http://www.clasp.org/docs/BetterforBabies2.pdf>; Teresa Lim and Hannah Matthews, *Charting Progress for Babies in Child Care: Expand Monitoring and Technical Assistance*, CLASP, 2011, [http://www.clasp.org/babiesinchildcare/recommendations/healthy-and-safe-environments-in-which-to-explore-and-learn/expand-monitoring-and-technical-assistance/file/cp\\_rationale9.pdf](http://www.clasp.org/babiesinchildcare/recommendations/healthy-and-safe-environments-in-which-to-explore-and-learn/expand-monitoring-and-technical-assistance/file/cp_rationale9.pdf).
- 11 Anna Staver, "Audit Ranks Oregon Low for Child Care Affordability," *Statesman Journal*, December 4, 2014, <http://www.statesmanjournal.com/story/news/politics/2014/12/03/audit-ranks-oregon-low-child-care-affordability/19866031/>.
- 12 This total includes the District of Columbia which is counted as a state for the purposes of this guide. National Association for Regulatory Administration, *The 50-State Child Care Licensing Study: 2011-2013 Edition*, 2013, [http://www.naralicensing.org/Resources/Documents/2011-2013\\_CCLS.pdf](http://www.naralicensing.org/Resources/Documents/2011-2013_CCLS.pdf).
- 13 National Association for Regulatory Administration, *The 50-State Child Care Licensing Study: 2011-2013 Edition*, 2013, [http://www.naralicensing.org/Resources/Documents/2011-2013\\_CCLS.pdf](http://www.naralicensing.org/Resources/Documents/2011-2013_CCLS.pdf).
- 14 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, National Center on Child Care Quality, *Trends in Child Care Center Licensing Regulations and Policies for 2011, 2013*, [http://www.qrisnetwork.org/sites/all/files/resources/Debi%20Mathias/2012-12-01%2007:08/999\\_1208\\_Center\\_Licensing\\_Trends\\_Brief\\_FINAL.pdf](http://www.qrisnetwork.org/sites/all/files/resources/Debi%20Mathias/2012-12-01%2007:08/999_1208_Center_Licensing_Trends_Brief_FINAL.pdf).

- 15 For more information, see U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, National Center on Child Care Quality, *Contemporary Issues in Licensing: Monitoring Strategies for Determining Compliance - Differential Monitoring, Risk Assessment, and Key Indicators*, 2014, [https://childcareta.acf.hhs.gov/sites/default/files/1408\\_differential\\_monitoring\\_final\\_1.pdf](https://childcareta.acf.hhs.gov/sites/default/files/1408_differential_monitoring_final_1.pdf).
- 16 A 2005 survey of states found that six states made home visits to license-exempt providers receiving subsidies. Georgia, Idaho, and New Jersey required caregivers to agree to one home inspection. Louisiana made one unannounced home visit annually. Arizona required two annual visits, and Arkansas required three annual visits. Nevada required home visits for non-relative caregivers, during which it provided health and safety kits. Toni Porter and Shannon M. Kearns, *Supporting Family, Friend and Neighbor Caregivers: Findings From a Survey of State Policies*, 2005, <http://www.researchconnections.org/childcare/resources/4790/pdf>.
- 17 See U.S. Department of Health and Human Services, National Institutes of Health, National Institute of Child Health and Human Development, *The NICHD Study of Early Child Care and Youth Development: Findings for Children Up to Age 4 ½ Years*, 2006, [https://www.nichd.nih.gov/publications/pubs/documents/seccyd\\_06.pdf](https://www.nichd.nih.gov/publications/pubs/documents/seccyd_06.pdf).
- 18 American Academy of Pediatrics, American Public Health Association, and National Resource Center for Health and Safety in Child Care, "Standard 1.1.1.2: Ratios for Large Family Child Care Homes and Centers," *Caring for Our Children, Third Edition*, 2011, <http://cfoc.nrckids.org/StandardView/1.1.1.2>. See also "Standard 1.1.1.1: Ratios for Small Family Child Care Homes," *Caring for Our Children, Third Edition*, 2011, <http://cfoc.nrckids.org/StandardView/1.1.1.1>.
- 19 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, National Center on Child Care Quality, *Trends in Child Care Center Licensing Regulations and Policies for 2011, 2013*, [http://www.qrisnetwork.org/sites/all/files/resources/Debi%20Mathias/2012-12-01%2007:08/999\\_1208\\_Center\\_Licensing\\_Trends\\_Brief\\_FINAL.pdf](http://www.qrisnetwork.org/sites/all/files/resources/Debi%20Mathias/2012-12-01%2007:08/999_1208_Center_Licensing_Trends_Brief_FINAL.pdf).
- 20 Child Care Aware of America, *We Can Do Better: Child Care Aware® of America's Ranking of State Child Care Center Regulations and Oversight*, 2013, [http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2013/wcdb\\_state\\_tables\\_april\\_17\\_final.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2013/wcdb_state_tables_april_17_final.pdf).
- 21 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, National Center on Child Care Quality, *Minimum Preservice Qualifications and Annual Ongoing Training Hours for Center Teaching Roles in 2011, 2013*, [https://childcareta.acf.hhs.gov/sites/default/files/542\\_1305\\_qualstchmst\\_2011.pdf](https://childcareta.acf.hhs.gov/sites/default/files/542_1305_qualstchmst_2011.pdf).
- 22 CLASP review of 2012-2013 state CCDF plans.
- 23 Staff must have been employed by the prior provider within the previous 180 days.
- 24 The complete list includes: murder; child abuse or neglect; a crime against children, including child pornography; spousal abuse; a crime involving rape or sexual assault; kidnapping; arson; physical assault or battery; a drug-related offense committed within the preceding five years; a violent misdemeanor committed as an adult against a child including child abuse, child endangerment, or sexual assault; or a misdemeanor involving child pornography.
- 25 Child Care Aware of America, *Background Checks*, "Tables" available at <http://www.naccrra.org/about-child-care/state-child-care-licensing/background-checks>; Child Care Aware of America, unpublished data, updated November 2013 (on file with authors). The data reflects whether the states had the following elements in their background check systems: federal and state fingerprint checks, criminal record check, child abuse registry, and sex offender registry.
- 26 E-mail communication from Marguerite Ries, California Department of Education, January 15, 2015. For more information, see <http://trustline.org>.
- 27 See Madeline Neighly and Maurice Emsellem, National Employment Law Project, *Wanted: Accurate FBI Background Checks for Employment (9-10)*, 2013, <http://www.nelp.org/page/-/SCLP/2013/Report-Wanted-Accurate-FBI-Background-Checks-Employment.pdf?nocdn=1>.

# Child Care Program Standards and Quality Improvement Activities

*To support the goals of improving the quality of care and increasing the number and percentage of low-income children in high-quality child care settings, the CCDBG Act of 2014 increases the amount of funds states are required to spend on quality improvement activities. The law also drives quality funds toward improving the supply and quality of care for infants and toddlers. High-quality infant-toddler care is among the least available and affordable care for families, despite the critical importance of nurturing care during the earliest years. CCDBG quality dollars are used to support quality improvement for all children, not just low-income children, and in many cases are the foundation of other early learning initiatives, such as quality rating and improvement systems. Finally, the law offers strategies for increasing the quality of care through more robust program standards and training and professional development for providers.*

## In This Chapter:

- Activities to Improve the Quality of Child Care
- Early Learning and Development Guidelines
- Professional Training Requirements

## ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE

### Key Provisions in the Law

#### Quality Set-Aside

The reauthorization law increases the portion of CCDBG funds that states must reserve to improve child care quality among all providers (not just CCDBG providers) and increase access to high-quality care (the “quality set-aside”), which is 4 percent through FY 2015. Going forward, states must reserve at least:

- 7 percent in FY 2016 and FY 2017;
- 8 percent in FY 2018 and FY 2019; and
- 9 percent in FY 2020 and each year thereafter.

States must expend quality set-aside funds on at least one activity specified in the reauthorization law. The list of allowable quality improvement activities is extensive and includes:

- Supporting training and professional development of the child care workforce
- Improving upon the development or implementation of the state’s early learning and development guidelines
- Developing, implementing, or enhancing a tiered quality rating system
- Improving the supply and quality of infant and toddler care programs
- Establishing or expanding a statewide system of child care resource and referral services
- Facilitating compliance with state requirements for inspection, monitoring, training, health and safety, and licensing
- Evaluating quality and effectiveness of child care programs
- Supporting providers seeking national accreditation
- Supporting efforts to develop high-quality health, mental health, nutrition, physical activity, and physical development program standards
- Carrying out other activities determined by the state to improve the quality of care for which measurement of outcomes related to provider preparedness, child safety, child well-being, or kindergarten entry is possible.

#### Infant-Toddler Set-Aside

In addition to the quality set-aside funds, beginning in FY 2017, 3 percent of CCDBG funds must be reserved for quality improvement activities related to care for all infants and toddlers (see Table 3). Activities to improve the supply and quality of infant-toddler care may include:

- Establishing or expanding high-quality community- or neighborhood-based family and child development

centers and/or neighborhood-based family child care networks to support the provision of high-quality care

- Training and professional development for infant-toddler caregivers
- Coaching and technical assistance from statewide networks of qualified infant-toddler specialists
- Coordination with early intervention specialists
- Developing infant-toddler components within the state's quality rating system, licensing regulations, or early learning and development guidelines
- Consumer education on high-quality infant-toddler care
- Other activities that will improve the quality of infant-toddler care.

**Table 3. Quality Set-Aside by Year**

Federal Fiscal Year	Quality Set-aside	Infant-Toddler Set-Aside	Total Quality Set-Aside
2015	4%	--	4%
2016	7%	--	7%
2017	7%	3%	10%
2018	8%	3%	11%
2019	8%	3%	11%
2020 (and beyond)	9%	3%	12%

**Reporting Requirements**

Beginning in FY 2016, states must annually certify compliance with the quality set-aside requirements during the preceding fiscal year. Each state must submit an annual report describing the CCDBG funds reserved for quality improvement activities, the activities carried out, and measures the state will use to evaluate its progress in improving the quality of child care programs and services.

**Implementation Considerations**

**Quality Set-Aside**

Improving the quality of services available to families receiving CCDBG assistance is a primary goal of the program's reauthorization. The law presents a wide array of policy choices that can help states achieve that objective, and an in-depth discussion of all allowable quality improvement activities is beyond the scope of this guide.

**Any quality improvement strategy should be designed to address the needs of all children, including children with special needs and children from diverse cultural and linguistic backgrounds.**

The reauthorization provides an opportunity for states to assess how quality dollars are currently being used and direct them strategically to support their child care goals. States should consider how they can support the full range of program improvement needs, from start-up grants and basic materials to access to postsecondary education for providers and specialized programs and supports. States must carefully balance competing demands on their quality dollars, which are relied on to fund all parts of the early childhood system from licensing to subsidy enhancements and systems building such as quality rating and improvement systems (QRIS).

States should endeavor at the outset to develop a cohesive quality improvement strategy that can guide its policy choices within the framework outlined by the reauthorization law. For example, if a state plans to use some of its quality funds to support training and professional development for child care staff, it should consider how it will encourage individuals to remain in the field once they have completed an educational program—such as by offering financial rewards—so that children in child care have an opportunity to benefit from providers' additional skills and knowledge. If a state plans to use some of its quality funds for a new or enhanced QRIS, it should consider not only the administrative costs of designing a rating system and assessing programs for the purpose of rating them, but also the costs of helping child care programs improve their quality to achieve higher ratings, as well as the higher rates that are necessary to give programs an incentive to improve and maintain a higher level of quality (and to help the programs cover the additional costs entailed in doing so). States' costs of implementing QRIS also include the costs of reaching out to parents through multiple channels with information

about what QRIS are, how they work, and how parents can use the systems to find high-quality child care.

Any quality improvement strategy should be designed to address the needs of all children, including children with special needs and children from diverse cultural and linguistic backgrounds. In addition, quality improvement strategies should take into account the comprehensive needs of children and families, including children's physical, social-emotional, and cognitive development, as well as family engagement opportunities that encourage families' support for their children's learning in child care and at home.

**States should ensure that they use their funds to support high-quality care in a comprehensive way, and not devote all of their funds to a single narrow purpose—for example, covering the costs of implementing newly required inspections.**

States should ensure that they use their funds to support high-quality care in a comprehensive way, and not devote all of their funds to a single narrow purpose—for example, covering the costs of implementing newly required inspections. While such health and safety measures are critical, they are not sufficient to accomplish the goal of substantially raising the quality of care. At the same time, however, states can consider how their approaches to meeting requirements in the law may serve more than one objective. For example, if on-site inspections of license-exempt providers are designed thoughtfully, they may serve as a quality improvement strategy for child care in underserved areas, infant-toddler care, and non-traditional-hour care. Inspections can be an opportunity to offer providers technical assistance, materials, and supplies that help providers not simply meet minimal licensing requirements but enhance their overall quality.

With the increased quality set-aside comes increased accountability in the form of requiring outcome measures

and evaluation of quality activities. In determining which outcomes to measure and how to do so, states should consider the range of ways that the research demonstrates quality activities can positively affect children and their families—and states should avoid narrowly focusing on one particular type of outcome measure or one particular dimension of children's development. For vulnerable children, quality supports include those that address physical, mental, emotional, and cognitive development. When measuring the outcomes of their quality improvement strategies, states should ensure that they use a variety of data and approaches to evaluate the impact and effectiveness of those strategies.

If states use child assessments as a part of their evaluations, they must be appropriate for young children and follow the recommendations and cautions of the National Research Council reports on the use of child assessments.<sup>1</sup> Child assessments should not be the primary or sole method of assessing program activities. Assessment should be used to inform teaching practices and for continuous program improvement—not for high-stakes decisions about funding a particular program or provider, or for providing rewards or sanctions for individual children, teachers, or programs.

#### **Infant-Toddler Set-Aside**

With the provision establishing a permanent and expanded infant-toddler quality set-aside of 3 percent of a state's CCDBG funds, the reauthorization law also provides an opportunity for states to focus on specific strategies to improve the quality of care for very young children. The 3 percent set-aside is an increase from approximately 2 percent of CCDBG funds, or \$136 million, spent on infant and toddler program quality in 2013.<sup>2</sup> The importance of the earliest years for children's development<sup>3</sup> makes it all the more essential to address the challenges families have in finding affordable, high-quality care for their infants and toddlers—which tends to be more costly than care for older children<sup>4</sup> and is in short supply in many communities.<sup>5</sup>

As with their plans for using the overall quality set-aside, states should employ a carefully thought-out approach with their infant-toddler quality set-aside. States should take steps to both improve the quality of care for infants and toddlers and ensure parents have access to high-quality care

for infants and toddlers, including by expanding the slots available for this age group (which is an allowable use of the set-aside funds). Direct contracts for high-quality infant-toddler care have been an effective strategy in states to increase the supply of high-quality center- and home-based care for infants.<sup>6</sup> Rate differentials for infant-toddler providers are also critical as current rates do not adequately cover the incremental costs for the provision of care that meets the needs of vulnerable young children. For example, the average cost of infant-toddler care is almost double the average subsidy payment in CCDBG.<sup>7</sup>

In considering how to improve the quality of care for infants and toddlers, states should take care to recognize the unique needs of this age group—and the specialized professional development needs of the staff who work with them. In addition to the general professional development considerations discussed below, states can implement strategies tailored to staff serving very young children by, for example, providing access to infant and toddler specialists who can offer support and coaching to child care programs in meeting the developmental needs of very young children. At least 26 states have reported funding networks of infant and toddler specialists in the past.

**Washington State funds a network of 35 infant-toddler specialists.** The state's Department of Early Learning (DEL) funds each of its 10 Early Learning Regions to provide infant-toddler interdisciplinary child care consultations to licensed family child care homes and centers, and to coordinate an infant-toddler consultant network within each region. The DEL also hosts regular statewide interdisciplinary infant and toddler consultation networking meetings.<sup>8</sup>

States can use increased resources directed to infants and toddlers to build on other investments in the youngest children. For example, recent funding for Early Head

Start-Child Care Partnerships offers a new opportunity to better align child care and Early Head Start. As grantees work to implement the partnerships successfully, states can direct infant-toddler resources in ways that support partnerships and increase the supply of child care providers who are able to meet high-quality standards to participate in partnerships.

Other strategies to consider—which a number of states have already implemented—include developing core competencies specific to infant and toddler child care staff; offering specific infant-toddler certifications; providing targeted reimbursement and compensation for professional development among infant and toddler teachers; and offering higher payment rates to providers who serve infants and toddlers, in part to allow for increased compensation and better provider-to-child ratios that allow very young children to receive more individualized attention.<sup>9</sup>

## EARLY LEARNING AND DEVELOPMENT GUIDELINES

### Key Provisions in the Law

#### Elements of Early Learning and Development Guidelines

The state must develop, maintain, or implement early learning and development guidelines for children from birth to kindergarten entry, describing what children should know and be able to do and covering the essential domains of early childhood development. The guidelines must be:

- Research-based;
- Developmentally appropriate for children;
- Aligned with entry to kindergarten;
- Implemented in consultation with the state educational agency and the State Advisory Council on Early Childhood Education and Care;
- Be designed for use by child care providers statewide; and
- Be updated as determined by the state.

The reauthorization law emphasizes that states retain independence over the content of the guidelines; the federal government is barred from prescribing the guidelines or requiring states to submit them for review.

## Assessments

The law clarifies that the early learning guidelines should not serve as the basis for any assessment that will be the sole basis to determine a provider is ineligible to participate in CCDBG; be used as the primary or sole basis to reward or sanction an individual provider; be used as the primary or sole method for assessing program effectiveness; or be used to deny children eligibility to participate in CCDBG. No CCDBG funds may be used to develop or implement any such high-stakes assessment.

The law permits states to use a single assessment of children for any of the following purposes:

- Supporting learning or improving a classroom environment
- Targeting professional development
- Determining need for health, mental health, disability, developmental delay, or family support services
- Obtaining information for the state-level quality improvement process
- Conducting a program evaluation to provide program improvement and parent information.

## Implementation Considerations

The vast majority of states currently have early learning and development guidelines in place, including guidelines for infants and toddlers. However, even if they already have guidelines, states should review them to ensure they align with the state's professional development plan and other quality improvement efforts as designed or revised to comply with the reauthorization law. For example, states should examine how their professional development plan ensures that child care providers have complete training on effectively using the guidelines to encourage children's learning and development. States should also ensure that the guidelines encourage children's individualized development and learning in a forward progression, with children building their knowledge and skills step by step—rather than, for example, taking a backward-mapping approach that determines where children should be in the infant, toddler, and preschool years based on where they are “expected” to be at kindergarten or a later grade. In addition, states should ensure the guidelines are designed and implemented with recognition of children's diverse linguistic and cultural backgrounds.<sup>10</sup>

Once states have developed or strengthened early learning and development guidelines, states should take steps to make the guidelines accessible to parents and providers—for example, by posting them online in an easy-to-understand format, with examples of learning activities to illustrate the different standards and explanations of why specific standards are part of the guidelines. Providers should be encouraged to offer parents information about the guidelines so that they can understand what their children are learning in child care and how they can reinforce it at home.

In developing and applying any child assessments tied to the early learning guidelines, states should carefully follow the recommendations of the National Research Council on appropriate assessments and uses of assessments. When used appropriately—and as one of a variety of evaluation measures—assessment of children can help inform teaching practices and services, support continuous improvement, and strengthen the quality of children's early learning experiences. However, the linkage of child test scores to evaluations of teacher or program performance or for high-stakes funding decisions are not appropriate uses of child assessments, especially for the earliest years of education.<sup>11</sup>

## PROFESSIONAL DEVELOPMENT AND TRAINING REQUIREMENTS

### Key Provisions in the Law

In addition to recognizing training and professional development for the child care workforce as an authorized use of CCDBG quality set-aside funds, the reauthorization law requires states to have training and professional development requirements applicable to providers receiving CCDBG funds that promote child development and improve the knowledge and skills of the workforce. This training and professional development must:

- Be conducted on an ongoing basis and provide for a progression of professional development (which may include encouraging postsecondary education);
- Reflect current research and best practices relating to skills necessary for the child care workforce to meet developmental needs of children and to improve the quality of, and stability within, the workforce;

- Be developed in consultation with the State Advisory Council on Early Childhood Education and Care (and may also engage training providers in aligning training opportunities with the state's training framework);
- Incorporate the state's early learning and development guidelines (where applicable), health/safety standards, and social-emotional behavior intervention models;
- Be accessible to providers supported through Indian tribes or tribal organizations that receive CCDBG assistance; and
- Prepare staff to work with different age groups, English learners, children with disabilities, and Native Americans and Indians (to the extent practicable).

The state plan must also indicate the number of hours of training required annually for providers (as determined by the state). In addition, states must develop and implement strategies to strengthen the business practices of child care providers to expand the supply and improve the quality of child care services; the Secretary of the U. S. Department of Health and Human Services (HHS) may provide technical assistance to help states carry out this provision.

### Implementation Considerations

#### Promoting Meaningful Professional Development and Retention of Qualified Providers

Providers are central to the learning experience of children in child care, and quality of care is closely tied to quality of providers.<sup>12</sup> Yet many providers do not receive the preparation they need to offer high-quality care to children—because it is not required by the state and/or because providers are not able to access training and education opportunities—and those providers who do receive advanced education may choose to leave the field for higher-paying jobs. The reauthorization encourages states to develop a coherent strategy to ensure a stable, qualified child care workforce that has the skills and knowledge necessary to offer high-quality care. In designing their professional development plan, states should consider how to leverage and coordinate existing resources—including child care resource and referral agencies (CCR&Rs), community colleges, and other community and educational institutions—to expand training and education opportunities for providers.

While the reauthorization law outlines many of the key components of a coherent professional development system for the child care workforce, there are several additional elements to ensure the effectiveness of that system. For example, states' professional development plans should include strategies—across provider types—for maximizing providers' ability to take advantage of professional development opportunities by making sure that classes are available during weekends and evenings when providers are not working and are offered in convenient locations (and/or online). Further, training and professional development activities should take into account the linguistic, cultural, and socioeconomic needs of the child care workforce, ensuring that opportunities are affordable and offered in languages that reflect the population. Information and outreach about the professional development and training should also incorporate these considerations.

States' professional development systems should support providers in developing the skills necessary to work with an increasingly diverse young child population.<sup>13</sup> Providers of all backgrounds should receive meaningful training in cultural competency and in knowledge of dual or second language acquisition. In addition, states should recruit and support a diverse workforce through steps such as offering community-based training in multiple languages and helping individuals who speak languages other than English access licensing and professional development systems.

**States' plans should address methods for keeping providers in the field once they have received additional training and education on early childhood education and care.**

States' plans should address methods for keeping providers in the field once they have received additional training and education on early childhood education and care. For example, states could adopt the T.E.A.C.H. Early Childhood® Project, which currently operates in 25 states,<sup>14</sup> or a similar approach that offers scholarships to child care staff for furthering their education and increased

compensation once they complete their coursework if they agree to remain with their child care program for a certain period of time. States can also adopt approaches such as WAGE\$, which aims to increase the compensation of providers who already have attained credentials.<sup>15</sup>

### Improving Business Practices

Many child care providers and directors could benefit from training in business practices given the challenges involved in operating a program on a tight budget—and given the fact that many providers' educational background is in early childhood care and education rather than in business management. Training in business practices can be particularly helpful to individuals with independently operated small child care centers or family child care homes that do not have the support of a larger umbrella corporation or organization to handle administrative and financial responsibilities. The business training should be specifically tailored to the unique needs and circumstances of the child care industry and should reflect the mix of program types. For example, many child care programs are operated by non-profit organizations, which have specific legal and financial requirements and considerations related to that designation. In addition, if business practices are one of the criteria used in a state's QRIS, the training should be aligned with those criteria.

**The practice of shared services has emerged recently as a strategy for strengthening child care business practices.** Under a shared services model, agencies providing child care share the cost of administrative functions, such as payroll, procurement of food and supplies, human resources, and bookkeeping, to minimize overhead costs and improve efficiency. Shared services arrangements are often administered by an intermediary organization, such as a community-based non-profit or professional association. The CCDBG reauthorization identifies shared services as one strategy for developing public-private partnerships.

## Additional Resources

### Quality Initiatives

- NWLC and CLASP, *A Count for Quality: Child Care Center Directors on Rating and Improvement Systems*, <http://www.nwlc.org/sites/default/files/pdfs/ACountforQualityQRISReport.pdf>.
- National Association for the Education of Young Children (NAEYC), *Developmentally Appropriate Practice in Early Childhood Programs Serving Children from Birth through Age 8*, <http://www.naeyc.org/files/naeyc/file/positions/PS-DAP.pdf>.
- QRIS National Learning Network, Build Initiative, <http://www.buildinitiative.org/>.
- Early Learning Ventures and the David and Laura Merage Foundation, *Shared Services: A New Business Model to Support Scale and Sustainability in Early Care and Education*, [http://www.earlychildhoodfinance.org/downloads/2009/SharedServicesELVreport\\_2009.pdf](http://www.earlychildhoodfinance.org/downloads/2009/SharedServicesELVreport_2009.pdf).

### Improving Care for Infants and Toddlers

- CLASP, *Charting Progress for Babies in Child Care: Research, Policy Recommendations and State Examples*, <http://www.clasp.org/babiesinchildcare>.
- CLASP, *Better for Babies: A Study of State Infant and Toddler Child Care Policies*, <http://www.clasp.org/docs/BetterforBabies2.pdf>.
- ZERO TO THREE, *Infants and Toddlers in the Policy Picture*, <http://www.zerotothree.org/public-policy/building-early-childhood-systems/checklistsinglesmar5.pdf>.
- ZERO TO THREE, *Supporting Babies Through QRIS: Inclusion of Infant and Toddler Quality Standards*, <http://www.zerotothree.org/public-policy/building-early-childhood-systems/qrisk/quality-rating-and-improvement-system-standards.pdf>.

### Early Learning and Development Guidelines

- ZERO TO THREE, *Early Learning Guidelines for Infants and Toddlers: Recommendations for States*, [http://main.zerotothree.org/site/DocServer/Early\\_Learning\\_Guidelines\\_for\\_Infants\\_and\\_Toddlers.pdf?docID=4961](http://main.zerotothree.org/site/DocServer/Early_Learning_Guidelines_for_Infants_and_Toddlers.pdf?docID=4961).
- NAEYC and National Association of Early Childhood Specialists in State Departments of Education, *Where We Stand on Early Learning Standards*, <http://www.naeyc.org/files/naeyc/file/positions/earlyLearningStandards.pdf>.

- National Research Council, *Early Childhood Assessment: Why, What, and How*, <http://www.nap.edu/catalog/12446/early-childhood-assessment-why-what-and-how>.

### Professional Development

- CLASP, “Support a Diverse and Culturally Competent Workforce,” *Charting Progress for Babies in Child Care*, <http://www.clasp.org/babiesinchildcare/recommendations/nurturing-and-responsive-providers/support-a-diverse-and-culturally-competent-workforce>.
- NAEYC, *Workforce Designs: A Policy Blueprint for State Early Childhood Professional Development Systems*, [http://www.naeyc.org/files/naeyc/file/policy/ecwsi/Workforce\\_Designs.pdf](http://www.naeyc.org/files/naeyc/file/policy/ecwsi/Workforce_Designs.pdf).

- NAEYC and NACCRRA, *Early Childhood Education Professional Development: Training and Technical Assistance Glossary*, [http://www.naeyc.org/files/naeyc/file/ecprofessional/NAEYC\\_NACCRRA\\_TrainingTAGlossary.pdf](http://www.naeyc.org/files/naeyc/file/ecprofessional/NAEYC_NACCRRA_TrainingTAGlossary.pdf).

- Institute of Medicine and National Research Council, *The Early Childhood Care and Education Workforce: Challenges and Opportunities*, [http://www.nap.edu/download.php?record\\_id=13238#](http://www.nap.edu/download.php?record_id=13238#).
- Center for the Study of Child Care Employment, *Worthy Work, Still Unlivable Wages: The Early Childhood Workforce 25 Years after the National Child Care Staffing Study*, <http://www.irle.berkeley.edu/cscce/wp-content/uploads/2014/11/ReportFINAL.pdf>.

- 1 See generally National Research Council, *Early Childhood Assessment: Why, What, and How?*, Committee on Developmental Outcomes and Assessments for Young Children, Board on Children, Youth and Families, Board on Testing and Assessment, Division of Behavioral and Social Sciences and Education, 2008, [http://www.acf.hhs.gov/sites/default/files/opre/early\\_child\\_assess.pdf](http://www.acf.hhs.gov/sites/default/files/opre/early_child_assess.pdf).
- 2 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, “FY 2013 CCDF Table 3a - All Expenditures by State – Detailed Summary: State and Federal Expenditures Including MOE,” 2013, <http://www.acf.hhs.gov/programs/occ/resource/fy-2013-ccdf-table-3a>.
- 3 Stephanie Schmit and Hannah Matthews, *Better for Babies: A Study of State Infant and Toddler Child Care Policies*, CLASP, 2013, <http://www.clasp.org/docs/BetterforBabies2.pdf>.
- 4 Child Care Aware of America, *Parents and the High Cost of Care: 2014 Report*, 2014, <http://www.usa.childcareaware.org/costofcare>.
- 5 See, e.g., Child Care Aware of America, *Parents and the High Cost of Care: 2014 Report*; National Association of Child Care Resource and Referral Agencies, *Child Care in Thirteen Economically Disadvantaged Communities*, 2006, [http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2011/13\\_disadvantaged\\_comm\\_report\\_2006.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2011/13_disadvantaged_comm_report_2006.pdf); Helen Raikes, Brian Wilcox, Carla Peterson, et al., *Child Care Quality and Workforce Characteristics in Four Midwestern States*, The Gallup Organization, 2003, [http://ccfl.unl.edu/projects\\_outreach/projects/current/ecp/pdf/final\\_11-25-03.pdf](http://ccfl.unl.edu/projects_outreach/projects/current/ecp/pdf/final_11-25-03.pdf); Mary Carpenter, Mary Martin and Sue Russell, *Who’s Caring for Our Babies Now? Revisiting the 2005 Profile of Early Care and Education for Children Birth to Three in North Carolina*, Child Care Services Association, 2008, [http://www.childcareservices.org/\\_downloads/research/IT\\_State%20report\\_08.pdf](http://www.childcareservices.org/_downloads/research/IT_State%20report_08.pdf); California Child Care Resource and Referral Network, *2013 California Child Care Portfolio*, 2013, [http://www.rnetwork.org/2013\\_portfolio](http://www.rnetwork.org/2013_portfolio).
- 6 Hannah Matthews and Rachel Schumacher, *Ensuring Quality Care for Low-Income Babies Contracting Directly with Providers to Expand and Improve Infant and Toddler Care*, CLASP, 2008, <http://www.clasp.org/resources-and-publications/files/0422.pdf>.
- 7 U.S. Department of Health and Human Services, Administration for Children and Families, *Justification of Estimates for Appropriations Committees*, 2015, [https://www.acf.hhs.gov/sites/default/files/olab/2016\\_acf\\_cj\\_final\\_for\\_print\\_1\\_28\\_upted.pdf](https://www.acf.hhs.gov/sites/default/files/olab/2016_acf_cj_final_for_print_1_28_upted.pdf).
- 8 Schmit and Matthews, *Better for Babies*.
- 9 Schmit and Matthews, *Better for Babies*.
- 10 Hannah Matthews, *Meeting the Early Learning Challenge: Supporting English Language Learners*, CLASP, 2011, <http://www.clasp.org/resources-and-publications/files/ellsandelc.pdf>.
- 11 National Research Council, *Early Childhood Assessment* (358-59, 425). The National Research Council defines high-stakes assessments as “[t]ests or assessment processes for which the results lead to significant sanctions or rewards for children, their teachers, administrators, schools, programs, or school systems” and urges “even more extreme caution” when using assessments of children from birth to age five for accountability.
- 12 Institute of Medicine and National Research Council, *The Early Childhood Care and Education Workforce*, 2012, [http://www.nap.edu/download.php?record\\_id=13238#](http://www.nap.edu/download.php?record_id=13238#).
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- 14 See generally Child Care Services Association, *T.E.A.C.H. Early Childhood® National Center*, [http://www.childcareservices.org/ps/teach\\_ta\\_qac/](http://www.childcareservices.org/ps/teach_ta_qac/).
- 15 See generally Child Care Services Association, *Child Care WAGE\$ National*, [http://www.childcareservices.org/ps/teach\\_ta\\_qac/child-care-wage-national/](http://www.childcareservices.org/ps/teach_ta_qac/child-care-wage-national/).

# Family-Friendly Policies

*The CCDBG reauthorization includes important subsidy policy changes designed to reduce burdens for families trying to get and keep child care assistance. By minimizing reporting requirements and complexity that can result in families unduly losing their assistance, these improvements will help families have the stable, continuous child care that parents need to succeed on the job and that children need for their healthy development. These improvements can also facilitate partnerships between child care and other programs such as Early Head Start, Head Start, or prekindergarten that increase low-income families' access to high-quality early learning opportunities. In addition to the benefits for children and families, more streamlined subsidy policies can allow public agencies to operate more efficiently and effectively and better ensure program integrity.*

## In This Chapter:

- Meeting the Needs of Certain Populations, Priority Populations, and Parental Choice
- Eligibility Determination, Redetermination, and Protection of Working Parents
- Family Copayment Policies

## MEETING THE NEEDS OF CERTAIN POPULATIONS, PRIORITY POPULATIONS, AND PARENTAL CHOICE

### Key Provisions in the Law

#### Strategies to Improve Supply and Quality of Care for Target Populations

- States must describe in their state plans how they will implement strategies to increase the supply and improve the quality of child care for infants and toddlers, children in underserved geographic areas, children with disabilities, and children who receive care during non-traditional hours.
- State strategies may include alternative reimbursement rates to child care providers; direct contracts or grants to community-based organizations; certificates to parents; or other means determined by the state.

- States must describe in their plans how they will use investments to increase access to high-quality child care and prioritize those investments for children in areas with significant concentrations of poverty and unemployment and a lack of high-quality child care programs.

#### Parental Choice

- Parents must have a choice of enrolling their child in child care with a provider who has a grant or direct contract for providing child care services or receiving a child care certificate (or voucher) to use with a provider of their choice.
- New language clarifies that CCDBG law should not be considered to favor the use of grants or contracts over the use of child care certificates.

#### Priority Enrollment

- States must prioritize care for children in low-income families and children with special needs.
- States must have in place procedures for expedited enrollment of homeless children and children in foster care pending completion of documentation.

## Implementation Considerations

### Strategies to Increase the Supply and Quality of Child Care

The CCDBG Act focuses on improving access to high-quality care for those populations for whom access is most challenging. High-quality child care for infants and toddlers and children with disabilities is in short supply because it requires a highly prepared workforce, better provider-to-child ratios, small group size, special equipment, and additional space. These components involve additional costs that parents may not be able to support without help. In addition to such costs, there may be a lack of sufficient demand, difficulties in finding and keeping qualified staff, and increased operational or transportation costs that make it challenging to sustain a high-quality licensed child care program. License-exempt providers, the most-available option in some rural or economically disadvantaged communities or during non-traditional hours, may be as

isolated as the families whose children they serve and in need of support to provide high-quality care.

States can address these shortages by targeting funds to support providers serving infants and toddlers, children with disabilities, children in underserved geographic areas, and children who receive care during non-traditional hours; offering incentives to encourage more providers to serve these populations; and supporting organizations that have experience in offering training and technical assistance to help providers serve these populations.

**Direct Contracts.** While CCDBG has always required states to offer parents a choice of care through direct contracts or grants or certificates, most CCDBG-funded care is paid for through certificates. In 2013, 90 percent of children receiving CCDBG-funded child care were served through certificates.<sup>1</sup> Yet, if designed well and funded adequately, direct contracts for child care offer opportunities to build capacity or improve the quality of care for targeted populations, including infants and toddlers and children with disabilities. As part of the contract, states can require that child care providers meet higher quality standards beyond basic licensing requirements. Contracts can be used:

- **To create or stabilize care in particular communities or for specific populations.** States have used contracts to promote high-quality care for teen parents, homeless families, parents who work non-traditional hours, children in protective care, children of migrant farmworkers, and infants and toddlers.
- **To create child care slots meeting quality standards,** above minimum child care licensing standards, such as better provider-to-child ratios and higher staff education or training requirements. States may require providers to meet national accreditation standards or higher levels of a state quality rating and improvement system (QRIS). Contracts in Vermont have required programs to be nationally accredited, earn four or five stars on the state's QRIS, and follow Head Start Program Performance Standards (if they are Head Start grantees).
- **To expand the availability of comprehensive services** through partnerships with Head Start or Early Head Start, or by providing additional resources

to contracted providers to meet the costs of providing comprehensive services.

- **To extend the day or year of Head Start, Early Head Start, or state prekindergarten programs.** Contracts may be an important tool to facilitate Early Head Start-Child Care Partnerships by, for example, aligning CCDBG eligibility periods for children cared for in such partnerships.
- **To improve the quality of family child care** by awarding contracts through supportive family child care systems and increasing quality standards for participating family child care homes.

**Massachusetts, Illinois, and New York City have all used contracts with family child care networks or systems to serve infants and toddlers in the subsidy system. Funds go directly to the network, and the network facilitates payments to individual providers caring for the children. Family child care networks provide administrative, professional development, and quality improvement support to individual family child care providers. Networks vary in size and operate as free-standing agencies or as programs of larger agencies serving children, some of which also serve children with subsidies in center-based child care.<sup>2</sup>**

Direct contracts have the potential to offer more stable revenue to providers, who are then able to make investments in better-qualified teachers, supplies, materials, and other resources they may not have been able to afford. Contracts guarantee payment for a specific number of children, may guarantee payments over several years, and may be paid prospectively, which provides even more stability for a child care provider. However, it is critical that contracts are sufficiently funded; if states do not provide enough to meet the higher costs of a contract's requirements, it undermines the purpose of the contract.

**Tiered Reimbursement.** To further encourage the development of high-quality child care capacity for particular populations, states may provide tiered reimbursement or other financial incentives to those providers offering care for specific populations, during non-traditional hours, or in underserved geographic areas. As of 2014, 37 states have child care assistance systems that provide higher reimbursement rates to child care providers that meet specific quality requirements. Despite these efforts to incentivize care through tiered and varying rates, however, most states still do not have rates that reach the federally recommended 75th percentile of the market, even at their highest tiers, limiting options for high-quality care for families with subsidies. As of 2014, more than three-quarters of states offering tiered reimbursements did not reach the 75th percentile of the market rate at their highest payment level.<sup>3</sup>

**Grants and Other Supports.** States may consider start-up grants or equipment grants to centers, family child care homes, and license-exempt caregivers in underserved areas to improve quality. Providers who cannot afford basic materials and equipment have difficulty creating environments that support children's positive development.

**Non-Traditional-Hour Care.** Many parents work nonstandard hours (during evenings, nights, weekends) and/or have irregular, unpredictable schedules. In one study, roughly half of low-wage hourly workers reported working nonstandard schedules.<sup>4</sup> Yet there is an inadequate supply of licensed care during evenings and weekends, and significant barriers to addressing this unmet need. States can apply a range of strategies, which may include higher payment rates for providers during those hours or direct contracts to support extended-hour care. States can also support family, friend, and neighbor (FFN) caregivers, who are often the providers of care during non-standard hours. In the past, states such as California and Minnesota have offered targeted funding to organizations working with FFN providers. It is important to provide support that recognizes the wide variety of FFN providers and to design programs that meet their varied circumstances.

The CCDBG Act includes a number of other provisions related to increasing the supply and quality of care, particularly for certain target populations, outlined in the Quality Improvement section of this guide.

### Priority Enrollment

The reauthorization did not change the requirement for states to prioritize services for children in low-income families and children with special needs. Both of those categories are defined by states. States may also choose to prioritize additional populations and may decide what strategies to use to prioritize care. In addition to prioritizing enrollment for these populations, states may pay higher rates for higher-quality care or waive copayments for poor families.

The reauthorization requires states to recognize the distinct challenges facing homeless families by permitting children in homeless families to enroll in the child care assistance program prior to having complete documentation and establishing a grace period to allow families to receive services while they take steps to comply with immunization and other health and safety requirements. States define "homeless" as it applies to this requirement and also have the flexibility to consider other high-needs populations that may be streamlined into the program.

Under CCDBG law, states may choose to expedite enrollment or use presumptive eligibility to allow families to enroll children quickly in care to meet parents' immediate employment needs. For example, states may consider allowing a period of 30 days for eligibility verification after care begins (provided that certain initial eligibility criteria are met) and establish policies to ensure that payments made for less than 30 days are not considered an improper payment. This type of strategy prevents administrative procedures from hindering access to care, so parents can quickly begin work while their children receive the care they need—and providers are assured of receiving payment.

## ELIGIBILITY DETERMINATION, REDETERMINATION, AND PROTECTION OF WORKING PARENTS

### Key Provisions in the Law

The CCDBG Act of 2014 includes several provisions that simplify eligibility policies to improve access and stability for families.

- Once a child has been determined eligible for child care assistance, states must consider the child eligible for a minimum of 12 months regardless of temporary changes

in a parent's work, education or training activities, or family income, as long as income does not exceed 85 percent of state median income (SMI).

- States may not terminate child care assistance based on parental job loss or cessation of education and training unless they continue assistance for a period of at least three months to provide time for job search.
- States must describe how their redetermination procedures and policies do not require working parents, and in particular parents receiving Temporary Assistance to Needy Families (TANF), to disrupt employment in order to comply.
- States must demonstrate how they will take into account irregular fluctuations in parents' earnings when determining and redetermining eligibility.
- At redetermination, states must have policies in place to continue child care assistance at the beginning of the new eligibility period for parents who are working or attending job training or education but whose income exceeds the state's qualifying income eligibility and is below 85 percent of SMI.

**With additional resources, states will be able to manage their caseloads not by depending on families to lose their assistance after only a few months—which has negative consequences for children's well-being and parents' employment—but by designing their programs in a way that truly works for families.**

### Implementation Considerations

To make subsidy policies work better for families, states will need to take a number of steps, including assessing the administrative bottlenecks, duplicative paperwork, and other requirements that may impede families' access to assistance; considering improved processes, technological solutions, and other strategies to address these barriers; and providing guidance and training to ensure consistent implementation of changes

throughout the system, including at the local level and among individual caseworkers. These efforts should encompass all stages of the child care subsidy program—including application, eligibility determination, approval for assistance, interim reporting requirements, and redetermination—even if a particular stage is not explicitly addressed in the reauthorization, given that the stages are interrelated.

While these subsidy policy changes are good for children and parents and reduce administrative costs, they do entail some additional costs, since the changes enable families to retain child care assistance for longer periods. States will need increased resources to ensure that these changes do not result in more children being placed on waiting lists for assistance or certain groups of children being denied assistance. With additional resources, states will be able to manage their caseloads not by depending on families to lose their assistance after only a few months—which has negative consequences for children's well-being and parents' employment—but by designing their programs in a way that truly works for families.

### Annual Eligibility

Prior to this reauthorization, states had the discretion to set their maximum eligibility period for child care assistance. As of this writing, states are roughly evenly divided between having six-month and 12-month eligibility periods—yet children commonly experience much shorter periods of assistance, and a modest increase in earnings or a brief period of unemployment may cause a family to lose child care assistance, resulting in a large increase in the family's child care costs. A recent study of administrative data across 35 states found that families use child care subsidies for relatively short time periods in most states, usually less than a year. In 31 states, the median length of subsidy receipt was between four and eight months. The study showed that the same families frequently return to the subsidy programs after they exit.<sup>5</sup> A recent study of child care subsidy receipt in Maryland found that, despite the state policy of 12-month (maximum) eligibility, only 35 percent of children were given eligibility periods of more than 48 weeks. In practice, clients were assigned shorter eligibility periods based on short-term training programs, temporary jobs, and other factors subject to caseworker discretion.<sup>6</sup>

Now, under the updated CCDBG law, all children determined eligible for child care assistance must be considered eligible for a minimum of 12 months, regardless of temporary changes in parental employment or participation in education or training, or income, as long as household income remains below 85 percent of SMI. The intent is to enable families to maintain their child care assistance—and their child care—during short-term or predictable changes in employment. Research suggests that longer authorizations reduce the risk of losing benefits, supporting stable parental employment and continuity of care for the child.<sup>7</sup> Annual eligibility has benefits for states and administering agencies as well. State and local agencies do not have to spend resources on frequent redeterminations for families whose circumstances have not changed and can better align their child care assistance programs with other programs in which CCDBG-eligible families commonly enroll, including Medicaid and the Supplemental Nutrition Assistance Program (SNAP) as well as Head Start, Early Head Start, and state prekindergarten. States will want to examine existing eligibility policies, as well as how they differ for families with different circumstances, such as those participating in education or training and those qualifying for child care under TANF, to ensure that 12-month eligibility is implemented in accordance with the new law.

Minimizing improper payments is an important priority for state administrators who must spend scarce resources appropriately. By federal definition, an improper payment (distinct from fraud) is one made in a way that is inconsistent with state or federal eligibility or payment policies. States should revise their eligibility and payment policies to reflect that federal law now establishes a minimum initial eligibility period of 12 months and allows families to retain assistance during temporary changes in employment or job training/education attendance, so that payments for care provided during those gaps in employment or education (including maternity leave, temporary disability, school semester breaks, etc.) are not considered improper payments.

Actualizing *continuous* 12-month eligibility depends on strong policies as well as caseworker training to understand the new policy requirement and how it relates to all families and their employment or education/training circumstances.

States will need to assess the *actual* eligibility periods granted to families under current policies to better understand situations in which families are granted shorter benefit periods and how to address any discrepancies between policy and implementation practices. States should also consider interim reporting requirements (discussed below) and how they may impede goals of continuous eligibility.

### Interim Reporting

In between redeterminations, subsidy agencies commonly require parents to report changes in their circumstances that may affect their eligibility for (or the level of) benefits. In some cases, states require parents to report if they experience any one of a long list of changes—in income, work schedule, employment, residence, household composition, or child care provider—even if the change has little or no effect on their benefit. This type of policy places a significant burden on parents; on agencies, which have to process even minimal changes; and on child care providers, which must keep track of multiple adjustments to a family's status. Onerous reporting requirements and frequent reviews of eligibility result in many families receiving child care assistance for shorter periods of time than originally authorized.

While the reauthorization legislation does not address interim reporting requirements, the provision establishing minimum 12-month eligibility clearly signals the importance of facilitating families' continuous access to child care assistance for an extended time period. States should consider eliminating or simplifying interim reporting requirements to better achieve this objective. They should consider what reporting requirements are currently in place and assess whether they are necessary given the transition to more continuous eligibility inclusive of temporary changes in employment and income. If a state does not completely eliminate interim reporting, it should at least end any current practices requiring all information to be reported at interim periods and should not act on any changes that would decrease benefits until the next redetermination.

Other benefit programs offer models for how states can encourage continuous eligibility for child care assistance and minimize burdens for families. For example, SNAP only

requires clients to report changes between redetermination periods if a household no longer meets federal income eligibility criteria for the program (income at or below 130 percent of the federal poverty level, or FPL). SNAP also gives families the option of reporting other changes, such as loss of income or increased number of household members, which could benefit the family by making it eligible for higher SNAP benefits. Similarly, states could make it easier for families receiving child care assistance to report changes that would benefit them—e.g., an increase in work hours that requires additional hours of care or a decrease in income that would reduce their parent fees. For example, West Virginia does not act on income changes reported before redetermination unless the parent is asking to reduce his or her parent fees.<sup>8</sup>

### Assistance in the Event of Job Loss

The CCDBG legislation gives states the *option* of terminating assistance after a parent's job loss or cessation of education or training, but only if the state allows for a minimum of three months of job search prior to ending assistance. The Senate committee conference report on the CCDBG reauthorization law clarifies that this option should not be used unless there is "demonstrated evidence of prolonged cessation in work, education, or training activities" and states that the committee "strongly discourages States from exercising this option if the intended effect is to abruptly discontinue assistance if there are brief periods when a parent is not engaged in work, education, or training activities during the 12-month eligibility period."<sup>9</sup>

As states decide whether to employ this option, they should think of the dual-generation purpose of CCDBG. The vast majority of low-income families work, even if they experience periods of disruption in employment.<sup>10</sup> Meanwhile, children benefit from continuity when they participate in early childhood experiences that support their development. In fact, during periods of instability—such as a parent's job loss—children may be even more dependent on the stability of a trusted child care provider while their household is experiencing upheaval. Parents, too, may need more than three months to secure employment, or potentially decline an offer of employment if their ability to pay for child care is uncertain. According to the U.S. Department of Labor, half of unemployed persons find work within 14 weeks of losing a job, which is about 3.5 months.<sup>11</sup>

### Redetermination Process

Periodically proving eligibility is common across benefit programs and can be important to ensure that individuals do not continue to receive benefits for which they are no longer eligible. However, how states implement eligibility redetermination, what they require of parents, and how often, are central to whether eligible clients are able to keep benefits easily. Overly burdensome redetermination requirements and processes not only cause eligible families to lose assistance, but also create significant administrative costs when families cycle off and on the program because of procedural problems (also known as "churn").

To ease this burden, the law states that compliance with the redetermination process must not force parents to disrupt employment. To achieve that goal, states can look to strategies that simplify the redetermination process to make it more accessible, including coordinating processes across work support programs since families commonly participate in more than one program.

**Increased Accessibility.** States can make the redetermination process (as well as the initial eligibility determination process) more accessible and less disruptive for families by offering processes electronically or via telephone, not requiring in-person visits, and/or offering services during nonstandard business hours.

**Simplification and Streamlining.** States can seek first to verify information from existing data sources and only ask parents to produce documentation as a last resort. Maryland's child care subsidy program, for example, instructs case managers not to request verification from families that is current and available in other systems. In Medicaid, states rely on information available through electronic databases and only ask for information they do not already have access to electronically.<sup>12</sup> And both Medicaid and SNAP consider elements that do not change, such as date of birth and Social Security numbers, to be "permanent" verifications that do not need to be re-verified. In CCDBG, some states ask parents for the same information every time the family's eligibility is assessed, regardless of whether it is likely to have changed—but a better strategy, which states are increasingly using, is to prepopulate renewal or interim change reporting forms with any information that the state

already has and ask the family to note where information has changed.

### **Coordination Across Work Support Programs.**

Families receiving multiple public benefits—such as child care, SNAP, or Medicaid/CHIP—have the cumulative burden of redetermining eligibility for all programs. Families may undergo multiple, frequent redetermination processes owing to each system's distinct requirements. Systems often require families to provide the same information to multiple offices or caseworkers, creating unnecessary burden and confusion. Coordinating recertification across benefit programs can help eligible families retain benefits and help states reduce administrative burden.

**New Hampshire has coordinated eligibility across SNAP, Medicaid, child care, and TANF, offering a single application for all four programs and aligning documentation and verification practices across programs. Families receive 12-month eligibility for child care, and when they receive multiple benefits, redetermination dates synchronize with SNAP, TANF, and Medicaid. At redetermination, families do not have to provide verification for items that have not changed since the initial eligibility determination (e.g., identity, date of birth). The state uses a simplified review form for redetermination. An online portal allows families to screen, apply for, and track multiple benefits, including child care.<sup>13</sup>**

### **Income Eligibility**

Under the new law, states can continue to set income eligibility limits for child care assistance at any level up to 85 percent of SMI. However, three provisions in the reauthorized law are intended to support stability for families by addressing increases in earnings. First, after families have initially been determined eligible, states are required to allow them to continue receiving assistance even if their income has increased above state income eligibility as long as it remains below 85 percent of SMI.

Second, states must design their eligibility and redetermination policies to consider irregular fluctuations in parents' earnings. States will want to design policies so that if families work overtime hours or additional hours at specific times of the year, they will not risk losing their child care assistance. Some states allow workers to average earnings over an extended period of time, while others allow workers to disregard additional income as long as clients can prove that it is temporary.<sup>14</sup> New Hampshire, for example, asks clients to provide their four most *representative* pay checks, rather than *recent* paychecks, so that eligibility determinations are not distorted by atypical or temporary fluctuations in pay.

Third, if at redetermination after 12 months, a child's household income is above the state's income eligibility threshold (but below 85 percent of SMI), the state must have in place policies and procedures to continue assistance for families for at least a graduated phase-out period. According to the ACF CCDF (draft) state plan preprint, states will be able to comply with this requirement by either establishing an income eligibility threshold at redetermination that is higher than that for initial eligibility (commonly known as tiered-income eligibility) or through similar policies, such as granting a period of continued assistance to the family before termination. As of February 2014, 16 states had tiered-income eligibility, and two states permitted counties to use tiered eligibility.<sup>15</sup> States with two-tier income eligibility policies would grant a subsequent 12-month eligibility period to parents whose income has increased above the initial income eligibility threshold but remains below the higher exit income eligibility limit at redetermination. This policy can support families as their income rises so that exceeding the initial eligibility threshold—which may result from even a small increase in income—does not result in losing benefits, and may help families better avoid the “cliff effect” (a sudden, drastic change in expenses following a loss of benefits) than a policy adopting a brief period of time when families who have exceeded the initial income eligibility continue to qualify for assistance.

It is still essential to set adequate initial income eligibility limits, so families are able to qualify for the child care assistance they need. As of February 2014, a family with

an income above 150 percent of poverty could not qualify for assistance in 15 states, and a family with an income above 200 percent of poverty could not qualify for assistance in a total of 38 states—even though a study by the Economic Policy Institute indicates that a family needs an income equal to at least 200 percent of poverty to meet its basic needs.<sup>16</sup> Even without a separate exit eligibility limit, generous initial income eligibility limits allow room for families' incomes to grow without immediately losing assistance upon redetermination.

## FAMILY COPAYMENT POLICIES

### Key Provisions in the Law

- The reauthorization law maintains existing language on sliding fee scales and the existing definition of sliding fee scales as a system of cost sharing by a family based on the family's income.
- The law adds language stating that cost sharing must not be a barrier to families receiving child care assistance.

### Implementation Considerations

The legislation does not specify exactly how states must design their copayment policies so as not to create a burden for families receiving child care assistance. However, this language is a clear signal to states that they should not set copayment levels so high that they will discourage families from applying for or continuing to receive child care assistance. This policy may be particularly important to monitor within the context of reauthorization implementation and the costs entailed—costs that states may be tempted to pass on to providers and families, which would exacerbate barriers to access.

With this reauthorization legislation, states can reexamine their copayment policies to determine whether the cost burden is manageable for families receiving child care assistance. Even at current levels, many states' copayments are far too high. For example, more than half of the states require families with incomes at 150 percent of poverty and receiving child care assistance to pay a higher portion of their income in copayments than the nationwide average amount that families who pay for child care spend on child care (7.2 percent of income).<sup>17</sup>

States should consider lowering their copayments and waiving fees for families with incomes below the poverty level. States should certainly not raise fees to cover other costs of implementing the reauthorization, as this would only shift the burden to low-income families who cannot afford it.

## Additional Resources

### Child Care Subsidy Policies and Simplification

- NWLC, *Turning The Corner: State Child Care Assistance Policies 2014*, [http://www.nwlc.org/sites/default/files/pdfs/nwlc\\_2014statechildcareassistancereport-final.pdf](http://www.nwlc.org/sites/default/files/pdfs/nwlc_2014statechildcareassistancereport-final.pdf).
- CLASP and Urban Institute, *Confronting the Child Care Eligibility Maze: Simplifying and Aligning Child Care with Other Work Supports*, <http://www.clasp.org/resources-and-publications/publication-1/WSS-CC-Paper.pdf>.
- Urban Institute, *Designing Subsidy Systems to Meet the Needs of Families*, [http://www.urban.org/Uploaded-PDF/411611\\_subsidy\\_system.pdf](http://www.urban.org/Uploaded-PDF/411611_subsidy_system.pdf).
- U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Policies and Practices that Promote Continuity of Child Care Services and Enhance Subsidy Systems*, <http://www.acf.hhs.gov/programs/occ/resource/im2011-06>.

### Special Populations

- CLASP, *Better for Babies: A Study of State Infant and Toddler Child Care Policies*, <http://www.clasp.org/resources-and-publications/files/BetterforBabies2.pdf>.
- CLASP, *Charting Progress for Babies in Child Care: Build Supply of Quality Care*, <http://www.clasp.org/babiesinchildcare/recommendations/their-families-to-have-access-to-quality-options-for-their-care/build-supply-of-quality-care>.
- U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Policies/Resources for Expanding ECE Services for Homeless Children & Families*, <http://www.acf.hhs.gov/programs/occ/news/policies-resources-for-expanding-ece-services-for-homeless-children>.
- U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Information Memorandum: Child Welfare and*

*Child Care Partnerships*, “Child Welfare and Child Care Partnerships: Partnering with Families Involved in Child Care Subsidy Programs,” <http://www.acf.hhs.gov/programs/occ/resource/im-child-welfare>.

- U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Information Memorandum: Refugee Resettlement and Child Care Partnerships*, “Refugee Resettlement and Child Care Partnerships: Partnering to Increase Refugee Families’ Access to High-Quality Child Care,” <http://www.acf.hhs.gov/programs/occ/resource/im-refugee-resettlement>.

### Direct Contracts

- CLASP, *Ensuring Quality Care for Low-Income Babies: Contracting Directly with Providers to Expand and Improve Infant and Toddler Care*, <http://www.clasp.org/resources-and-publications/files/0422.pdf>.

- 1 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Child Care and Development Fund Statistics*, “Table 2 - Percent of Children Served by Payment Method,” FY 2013 Preliminary Data, <http://www.acf.hhs.gov/programs/occ/resource/fy-2013-ccdf-data-tables-preliminary-table-2>.
- 2 CLASP, “Massachusetts: Family Child Care System Contracts,” *Charting Progress for Babies in Child Care Project*, 2011, <http://www.clasp.org/babiesinchildcare/state/massachusetts-family-child-care-system-contracts>.
- 3 Karen Schulman and Helen Blank, *Turning the Corner: State Child Care Assistance Policies 2014*, NWLC, 2014, [http://www.nwlc.org/sites/default/files/pdfs/nwlc\\_2014statechildcareassistancereport-final.pdf](http://www.nwlc.org/sites/default/files/pdfs/nwlc_2014statechildcareassistancereport-final.pdf).
- 4 Liz Watson, Lauren Frohlich, and Elizabeth Johnston, *Collateral Damage: Scheduling Challenges for Workers in Low-Wage Jobs and Their Consequences*, NWLC, 2014, [http://www.nwlc.org/sites/default/files/pdfs/collateral\\_damage\\_scheduling\\_fact\\_sheet.pdf](http://www.nwlc.org/sites/default/files/pdfs/collateral_damage_scheduling_fact_sheet.pdf).
- 5 Kendall Swenson, *Child Care Subsidy Duration and Caseload Dynamics: A Multi-State Examination*, U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 2014, [http://aspe.hhs.gov/hsp/14/ChildCareSubsidy/rpt\\_ChildCareSubsidy.pdf](http://aspe.hhs.gov/hsp/14/ChildCareSubsidy/rpt_ChildCareSubsidy.pdf).
- 6 Elizabeth E. Davis, Caroline Krafft, Nicole Forry, et al., *Implementation of 12-Month Child Care Subsidy Eligibility Redetermination: A Case Study from Maryland*, Child Trends, 2014, [http://www.childtrends.org/wp-content/uploads/2015/02/2014-56MDChildCareAssistance\\_Brief.pdf](http://www.childtrends.org/wp-content/uploads/2015/02/2014-56MDChildCareAssistance_Brief.pdf).
- 7 For research on child care authorization periods, see Charles Michalopoulos, Erika Lundquist, and Nina Castells, *The Effects of Child Care Subsidies for Moderate-Income Families in Cook County, Illinois*, Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2010, [http://www.acf.hhs.gov/sites/default/files/opre/cook\\_county.pdf](http://www.acf.hhs.gov/sites/default/files/opre/cook_county.pdf). For a summary of research on various strategies, including lengthened redetermination periods, in SNAP and Medicaid, see Gina Adams and Jessica Compton, *Client-Friendly Strategies: What Can CCDF Learn from Research on Other Systems?*, Urban Institute, 2011, <http://www.urban.org/UploadedPDF/412526-client-friendly-strategies.pdf>.
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- 10 Brandon Roberts, Deborah Povich and Mark Mather, *Low-Income Working Families: The Growing Economic Gap*, Working Poor Families Project, [http://www.workingpoorfamilies.org/wp-content/uploads/2013/01/Winter-2012\\_2013-WPFP-Data-Brief.pdf](http://www.workingpoorfamilies.org/wp-content/uploads/2013/01/Winter-2012_2013-WPFP-Data-Brief.pdf).
- 11 U.S. Department of Labor, Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey*, 2015, <http://www.bls.gov/cps/cpsaat30.htm>.
- 12 Under the Affordable Care Act (ACA), an individual must not be required to provide additional information or documentation unless information cannot be obtained electronically or such information obtained is not reasonably compatible. Alice M. Weiss, Abigail Arons, and Julien Nagarajan, *States’ Medicaid ACA Checklist for 2014*, State Health Reform Assistance Network, 2013, <http://staterenetwork.org/wp-content/uploads/2014/11/State-Network-NASHP-States-ACA-Medicaid-Checklist-for-2014.pdf>.
- 13 For more state examples on coordinating eligibility across benefit programs see Gina Adams and Hannah Matthews, *Confronting the Child Care Eligibility Maze: Simplifying and Aligning Child Care with Other Work Supports*, Urban Institute and CLASP, 2013, <http://www.clasp.org/resources-and-publications/publication-1/WSS-CC-Paper.pdf>.
- 14 Gina Adams, Kathleen Snyder, Patti Banghart, and the Urban Institute Child Care Research Team, *Designing Subsidy Systems to Meet the Needs of Families: An Overview of Policy Research Findings*, Urban Institute, 2008, [http://www.urban.org/UploadedPDF/411611\\_subsidy\\_system.pdf](http://www.urban.org/UploadedPDF/411611_subsidy_system.pdf).
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# Provider Payment Rates, Policies, and Practices

*Recognizing that the success of state child care assistance programs relies on a robust and diverse population of high-quality child care providers, the CCDBG law encourages an improved financial and business relationship between state Lead Agencies and individual child care providers in the subsidy system. Specifically, the law targets more regular and reliable assessment of provider payment rates, policies, and practices. In reviewing their child care assistance systems, states should look at their provider payment policies and practices with an eye toward building the supply of high-quality child care, strengthening the fiscal stability of providers in the subsidy system, and maintaining the diversity of child care options for families by ensuring that policies and practices are equitable across provider types.*

## Key Provisions in the Law

### Rate Setting

As under the previous legislation, the reauthorization law requires states to demonstrate that their payment rates for child care providers serving families receiving child care assistance ensure equal access to child care services comparable to those provided to other families. The reauthorization law specifies that, to meet this requirement, states—in consultation with the State Advisory Council on Early Childhood Education and Care, local program administrators, resource and referral agencies, and other appropriate entities—must develop and conduct a statistically valid and reliable survey of market rates for child care that reflects variations in the cost of child care services by geographic area, type of provider, and age of child, or an alternative methodology, such as a cost estimation model, developed by the state's Lead Agency.

Each state must:

- Develop and conduct the market rate survey/alternative methodology every three years, within two years of submitting the state plan in which the study is referenced.
- Report on the results of the survey/alternative methodology and make the results widely available (including internet posting).
- Describe how it will set provider payment rates across provider types in accordance with the market rate survey/alternative methodology (and taking into consideration the cost of providing higher-quality child care services) without, to the extent practicable, reducing the number of families receiving child care assistance.

The reauthorization law also clarifies that states are not barred from differentiating payment rates based on a provider's geographic location; a child's age or particular needs; whether a provider offers care during non-traditional hours; and/or a provider's quality level.

### Payment Practices

States must certify that payment practices for providers receiving CCDBG assistance reflect generally accepted payment practices for child care providers that serve children who do not receive CCDBG assistance. To the extent practicable, states must also implement enrollment and eligibility policies that support the fixed costs of providing child care services by delinking provider reimbursement rates from an eligible child's occasional absences due to holidays or unforeseen circumstances (such as illness).

States must also describe how they will provide for timely payment for services.

## Implementation Considerations

### Rate Setting

These provisions address an issue that is essential to families' access to high-quality child care: payment rates for providers. The reauthorization provides an opportunity for all states to look closely at their rates to determine how they can improve them to increase families' access to high-quality options, one of the primary goals of this legislation. Rates are fundamental in determining whether providers have the resources they need to support high-quality care—resources for salaries sufficient to attract and retain qualified staff, for equipment and materials to create a good learning environment, and for other expenses. Low rates can make it particularly difficult for providers in low-income communities that have limited resources to support high-quality care. Rates also have a major impact on high-quality providers' willingness to serve low-income families and their children, so setting rates at more appropriate levels can increase the capacity and variety of programs available to families.<sup>1</sup> Yet, currently, state rates are far too low—as of February 2014, only one state (Oregon) set its reimbursement rates at the federally recommended level, the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.<sup>2</sup> The remaining states had rates that were below the recommended level—in many cases, substantially below this level. For example, in 34 states, reimbursement rates for center care for a four-year-old in February 2014 were at least 20 percent below the 75th percentile of current market rates.<sup>3</sup>

The reauthorization legislation makes a few specific changes to policies for setting payment rates. Previously, states were required to conduct market rate surveys every two years; the reauthorization only requires a market rate survey once every three years in line with the change in the state plan period from two to three years. However, states should not interpret this change to mean that they only need to increase their payment rates once every three years. It is essential for states to regularly update their rates—ideally, on an annual basis—to keep pace with the rising cost of providing care and remain competitive with rates in the private market.

The legislation permits states to set provider payment rates using a methodology other than a market rate survey. Cost modeling is one alternative approach being used in some states and referenced in the legislation. Rather than surveying the price charged for child care, cost modeling estimates the cost of providing care at varying levels of quality based on the resources a provider needs to remain financially solvent.

**The reauthorization provides an opportunity for all states to look closely at their rates to determine how they can improve them to increase families' access to high-quality options, one of the primary goals of this legislation.**

If states choose to adopt a different approach, it is important to proceed cautiously. States using an alternative method should examine how the results produced by this method compare to results from prior market surveys, with adjustments for inflation. By using the previous market rate survey as a benchmark, states can ensure that the alternative method does not result in a reduction in payment rates.

Regardless of whether states use a market rate survey or an alternative method, states should use the data they collect and analyze to set payment rates. States should also make certain that base rates are set at a level that will ensure providers have the resources and incentives to provide high-quality care to children receiving child care assistance—vulnerable children who stand to benefit the most from high-quality care.

More important than methodology is a commitment to regularly increase rates to reflect regular increases in the costs of providing care. Sufficient resources will be needed to ensure that states, as directed by the law, are able to increase rates without compromising the number of children served.

### Setting Differential Rates

The reauthorization specifies that states may differentiate rates based on various characteristics of care. Most states already differentiate payment rates based on certain factors, such as the provider's location, the child's age, or the quality of care—for example, states often have higher rates for care for providers in high-cost areas, younger children, higher-quality care, and/or providers offering care during evenings, overnight, and weekends. These higher rates may reflect higher market prices for a particular type of care, the need to pay higher rates as an incentive to offer care that is in particularly short supply, or the additional costs of providing a certain type of care. For example, rates for infant care are typically higher because care for very young children—who need extensive individualized attention—entails better provider-to-child ratios than care for older children (according to early childhood experts' recommendations and most states' licensing requirements), and as a result is more expensive to provide. Higher rates for higher-quality care are also important to encourage providers to improve their quality and to cover the additional costs involved in doing so—including costs to hire and retain credentialed teachers, buy new toys, books, and other learning materials, and upgrade facilities.

While differentiating rates can serve important purposes, it is essential first for states to set adequate base rates. If base rates are low, a small differential—or even a large one—will still leave providers without the resources they need to offer a high-quality early learning experience for the children in their care and without an incentive to serve families receiving assistance. For example, while 37 states had higher reimbursement rates for higher-quality providers in 2014, many of them had such inadequate base rates that, in more than three-quarters of these states, even the higher rates were still below the federally recommended level.<sup>4</sup>

### Payment Practices

Under current policy in most states, provider payment practices for subsidized care look very different from generally accepted payment practices for private-paying parents who typically pay their provider a set fee based on their child's enrollment, often a month in advance of when services are provided. In the subsidy system, however,

there is often a significant lag between when care is provided and when a provider is paid, and payments are often tied very closely to the exact days, or hours, a child attends child care. As a result, gaps in attendance—which can occur frequently or for an extended period due, for example, to a child's illness—often leave providers with gaps in revenue, making it difficult for them to meet the fixed costs (rent, utilities, salaries) of running a business.

Strictly linking provider payments in the child care assistance program to a child's attendance therefore has negative consequences for providers, who must absorb the income loss associated with absences. And it has negative effects for families receiving child care assistance—especially families with infants (who tend to get sick often as their immune systems develop) or children with chronic illnesses that cause them to have regular absences—as providers may be reluctant to serve them if they will not be reimbursed for absent days. Restrictive payment policies may also create a disincentive for child care providers to accept children whose parents have volatile work schedules, as the child's attendance and subsequent payment may be unpredictable.

By revising their payment policies, states can incentivize providers to enroll families receiving child care assistance—which, in turn, can improve the stability of child care arrangements for families receiving assistance, benefiting the child's development and the parent's ability to work.

States should take full advantage of the opportunity presented by the reauthorization to explore ways to make their payment practices align more closely with generally accepted payment practices in the private market. Strategies to consider include:

- **Paying providers based on enrollment, rather than attendance.** Several states currently report paying providers based on enrollment, as long as children attend care each month for a certain period of time or with no more than an established number of excused absences. States can have a policy of paying providers using the time units employed by the provider—for example, if a provider has a flat monthly

fee for private-paying parents whose children are in care for a certain number of hours per month, the state can reimburse using a monthly rate, rather than reimbursing by hour, by day, or by week.

- **Paying for absent days.** The new law encourages states to pay for days when children are not in care to the extent practicable but does not require a set number of absent days. States should make their payment policies as generous as possible in order to best meet the needs of children and families and help them maintain stable child care arrangements. Currently, all but a few states reimburse for some absent days, but they generally limit the number of absent days and sometimes place additional limitations on when or how absent days can be used.<sup>5</sup>
- **Covering supplemental fees charged to private-paying parents.** States can cover registration fees, fees for field trips, and other required fees.
- **Preparing providers for changes to subsidy payments.** States can require that providers be given advance notice if parents are about to lose their child care assistance, have a change in the hours of care covered, or experience any other changes, and can pay providers for a brief period before ending or reducing reimbursement.
- **Making timely payments.** States should take steps to ensure that providers are paid within a reasonable timeframe. Most providers do not have significant

reserves available to pay their staff and cover other bills while waiting to be reimbursed for services already provided. In several states that have recognized unions representing home-based child care providers, timely payment has been one of the important issues addressed in collective bargaining agreements. For example, a contract in Illinois gave providers the option of being paid by direct deposit or debit card rather than by check, and a contract in Oregon required the state to work toward implementing an automated billing system.<sup>6</sup>

### Additional Resources

- U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *QRIS Cost Estimation Model and Resource Guide*, <http://www.acf.hhs.gov/programs/occ/resource/qriscost-estimation-model-and-resource-guide>.
- U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Provider Cost of Quality Calculator*, <https://www.ecequalitycalculator.com/Login.aspx?ReturnUrl=%2f>.
- Urban Institute, *Child Care Voucher Programs: Provider Experiences in Five Counties*, [http://www.urban.org/UploadedPDF/411667\\_provider\\_experiences\\_execsum.pdf](http://www.urban.org/UploadedPDF/411667_provider_experiences_execsum.pdf).
- NWLC, *Turning The Corner: State Child Care Assistance Policies 2014*, [http://www.nwlc.org/sites/default/files/pdfs/nwlc\\_2014statechildcareassistancereport-final.pdf](http://www.nwlc.org/sites/default/files/pdfs/nwlc_2014statechildcareassistancereport-final.pdf).

1 Gina Adams, Kathleen Snyder, and Kathryn Tout, *Essential but Often Ignored: Child Care Providers in the Subsidy System*, Urban Institute, 2003, [http://www.urban.org/uploadedpdf/310613\\_OP63.pdf](http://www.urban.org/uploadedpdf/310613_OP63.pdf).

2 Karen Schulman and Helen Blank, *Turning the Corner: State Child Care Assistance Policies 2014*, NWLC, 2014, [http://www.nwlc.org/sites/default/files/pdfs/nwlc\\_2014statechildcareassistancereport-final.pdf](http://www.nwlc.org/sites/default/files/pdfs/nwlc_2014statechildcareassistancereport-final.pdf). In addition, in July 2014, South Dakota increased its reimbursement rates to the 75th percentile of current market rates.

3 Schulman and Blank, *Turning the Corner* (13).

4 Schulman and Blank, *Turning the Corner* (13).

5 NWLC, *On the Edges: Child Care Assistance Policies that Affect Parents, Providers, and Children*, 2012, <http://www.nwlc.org/sites/default/files/pdfs/ontheedges.pdf>.

6 Helen Blank, Nancy Duff Campbell, and Joan Entmacher, *Getting Organized: Unionizing Home-Based Child Care Providers – 2010 Update*, NWLC, 2010, <http://www.nwlc.org/sites/default/files/pdfs/gettingorganizedupdate2010.pdf>.

# Conclusion

Implementing the reauthorization of CCDBG offers states the chance to significantly improve child care assistance as a two-generation program that supports both low-income parents as they work toward economic security and the healthy development of their children. As outlined in this guide, advocates, policymakers, administrators, and others are all important in bringing to life the vision of a stronger CCDBG that supports children and families. States will play a critical role in transforming the child care subsidy system and, in turn, fostering the success of future generations.

# Appendix I.

## Child Care and Development Block Grant Act of 2014: Summary

In November 2014, President Obama signed into law the Child Care and Development Block Grant (CCDBG) Act of 2014—the first reauthorization of the federal child care program since 1996. Passed with strong bipartisan support, the law aims to protect the health and safety of children in child care, facilitate families' access to child care assistance, and improve the quality of care (with particular attention to the needs of infants and toddlers).

However, the reauthorization does not meaningfully increase funding for CCDBG above fiscal year (FY) 2014 levels (\$2.36 billion). Specifically, it authorizes \$2.36 billion for FY 2015, \$2.48 billion for FY 2016, \$2.54 billion for FY 2017, \$2.60 billion for FY 2018, \$2.67 billion for FY 2019, and \$2.75 billion for FY 2020. (At least 2 percent of the total CCDBG appropriation is to be reserved for Indian tribes and tribal organizations.) Moreover, these funds are not guaranteed and must be allocated by Congress each year.

The key new requirements of the reauthorization law are outlined below.

### Protecting the Health and Safety of Children in Child Care

The reauthorization law requires:

- **Regular provider inspections**

States must conduct a pre-licensure inspection and an unannounced annual inspection for all regulated and licensed providers receiving CCDBG funds, and one annual inspection for license-exempt providers (except providers related to all children in their care) receiving CCDBG funds. States must also establish qualifications and training for licensing inspectors and maintain a sufficient number of inspectors to conduct timely inspections.
- **Background checks for child care staff**

States must require all employees of child care providers to undergo comprehensive criminal background checks prior to employment and to maintain employment. Persons subject to background checks include all child care providers and their staff, or any individual employed by a child care provider or whose activities involve the care or supervision of children for a child care provider or unsupervised access to children who are cared for or supervised by a child care provider. Providers who are related to all children in their care are not required to undergo these checks.
- **Health and safety standards and training for providers**

States must establish health and safety standards and mandate pre-service and ongoing training for child care providers serving children receiving CCDBG assistance. The standards and training must cover a number of specific areas, including safe sleep practices and preparation for emergencies and disasters.

- Standards for group size and staff-child ratios in child care settings**

States must establish standards for CCDBG providers regarding group size limits and appropriate staff-child ratios based on the ages of children in care.
- Consumer education regarding health and safety in child care settings**

Each state must maintain a website with information regarding procedures for licensing/monitoring child care providers and conducting background checks (including the offenses that disqualify individuals from serving as child care providers). States must also make provider-specific information, including the results of monitoring reports, electronically accessible. In addition, the law reserves CCDBG funds for the Department of Health and Human Services (HHS) to operate a toll-free hotline for reporting suspected incidents of child abuse or health and safety violations by CCDBG providers.

## Improving Access to Child Care Assistance and Increasing Stability for Families

The reauthorization law requires:

- 12-month eligibility**

Once a child has been determined eligible for CCDBG assistance, the state must consider the child eligible for at least 12 months, regardless of temporary changes in the parent's work, education, or training status or income (as long as family income does not exceed 85 percent of state median income).
- Continued assistance during a period of job search**

States may not terminate child care assistance based on parental job loss unless they continue assistance for at least three months to provide time for job search.
- Avoiding disruption of parents' work and accounting for income fluctuations**

States must make efforts to ensure that the redetermination process does not unduly disrupt parents' work, education, or job training. The law also requires states to demonstrate how processes for eligibility determination and redetermination take into account irregular fluctuations in earnings.
- Graduated phase-out of care**

At redetermination, states must have policies in place to continue child care assistance for families whose income has risen above the eligibility threshold but remains below 85 percent of state median income.
- Improved access to care for underserved populations**

States must make efforts to increase the supply and improve the quality of care for children in underserved areas, infants and toddlers, children with disabilities, and children who receive care during non-traditional hours. To the extent practicable, states must also coordinate CCDBG with other early childhood programs, including preschool programs and early childhood programs serving tribal communities, infants and toddlers with disabilities, homeless children, and children in foster care. The law specifically requires states to promote access to child care assistance for homeless families, including the use of procedures to allow enrollment of homeless children pending completion of documentation.
- Funds dedicated to direct services**

After reserving required amounts for quality improvement activities (see below), states must spend a minimum of 70 percent of CCDBG funds on direct services for families.
- Consumer education regarding child care options and other services for families**

States must provide comprehensive consumer education on parents' child care options and the quality of child care, as well as the availability of child care assistance and other early learning programs. States must also

provide information about how families can obtain a developmental screening for their children. In addition, the law reserves CCDBG funds for HHS to operate a national consumer education website with provider-specific information that enables families to obtain referrals to local providers through a zip code search.

- **A national waiting list study.**

The U.S. Comptroller General must conduct a study of families on states' waiting lists for child care assistance every two years.

## Improving the Quality of Child Care

The reauthorization law requires:

- **A higher quality set-aside**

States must increase the amount of their CCDBG funds set aside for quality improvement activities, from 4 percent in FY 2015 to 7 percent in FY 2016 and FY 2017; 8 percent in FY 2018 and FY 2019; and 9 percent in FY 2020 and each year thereafter.

- **A permanent and expanded infant-toddler quality set-aside**

In addition to the overall quality set-aside funds, beginning in FY 2017, 3 percent of CCDBG funds must be reserved for activities to improve the quality and supply of care for infants and toddlers.

- **Approved use of set-aside funds**

The law identifies a series of quality improvement activities, from which states must choose at least one to expend set-aside funds. Specified activities include, for example, development of a tiered quality rating system and activities to enhance professional development for child care providers, such as training on behavior management strategies to reduce challenging behaviors (including reducing expulsions of preschool-age children for such behaviors).

- **Research-based early learning and development guidelines for use by child care providers**

States must have early learning and development guidelines in place for children from birth to kindergarten entry, describing what children should know and be able to do and covering the essential domains of early childhood development.

- **Professional development and training for child care providers**

States must establish a progression of professional development designed to improve the skills and knowledge of the child care workforce and set training requirements that enable providers to promote the social, emotional, physical, and cognitive development of children. To the extent practicable, training should prepare child care staff to work with different age groups, English learners, children with disabilities, and Native Americans and Indians. States must also develop and implement strategies to strengthen the business practices of child care providers to expand the supply and improve the quality of child care services.

- **Payment practices that provide stable funding and encourage providers to serve children receiving assistance**

States must certify that payment practices for child care providers serving children who receive CCDBG assistance reflect generally accepted payment practices for providers serving children who do not receive such assistance, and assure that, to the extent practicable, they will implement enrollment and eligibility policies that delink CCDBG provider reimbursement rates from an eligible child's occasional absences (due to, e.g., holidays or illness). States must set maximum payment rates using a market rate survey or an alternative methodology developed by the state's lead agency, such as a cost estimation model.

## General Provisions

The reauthorization law has additional provisions that address:

- **State plans**

The reauthorization law changes the period for state child care plans from two years to three, so state plans beginning in FY 2016 will be effective through FY 2018.

- **Waivers**

The Secretary of HHS is authorized to waive provisions or penalties in the reauthorization law for up to three years (with the option of a one-year extension) based on a request from a state identifying duplicative requirements preventing the effective delivery of child care services; extraordinary circumstances, such as a natural disaster or financial crisis; or an extended period of time for a state legislature to enact legislation to implement the statute.

- **Overlap in early learning programs**

By November 2015, the Secretary of HHS, in consultation with the Secretary of Education and the heads of all federal agencies that administer early learning and care programs, must submit a report to Congress identifying overlap and fragmentation among federal early learning and care programs and offering recommendations for streamlining these programs.

# Appendix II.

## Child Care and Development Block Grant Act of 2014: Implementation Timeline

The following timeline summarizes the dates by which state and federal agencies will be required to implement provisions of the Child Care and Development Block Grant (CCDBG) reauthorization, which President Obama signed into law on November 19, 2014. Provisions not included below generally are effective upon enactment.

**Note: Deadlines for federal agencies are in italic.**

### Fiscal Year 2015 (October 1, 2014 - September 30, 2015)

Federal discretionary funding authorized: \$2.36 billion<sup>1</sup> (Actual federal discretionary funding appropriated: \$2.44 billion)

### Fiscal Year 2016 (October 1, 2015 - September 30, 2016)

Federal discretionary funding authorized: \$2.48 billion

- States must reserve at least 7 percent of CCDBG funds to improve child care quality and increase parental options/access to high-quality care (the “quality set-aside”).<sup>2</sup>
- Beginning in **November 2015**: State annual reports must include aggregate data on the number of child fatalities occurring in the care of providers receiving CCDBG assistance.
- *By **November 19, 2015**: The Department of Health and Human Services (HHS) and the Department of Education must conduct an interdepartmental review of all early learning and care programs for children under six years old and report to Congress with recommendations for streamlining programs.*
- **March 1, 2016**: State plans covering three years (Fiscal Years (FY) 2016-2018) are due.<sup>3</sup>
- *By **September 30, 2016**: The Assistant Secretary for Children and Families must prepare an annual report that determines whether each state has used CCDBG funds for authorized purposes, with priority given to children with very low family incomes or special needs. A state found to be noncompliant will have six months after the report is released to modify its state plan before the Secretary must withhold 5 percent of CCDBG funds. (The Secretary may waive the penalty for one year.)*

### Fiscal Year 2017 (October 1, 2016 - September 30, 2017)

Federal discretionary funding authorized: \$2.54 billion

- Quality set-aside requirement: 7 percent of CCDBG funds
- Beginning in FY 2017, states must reserve at least an additional 3 percent of CCDBG funds in each fiscal year for activities to improve the supply and quality of care for infants and toddlers.

- By **November 19, 2016**: States must have policies and practices in place for enforcing licensing and other regulatory requirements,<sup>4</sup> including:
  - For licensed/regulated CCDBG providers, one pre-licensure inspection for compliance with health/safety/fire standards and at least one unannounced inspection for compliance with all licensing standards annually thereafter.
  - For license-exempt CCDBG providers (except for those related to all children in their care), an annual inspection for compliance with health/safety/fire standards.
- *By **November 19, 2016**: The U.S. Comptroller General must have completed a study of the number of CCDBG-eligible families in each state that have been placed on a waiting list for assistance and report the results to Congress. (Waiting list studies are to continue, with the Comptroller General reporting to Congress on a biennial basis.)*
- By **September 30, 2017**: States must have implemented policies to require and conduct criminal background checks for child care staff members, and child care providers must have requested background checks for all staff employed prior to November 19, 2014. *(The Secretary may grant an extension of up to one year, if the state demonstrates a good faith effort to comply.)* Providers must request background checks prior to hiring prospective staff members, and at least once every five years for all staff members.

### Fiscal Year 2018 (October 1, 2017 - September 30, 2018)

Federal discretionary funding authorized: \$2.60 billion

- Quality set-aside requirement: 8 percent of CCDBG funds (plus 3 percent to improve care for infants/toddlers)
- State plans due for FY 2019-2021.
- By **November 19, 2017**: States must make public the results of monitoring and inspection reports about provider violations of CCDBG and state child care policies. (Note that if a state complies with monitoring and inspection requirements prior to the November 19, 2016 deadline, it must make the report results public earlier—within one year of complying.)

### Fiscal Year 2019 (October 1, 2018 - September 30, 2019)

Federal discretionary funding authorized: \$2.67 billion

- Quality set-aside requirement: 8 percent of CCDBG funds (plus 3 percent to improve care for infants/toddlers)

### Fiscal Year 2020 (October 1, 2019 - September 30, 2020)

Federal discretionary funding authorized: \$2.75 billion

- Quality set-aside requirement: 9 percent of CCDBG funds (plus 3 percent to improve care for infants/toddlers)

## Key Dates and Deadlines by Topic

### Federal Discretionary Funding Authorization Levels

- \$2.36 billion for FY 2015
- \$2.48 billion for FY 2016
- \$2.54 billion for FY 2017
- \$2.60 billion for FY 2018
- \$2.67 billion for FY 2019
- \$2.75 billion for FY 2020

### Quality Set-Aside

- 7 percent in FY 2016 and FY 2017
  - Beginning in FY 2017, states must reserve at least an additional 3 percent of CCDBG funds in each fiscal year for activities to improve the supply and quality of care for infants and toddlers.
- 8 percent in FY 2018 and FY 2019 (plus 3 percent to improve care for infants/toddlers)
- 9 percent in FY 2020 and each year thereafter (plus 3 percent to improve care for infants/toddlers)

### Monitoring and Inspections

- By **November 19, 2016**: States must have policies and practices in place for enforcing licensing and other regulatory requirements, including:
  - For licensed/regulated CCDBG providers, one pre-licensure inspection for compliance with health/safety/fire standards and at least one unannounced inspection for compliance with all licensing standards annually thereafter.
  - For license-exempt CCDBG providers (except for those related to all children in their care), an annual inspection for compliance with health/safety/fire standards.
- By **November 19, 2017**: States must make public the results of monitoring and inspection reports about provider violations of CCDBG and state child care policies. (Note that if a state complies with monitoring and inspection requirements prior to the November 19, 2016 deadline, it must make the report results public earlier—within one year of complying.)

### Criminal Background Checks

- By **September 30, 2017**: States must have implemented policies to require and conduct criminal background checks for child care staff members, and child care providers must have requested background checks for all staff employed prior to November 19, 2014. (*The Secretary may grant an extension of up to one year, if the state demonstrates a good faith effort to comply.*) Providers must request background checks prior to hiring prospective staff members, and at least once every five years for all staff members.

### Additions to State Reports

- Beginning in **November 2015**: State annual reports must include aggregate data on the number of child fatalities occurring in the care of providers receiving CCDBG assistance.

## Federal Agency Reports

- **By November 19, 2015:** *HHS and the Department of Education must conduct an interdepartmental review of all early learning and care programs for children under six years old and report to Congress with recommendations for streamlining programs.*
- **By September 30, 2016:** *The Assistant Secretary for Children and Families must prepare an annual report that determines whether each state has used CCDBG funds for authorized purposes, with priority given to children with very low family incomes or special needs. States found to be noncompliant will have six months after the report is released to modify its state plan before the Secretary must withhold 5 percent of CCDBG funds. (The Secretary may waive the penalty for one year.)*
- **By November 19, 2016:** *The U.S. Comptroller General must have completed a study of the number of CCDBG-eligible families in each state that have been placed on a waiting list for assistance and report the results to Congress. (Waiting list studies are to continue, with the Comptroller General reporting to Congress on a biennial basis.)*

- 1 This is the authorized funding level; Congress must still determine the actual funding appropriation each year. Also note that this only includes federal discretionary funding, and not federal mandatory funding, state maintenance of effort, or state matching funds for child care.
- 2 Under previous law, the required quality set-aside was 4 percent.
- 3 Letter from Rachel Schumacher, Director, U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care (March 11, 2015) (on file with authors). ACF anticipates approval of new state plans by June 2016; current state plans will be extended until that time. (Prior to the CCDBG reauthorization, state plans covered a two-year period.)
- 4 States must certify in their plans that they have licensing and regulatory requirements that comply with the reauthorization law's provisions on health and safety.

# Appendix III.

## Checklist of Select State Child Care Policies

This chart provides information on current state policies with respect to select new provisions in the CCDBG reauthorization, based on the most recently available data. State data are not available for all of the new requirements in the law; therefore, this chart does not provide a complete picture of state policy implementation. **A checkmark does not indicate full compliance with the requirement as written in the CCDBG law.** Please note limitations on the existing data sources in the table notes. In some cases, a state may have different policies for providers receiving CCDBG funds or may have updated its policies since the data were collected.

State	State has 12-month eligibility for child care assistance <sup>1</sup>	State has two-tier income eligibility for child care assistance <sup>2</sup>	State conducts comprehensive background checks for providers in licensed child care centers <sup>3</sup>	State conducts comprehensive background checks for providers in licensed small family child care homes <sup>4</sup>	State conducts comprehensive background checks for license-exempt family child care providers receiving child care assistance <sup>5</sup>	State conducts pre-licensure inspections of child care centers <sup>6</sup>	State conducts pre-licensure inspections of family child care <sup>7</sup>	State conducts annual, unannounced inspections of licensed child care centers <sup>8</sup>	State conducts annual, unannounced inspections of licensed family child care <sup>9</sup>	State has full inspection reports available online <sup>10</sup>	State regulates group size for all age groups, ages 5 and younger <sup>11</sup>
Alabama		✓				✓	✓	✓	✓		✓
Alaska			✓	✓	✓	✓	✓	✓	✓		✓
Arizona						✓		✓		✓	
Arkansas						✓	✓	✓	✓		✓
California	✓					✓	✓				
Colorado	✓	✓	✓	✓	✓	✓	✓				✓
Connecticut						✓	✓				✓
Delaware	✓					✓	✓	✓	✓		✓
District of Columbia	✓	✓				✓	✓	✓	✓	✓	✓
Florida	✓	✓		✓	✓	✓	✓	✓	✓		✓
Georgia	✓					✓	✓	✓	✓	✓	✓
Hawaii			✓	✓	✓	✓	✓	✓	✓		
Idaho			✓	✓	✓						
Illinois			✓	✓	✓	✓	✓	✓	✓		✓
Indiana		✓	✓			✓		✓			✓
Iowa						✓		✓			
Kansas	✓					✓				✓	✓
Kentucky	✓					✓		✓			✓
Louisiana	✓					✓					

State	State has 12-month eligibility for child care assistance <sup>1</sup>	State has two-tier income eligibility for child care assistance <sup>2</sup>	State conducts comprehensive background checks for providers in licensed child care centers <sup>3</sup>	State conducts comprehensive background checks for providers in licensed small family child care homes <sup>4</sup>	State conducts comprehensive background checks for license-exempt family child care providers receiving child care assistance <sup>5</sup>	State conducts pre-licensure inspections of child care centers <sup>6</sup>	State conducts pre-licensure inspections of family child care <sup>7</sup>	State conducts annual, unannounced inspections of licensed child care centers <sup>8</sup>	State conducts annual, unannounced inspections of licensed family child care <sup>9</sup>	State has full inspection reports available online <sup>10</sup>	State regulates group size for all age groups, ages 5 and younger <sup>11</sup>
Maine	✓					✓		✓		✓	
Maryland	✓					✓		✓		✓	
Massachusetts	✓	✓		✓	✓	✓	✓	✓	✓		✓
Michigan	✓					✓		✓		✓	
Minnesota		✓				✓	✓		✓		✓
Mississippi	✓		✓			✓	✓	✓	✓		
Missouri	✓	✓				✓	✓	✓	✓	✓	
Montana						✓		✓		✓	
Nebraska	✓					✓		✓	✓		
Nevada						✓	✓	✓	✓		
New Hampshire	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
New Jersey	✓	✓		✓		✓		✓			✓
New Mexico						✓	✓	✓	✓	✓	
New York	✓					✓	✓	✓	✓		✓
North Carolina	✓		✓	✓	✓	✓		✓			✓
North Dakota						✓	✓	✓	✓		✓
Ohio	✓	✓				✓		✓		✓	✓
Oklahoma						✓	✓	✓	✓		✓
Oregon						✓		✓			✓
Pennsylvania		✓				✓		✓		✓	✓
Rhode Island	✓	✓				✓	✓	✓			✓
South Carolina	✓	✓	✓	✓	✓	✓		✓			✓
South Dakota			✓	✓	✓	✓		✓			✓
Tennessee			✓	✓		✓	✓	✓	✓		✓
Texas	✓	✓				✓	✓	✓		✓	✓
Utah		✓				✓	✓	✓	✓		✓
Vermont	✓					✓		✓			✓
Virginia	✓					✓		✓		✓	
Washington	✓		✓	✓	✓	✓		✓	✓	✓	✓
West Virginia		✓				✓		✓	✓		✓
Wisconsin		✓				✓		✓		✓	✓
Wyoming		✓				✓	✓	✓	✓		✓
<b>Total</b>	<b>27</b>	<b>18</b>	<b>13</b>	<b>14</b>	<b>12</b>	<b>50</b>	<b>28</b>	<b>44</b>	<b>23</b>	<b>16</b>	<b>34</b>

# Table Notes

<sup>1</sup> A checkmark indicates the state gives 12-month eligibility to at least some parents. Current state policies are unlikely to meet requirements for continuous 12-month eligibility. Source: Sarah Minton, Christin Durham, and Linda Giannarelli, *The CCDF Policies Database Book of Tables: Key Cross-State Variations in CCDF Policies as of October 1, 2013*. Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2014. [http://www.acf.hhs.gov/sites/default/files/opre/ccdf\\_final\\_2.pdf](http://www.acf.hhs.gov/sites/default/files/opre/ccdf_final_2.pdf).

<sup>2</sup> A checkmark indicates the state has two-tier income eligibility, which may meet the CCDBG requirement for the graduated phase-out of care. Colorado and Texas receive checks because they allow counties to determine whether to offer two-tier eligibility. Source: Karen Schulman and Helen Blank, *Turning the Corner: State Child Care Assistance Policies 2014*, National Women's Law Center, 2014. [http://www.nwlc.org/sites/default/files/pdfs/nwlc\\_2014statechildcareassistance-report-final.pdf](http://www.nwlc.org/sites/default/files/pdfs/nwlc_2014statechildcareassistance-report-final.pdf).

<sup>3</sup> A checkmark indicates the state conducts 5 background checks (federal fingerprints, state fingerprints, criminal record check, child abuse registries, and sex offender registries) for centers. Source: Child Care Aware of America. *We Can Do Better: Child Care Aware® of America's Ranking of State Child Care Center Regulations and Oversight, 2013*. <http://www.nacorra.org/about-child-care/state-child-care-licensing/background-checks>.

<sup>4</sup> A checkmark indicates the state conducts 5 background checks (federal fingerprints, state fingerprints, criminal record check, child abuse registries, and sex offender registries) for small family child care homes, defined as homes where up to six children are cared for in the home of the provider for compensation. States that do not license homes until the number of children cared for reaches 6 or more children are not included. States may also have different policies for registered family child care homes that are not licensed. Source: Child Care Aware of America, unpublished data, updated November 2013 (on file with authors).

<sup>5</sup> A checkmark indicates the state conducts 5 background checks (federal fingerprints, state fingerprints, criminal record check, child abuse registries, and sex offender registries) for license-exempt providers, defined as home-based providers who are certified as eligible to receive subsidy payments but not required to be licensed by the state. Source: Child Care Aware of America, unpublished data, updated November 2013 (on file with authors).

<sup>6</sup> National Association for Regulatory Administration. *The 50-State Child Care Licensing Study: 2011-2013 Edition*, 2013, [http://www.naralicensing.org/Resources/Documents/2011-2013\\_CCLS.pdf](http://www.naralicensing.org/Resources/Documents/2011-2013_CCLS.pdf).

<sup>7</sup> A checkmark indicates that the state inspects small family child care homes and large/group family child care homes. Some states inspect only small family homes or large/group family homes and therefore did not receive a checkmark. Source: National Association for Regulatory Administration, *The 50-State Child Care Licensing Study: 2011-2013 Edition*.

<sup>8</sup> The source indicates that Kansas conducts annual routine inspections, but it is not clear whether they are announced or unannounced. Source: National Association for Regulatory Administration, *The 50-State Child Care Licensing Study: 2011-2013 Edition*.

<sup>9</sup> A checkmark indicates that the state conducts unannounced inspections of small family child care homes and large/group family child care homes. The District of Columbia does not categorize facilities as large group family child care homes. Source: National Association for Regulatory Administration, *The 50-State Child Care Licensing Study: 2011-2013 Edition*.

<sup>10</sup> Sixteen states post full inspection reports; 13 additional states post a summary of the report. Source: National Association for Regulatory Administration, *The 50-State Child Care Licensing Study: 2011-2013 Edition*.

<sup>11</sup> A checkmark indicates the state regulates group size for every age group age 5 and younger as defined by the state. While the CCDBG law requires regulation of group size for children of all ages, state data are not available for school-age care. Source: Child Care Aware of America, *We Can Do Better*.

## Appendix IV. FY 2015 Estimated Federal and State CCDBG Allocations

State	Federal Mandatory Funds	Federal Matching Funds	Federal Discretionary Funds	State Matching Funds	State Maintenance-of-Effort (MOE) Funds	Total Federal Funds	Total State Funds
Alabama	\$16,441,707	\$25,566,257	\$44,982,000	\$11,491,660	\$6,896,417	\$86,989,964	\$18,388,077
Alaska	3,544,811	4,350,198	4,646,924	4,350,198	3,544,811	12,541,933	7,895,009
Arizona	19,827,025	37,247,050	59,107,844	17,159,976	10,032,936	116,181,919	27,192,912
Arkansas	5,300,283	16,335,280	29,707,865	6,737,149	1,886,543	51,343,428	8,623,692
California	85,593,217	209,910,222	265,612,053	209,910,222	85,593,217	561,115,492	295,503,439
Colorado	10,173,800	28,611,707	30,212,862	27,478,681	8,985,901	68,998,369	36,464,582
Connecticut	18,738,357	17,492,113	15,720,649	17,492,113	18,738,358	51,951,119	36,230,471
Delaware	5,179,330	4,690,606	6,233,617	4,055,629	5,179,325	16,103,553	9,234,954
District of Columbia	4,566,974	2,644,122	3,501,154	1,133,195	4,566,972	10,712,250	5,700,167
Florida	43,026,524	90,388,116	133,854,236	60,965,059	33,415,872	267,268,876	94,380,931
Georgia	36,548,223	57,280,489	98,520,221	28,289,408	22,182,651	192,348,933	50,472,059
Hawaii	4,971,633	7,067,293	8,343,687	6,463,806	4,971,630	20,382,613	11,435,436
Idaho	2,867,578	9,872,811	15,098,284	3,887,204	1,175,819	27,838,673	5,063,023
Illinois	56,873,824	69,418,254	83,274,073	67,339,536	56,873,825	209,566,151	124,213,361
Indiana	26,181,999	36,240,612	55,972,324	18,240,164	15,356,947	118,394,935	33,597,111
Iowa	8,507,792	16,555,658	21,521,968	13,252,873	5,078,586	46,585,418	18,331,459
Kansas	9,811,721	16,766,847	22,649,449	12,840,864	6,673,024	49,228,017	19,513,888
Kentucky	16,701,653	23,366,897	42,407,826	10,043,022	7,274,537	82,476,376	17,317,559
Louisiana	13,864,552	25,822,406	43,242,502	15,793,075	5,219,488	82,929,460	21,012,563
Maine	3,018,598	5,897,996	7,817,675	3,633,349	1,749,818	16,734,269	5,383,167
Maryland	23,301,407	30,525,985	29,371,799	30,525,985	23,301,407	83,199,191	53,827,392
Massachusetts	44,973,373	31,342,378	29,445,972	31,342,378	44,973,368	105,761,723	76,315,746
Michigan	32,081,922	50,475,386	75,019,019	26,539,240	24,411,364	157,576,327	50,950,604
Minnesota	23,367,543	29,296,530	32,259,616	29,296,530	19,690,299	84,923,689	48,986,829
Mississippi	6,293,116	17,109,162	34,830,465	6,143,301	1,715,430	58,232,743	7,858,731
Missouri	24,668,568	31,998,615	45,443,950	18,432,614	16,548,755	102,111,133	34,981,369
Montana	3,190,691	5,074,861	6,949,783	2,625,990	1,313,990	15,215,335	3,939,980
Nebraska	10,594,637	10,811,969	14,209,832	9,484,575	6,498,998	35,616,438	15,983,573
Nevada	2,580,422	15,225,409	20,217,672	8,431,224	2,580,421	38,023,503	11,011,645
New Hampshire	4,581,870	6,001,809	5,473,528	6,001,809	4,581,866	16,057,207	10,583,675
New Jersey	26,374,178	45,565,006	43,609,117	45,565,006	26,374,178	115,548,301	71,939,184
New Mexico	8,307,587	11,879,773	20,900,100	5,176,613	2,895,259	41,087,460	8,071,872
New York	101,983,998	96,319,307	107,314,609	96,319,307	101,983,998	305,617,914	198,303,305
North Carolina	69,639,228	52,610,391	80,719,966	27,247,519	37,927,282	202,969,585	65,174,801
North Dakota	2,506,022	3,605,950	4,149,310	3,605,950	1,017,036	10,261,282	4,622,986
Ohio	70,124,656	60,054,529	83,308,812	35,817,963	45,403,943	213,487,997	81,221,906
Oklahoma	24,909,979	21,718,212	35,385,108	13,142,481	10,630,233	82,013,299	23,772,714
Oregon	19,408,790	19,583,907	27,351,031	10,987,287	11,714,966	66,343,728	22,702,253
Pennsylvania	55,336,804	61,441,915	71,959,354	57,126,041	46,629,051	188,738,073	103,755,092
Rhode Island	6,633,774	4,812,353	5,755,697	4,812,353	5,321,126	17,201,824	10,133,479
South Carolina	9,867,439	24,853,709	43,939,946	10,329,911	4,085,269	78,661,094	14,415,180
South Dakota	1,710,801	4,760,748	6,165,885	4,458,361	802,914	12,637,434	5,261,275
Tennessee	37,702,188	34,108,024	55,479,483	18,373,933	18,975,782	127,289,695	37,349,715
Texas	59,844,129	161,909,802	258,346,040	117,004,586	34,681,421	480,099,971	151,686,007
Utah	12,591,564	21,038,573	29,386,775	8,777,999	4,474,923	63,016,912	13,252,922
Vermont	3,944,887	2,725,201	3,263,152	2,320,533	2,666,323	9,933,240	4,986,856
Virginia	21,328,766	42,599,014	46,086,661	42,599,014	21,328,762	110,014,441	63,927,776
Washington	41,883,444	36,356,477	41,518,122	36,312,875	38,707,605	119,758,043	75,020,480
West Virginia	8,727,005	8,715,978	14,839,085	3,499,829	2,971,392	32,282,068	6,471,221
Wisconsin	24,511,351	29,932,671	37,786,313	21,436,251	16,449,406	92,230,335	37,885,657
Wyoming	2,815,041	3,156,641	3,129,968	3,156,641	1,553,707	9,101,650	4,710,348
<b>United States</b>	<b>\$1,235,864,781</b>	<b>\$1,681,135,219</b>	<b>\$2,435,000,000</b>	<b>\$1,277,451,283</b>	<b>\$887,607,151</b>	<b>\$5,352,000,000</b>	<b>\$2,165,058,434</b>

Source: U.S. Department of Health and Human Services, Administration for Children and Families, *FY 2016 Justification of Estimates for Appropriations Committees*, 2015, [https://www.acf.hhs.gov/sites/default/files/olab/2016\\_acf\\_cj.PDF](https://www.acf.hhs.gov/sites/default/files/olab/2016_acf_cj.PDF). State match estimates were calculated by CLASP based on FY 2015 Federal Medical Assistance Percentages (FMAP) rates accessed at <http://aspe.hhs.gov/health/reports/2014/FMAP2015/fmap15.cfm>.

Note: U.S. totals do not equal the sum of each column as the amounts include funding for tribes, territories, and other set-asides.

## Appendix V. Average Monthly Number of Children Served in CCDBG

State	FY 2006	FY 2013	Change in number of children served from 2006 to 2013	Percent change from 2006 to 2013
Alabama	28,000	25,200	-2,800	-10%
Alaska	4,900	3,600	-1,300	-27%
Arizona	30,200	22,800	-7,400	-25%
Arkansas	5,600	7,800	2,200	39%
California	175,500	111,000	-64,500	-37%
Colorado	16,300	15,900	-400	-2%
Connecticut	10,100	9,600	-500	-5%
Delaware	7,500	7,700	200	3%
District of Columbia	3,700	1,700	-2,000	-54%
Florida	108,600	84,700	-23,900	-22%
Georgia	64,600	55,000	-9,600	-15%
Hawaii	8,600	9,100	500	6%
Idaho	9,900	4,800	-5,100	-52%
Illinois	82,200	53,200	-29,000	-35%
Indiana	32,800	36,600	3,800	12%
Iowa	19,400	15,500	-3,900	-20%
Kansas	22,400	17,600	-4,800	-21%
Kentucky	28,900	19,100	-9,800	-34%
Louisiana	39,100	24,000	-15,100	-39%
Maine	5,400	1,500	-3,900	-72%
Maryland	22,900	17,300	-5,600	-24%
Massachusetts	32,100	28,000	-4,100	-13%
Michigan	87,800	46,600	-41,200	-47%
Minnesota	27,300	25,700	-1,600	-6%
Mississippi	39,100	18,300	-20,800	-53%
Missouri	33,600	35,600	2,000	6%
Montana	4,800	3,900	-900	-19%
Nebraska	13,100	12,600	-500	-4%
Nevada	6,000	4,000	-2,000	-33%
New Hampshire	7,500	5,400	-2,100	-28%
New Jersey	37,900	41,000	3,100	8%
New Mexico	21,600	18,300	-3,300	-15%
New York	123,700	113,200	-10,500	-8%
North Carolina	79,900	64,800	-15,100	-19%
North Dakota	4,000	2,200	-1,800	-45%
Ohio	39,900	48,500	8,600	22%
Oklahoma	25,000	24,300	-700	-3%
Oregon	20,200	15,000	-5,200	-26%
Pennsylvania	82,800	92,800	10,000	12%
Rhode Island	7,100	5,600	-1,500	-21%
South Carolina	19,700	13,800	-5,900	-30%
South Dakota	4,900	4,900	0	0%
Tennessee	42,500	38,800	-3,700	-9%
Texas	126,200	113,300	-12,900	-10%
Utah	13,000	12,300	-700	-5%
Vermont	6,800	4,400	-2,400	-35%
Virginia	27,900	25,000	-2,900	-10%
Washington	53,200	41,600	-11,600	-22%
West Virginia	9,300	7,300	-2,000	-22%
Wisconsin	29,500	28,800	-700	-2%
Wyoming	4,700	3,900	-800	-17%
<b>United States</b>	<b>1,770,100</b>	<b>1,455,100</b>	<b>-315,000</b>	<b>-18%</b>

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Child Care and Development Fund Statistics*, FY 2013 Preliminary Data Table 1, <http://www.acf.hhs.gov/programs/occ/resource/fy-2013-ccdf-data-tables-preliminary-table-1>, and FY 2006 CCDF Data Tables (Final), <http://www.acf.hhs.gov/programs/occ/resource/ccdf-data-06acf800-final> (Table 1).

Appendix VI. Average Monthly Share of Children Served by CCDBG in All Types of Care, FY 2013

State	Licensed or Regulated Providers				Providers Legally Operating without Regulation						Invalid/ Not Reported	
	Child's Home	Family Home	Group Home	Center	Child's Home		Family Home		Group Home			Center
					Relative	Non-Relative	Relative	Non-Relative	Relative	Non-Relative		
Alabama	0%	3%	3%	56%	0%	0%	2%	0%	0%	0%	37%	0%
Alaska	0%	14%	7%	57%	2%	7%	11%	1%	0%	0%	0%	0%
Arizona	1%	5%	5%	82%	2%	0%	4%	0%	0%	0%	0%	0%
Arkansas	0%	11%	0%	89%	0%	0%	0%	0%	0%	0%	0%	0%
California	0%	16%	13%	49%	0%	0%	13%	5%	0%	0%	4%	0%
Colorado	0%	15%	0%	74%	0%	0%	1%	0%	0%	0%	0%	10%
Connecticut	0%	16%	0%	48%	12%	4%	14%	1%	0%	0%	5%	0%
Delaware	0%	17%	3%	73%	0%	0%	3%	0%	0%	0%	3%	0%
District of Columbia	0%	3%	0%	97%	0%	0%	0%	0%	0%	0%	0%	0%
Florida	0%	7%	0%	86%	0%	0%	0%	0%	0%	0%	7%	0%
Georgia	0%	5%	3%	91%	0%	0%	1%	0%	0%	0%	0%	0%
Hawaii	0%	7%	0%	20%	45%	6%	17%	4%	0%	0%	1%	0%
Idaho	0%	0%	16%	66%	1%	0%	4%	12%	0%	0%	0%	0%
Illinois	0%	20%	2%	39%	10%	4%	14%	5%	0%	0%	4%	1%
Indiana	0%	39%	0%	36%	0%	0%	0%	2%	0%	0%	23%	0%
Iowa	0%	28%	5%	53%	0%	0%	0%	13%	0%	0%	0%	0%
Kansas	0%	0%	45%	41%	2%	2%	9%	0%	0%	0%	0%	0%
Kentucky	0%	5%	1%	90%	0%	0%	1%	1%	0%	0%	0%	0%
Louisiana	0%	0%	0%	89%	1%	0%	2%	6%	0%	0%	1%	0%
Maine	0%	24%	0%	64%	0%	0%	1%	9%	0%	0%	1%	1%
Maryland	0%	33%	0%	53%	5%	2%	5%	0%	0%	0%	0%	2%
Massachusetts	0%	2%	24%	74%	0%	0%	0%	0%	0%	0%	0%	0%
Michigan	0%	9%	15%	39%	8%	9%	18%	0%	0%	0%	0%	0%
Minnesota	0%	29%	0%	57%	0%	0%	3%	2%	0%	0%	7%	0%
Mississippi	0%	0%	1%	87%	1%	1%	5%	6%	0%	0%	0%	1%
Missouri	0%	7%	2%	61%	2%	1%	7%	10%	0%	0%	9%	0%
Montana	0%	7%	43%	42%	1%	1%	4%	3%	0%	0%	0%	0%
Nebraska	0%	15%	8%	67%	0%	0%	2%	8%	0%	0%	0%	0%
Nevada	0%	3%	0%	59%	4%	4%	6%	3%	0%	0%	21%	0%
New Hampshire	0%	6%	0%	83%	1%	1%	3%	4%	0%	0%	1%	1%
New Jersey	0%	7%	0%	88%	0%	0%	1%	2%	0%	0%	0%	0%
New Mexico	0%	2%	6%	75%	1%	2%	9%	5%	0%	0%	0%	0%
New York	0%	8%	23%	33%	9%	4%	6%	6%	0%	0%	10%	0%
North Carolina	0%	13%	0%	87%	0%	0%	0%	0%	0%	0%	0%	0%
North Dakota	0%	6%	36%	31%	0%	0%	13%	15%	0%	0%	0%	0%
Ohio	0%	18%	3%	78%	0%	0%	0%	0%	0%	0%	0%	1%
Oklahoma	0%	15%	0%	85%	0%	0%	0%	0%	0%	0%	0%	0%
Oregon	0%	20%	10%	23%	11%	7%	9%	19%	0%	1%	1%	1%
Pennsylvania	0%	6%	4%	72%	0%	0%	9%	7%	0%	0%	0%	2%
Rhode Island	0%	27%	0%	72%	0%	0%	1%	0%	0%	0%	0%	0%
South Carolina	0%	5%	2%	79%	0%	0%	3%	4%	0%	0%	3%	3%
South Dakota	0%	27%	3%	55%	0%	1%	9%	4%	0%	0%	0%	0%
Tennessee	0%	7%	4%	81%	0%	0%	1%	6%	0%	0%	0%	0%
Texas	0%	2%	2%	95%	0%	0%	1%	0%	0%	0%	0%	0%
Utah	8%	19%	0%	51%	4%	0%	13%	0%	0%	0%	0%	5%
Vermont	0%	29%	0%	60%	2%	1%	4%	3%	0%	0%	0%	1%
Virginia	2%	9%	0%	72%	1%	3%	2%	5%	0%	0%	5%	0%
Washington	0%	27%	0%	56%	9%	5%	4%	0%	0%	0%	0%	0%
West Virginia	0%	28%	6%	64%	0%	0%	0%	0%	0%	0%	2%	0%
Wisconsin	0%	18%	0%	75%	0%	0%	0%	0%	0%	0%	0%	7%
Wyoming	0%	17%	15%	54%	2%	1%	5%	6%	0%	0%	0%	0%
<b>United States</b>	<b>0%</b>	<b>11%</b>	<b>6%</b>	<b>67%</b>	<b>2%</b>	<b>1%</b>	<b>5%</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>3%</b>	<b>1%</b>

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Child Care and Development Fund Statistics*, FY 2013 Preliminary Data Table 6, <http://www.acf.hhs.gov/programs/occ/resource/fy-2013-ccdf-data-tables-preliminary-table-6>.

## Appendix VII. Number of Providers Receiving CCDBG by Settings, FY 2013

State	Total providers	Licensed or Regulated Providers				Providers Legally Operating without Regulation						
		Child's Home	Family Home	Group Home	Center	Child's Home		Family Home		Group Home		Center
						Relative	Non-Relative	Relative	Non-Relative	Relative	Non-Relative	
Alabama	2,294	0	218	158	694	7	6	373	0	0	0	838
Alaska	921	0	137	34	133	33	200	320	64	0	0	0
Arizona	3,397	59	591	242	1,256	358	0	891	0	0	0	0
Arkansas	1,146	0	296	0	850	0	0	0	0	0	0	0
California	49,280	0	10,127	5,465	4,086	370	132	19,297	9,317	0	0	486
Colorado	2,361	0	846	0	1,256	64	12	117	62	0	0	4
Connecticut	9,182	21	1,242	18	1,247	2,647	854	2,843	144	0	0	166
Delaware	1,312	0	525	49	368	24	1	290	19	0	0	36
District of Columbia	227	0	66	0	147	14	0	0	0	0	0	0
Florida	9,479	0	2,406	0	5,730	0	0	11	74	0	0	1,258
Georgia	5,058	0	1,229	199	2,891	169	0	353	217	0	0	0
Hawaii	7,054	0	368	8	201	3,761	730	1,498	468	0	0	20
Idaho	974	0	0	239	405	12	8	84	226	0	0	0
Illinois	63,079	0	6,889	456	2,622	14,459	6,597	21,972	9,336	0	0	748
Indiana	3,840	0	2,269	0	446	6	4	87	310	0	0	718
Iowa	5,575	0	2,425	343	887	0	282	0	1,638	0	0	0
Kansas	4,878	0	0	2,291	730	249	322	1,286	0	0	0	0
Kentucky	3,250	0	437	80	1,820	128	101	339	345	0	0	0
Louisiana	2,740	0	0	0	1,707	139	42	197	613	0	0	42
Maine	937	0	329	0	358	0	5	18	219	0	0	8
Maryland	6,354	0	2,641	0	1,475	879	358	928	20	0	0	53
Massachusetts	15,287	0	555	6,195	4,332	1,076	1,199	1,930	0	0	0	0
Michigan	19,201	0	2,455	2,348	3,192	3,063	2,750	5,285	0	0	0	108
Minnesota	6,871	2	3,929	0	985	49	61	657	634	0	0	554
Mississippi	2,866	1	0	15	1,112	150	179	600	809	0	0	0
Missouri	7,269	4	787	152	1,570	226	88	729	2,954	0	0	759
Montana	1,297	0	213	431	242	38	33	192	148	0	0	0
Nebraska	3,029	0	829	289	701	0	0	422	788	0	0	0
Nevada	1,370	0	86	10	277	151	177	327	153	0	0	189
New Hampshire	1,199	0	144	0	627	51	36	134	172	0	0	35
New Jersey	6,025	0	1,485	0	2,401	219	186	642	1,092	0	0	0
New Mexico	2,873	0	192	105	566	0	0	1,515	495	0	0	0
New York	54,489	0	3,966	7,255	4,090	10,569	7,227	9,825	11,185	0	0	372
North Carolina	5,579	0	1,764	0	3,761	1	0	0	1	0	0	52
North Dakota	1,284	0	668	472	144	0	0	0	0	0	0	0
Ohio	12,796	9	6,827	365	5,595	0	0	0	0	0	0	0
Oklahoma	2,333	30	1,145	0	1,158	0	0	0	0	0	0	0
Oregon	8,853	12	1,276	375	605	920	1,591	999	2,965	0	72	38
Pennsylvania	22,019	0	2,032	740	4,500	132	108	7,399	7,108	0	0	0
Rhode Island	888	0	494	3	331	2	0	35	23	0	0	0
South Carolina	2,835	0	616	117	849	0	67	0	780	0	0	406
South Dakota	1,862	0	602	56	293	0	84	562	265	0	0	0
Tennessee	5,697	0	472	355	1,873	86	33	484	2,379	0	0	15
Texas	9,526	0	1,240	804	6,383	7	0	1,092	0	0	0	0
Utah	4,843	118	687	149	299	534	18	2,927	71	0	0	40
Vermont	2,069	0	782	0	519	107	111	286	264	0	0	0
Virgin Islands	90	2	0	10	72	0	0	6	0	0	0	0
Virginia	4,071	1	1,314	0	1,473	1	2	292	650	0	0	338
Washington	12,291	0	3,136	0	1,710	3,424	2,390	1,631	0	0	0	0
West Virginia	2,141	0	1,590	112	353	0	8	17	2	0	0	59
Wisconsin	5,201	56	2,881	0	2,264	0	0	0	0	0	0	0
Wyoming	1,145	0	242	149	205	64	61	227	197	0	0	0
<b>United States</b>	<b>415,107</b>	<b>315</b>	<b>75,513</b>	<b>30,089</b>	<b>82,551</b>	<b>44,194</b>	<b>26,073</b>	<b>89,993</b>	<b>58,923</b>	<b>0</b>	<b>79</b>	<b>7,377</b>
<b>Percentage</b>	<b>100%</b>	<b>0%</b>	<b>18%</b>	<b>7%</b>	<b>20%</b>	<b>11%</b>	<b>6%</b>	<b>22%</b>	<b>14%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, *Child Care and Development Fund Statistics*, unpublished data received via email from Office of Child Care, March 2015.

# Appendix VIII:

## Child Care and Development Block Grant Act of 2014: Changes to Previous Law

The chart below compares the prior version of the law governing the Child Care and Development Block Grant (CCDBG) with provisions of the reauthorization law that make changes in the following areas:

- CCDBG Purposes and General Administration
- Consumer Education and Provider Compliance with Health and Safety Standards (including criminal background checks)
- Child Care Program Standards and Quality Improvement Activities
- Family-Friendly Policies
- Payment Rates and Practices

CCDBG Purposes and General Administration		
Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<b>Purposes</b>	<p>The goals of this subchapter are to:</p> <ul style="list-style-type: none"> <li>• Allow each state maximum flexibility to develop programs and policies to best suit the needs of children and parents</li> <li>• Promote parental choice</li> <li>• Encourage states to provide consumer education information</li> <li>• Assist states to provide child care to parents trying to achieve independence from public assistance</li> <li>• Assist states in implementing the health, safety, licensing, and registration standards established in State regulations</li> </ul> <p>CCDBG Act Sec. 658A, 42 U.S.C. §9801 note</p>	<p>Adds language to existing purposes to promote quality of care and parental involvement and adds the following goals:</p> <ul style="list-style-type: none"> <li>• Improve child care and development of participating children</li> <li>• Increase the number and percentage of low-income children in high-quality child care settings</li> </ul> <p>CCDBG Act Sec. 658A</p>
<b>Lead Agencies</b>	<p>Lead agency (LA) must be a state agency designated by the chief executive of the state.</p> <p>Sec. 658D(a), §9858b(a)</p>	<p>Lead agency can be a state agency or a joint interagency office established by the governor.</p> <p>Sec. 658D(a)</p>
<b>Duties</b>	<p>Lead agency must:</p> <ul style="list-style-type: none"> <li>• Administer CCDBG funds</li> <li>• Develop a state plan</li> <li>• Hold at least one public hearing on provision of child care services under the plan, with sufficient statewide notice</li> <li>• Coordinate provision of services with other federal, state, or local child care/development programs</li> <li>• Consult with local government representatives</li> </ul> <p>Sec. 658D(b), §9858b(b)</p>	<p>In addition to existing duties, at the option of an Indian tribe or tribal organization in the state, the lead agency must collaborate and coordinate with such Indian tribe or tribal organization in the development of the State plan in a timely manner.</p> <p>Sec. 658D(b)(1)(E)</p>
<b>Duration of State Plan</b>	<p>Two years.</p> <p>Sec. 658E(b), §9858c(b)</p>	<p>Three years.</p> <p>Sec. 658E(b)</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<b>Definitions</b>	<p>Defines:</p> <ul style="list-style-type: none"> <li>• Caregiver</li> <li>• Child care certificate</li> <li>• Eligible child</li> <li>• Eligible child care provider</li> <li>• Family child care provider</li> <li>• Indian tribe</li> <li>• Lead Agency</li> <li>• Parent</li> <li>• Secretary</li> <li>• Sliding scale fee</li> <li>• State</li> <li>• Tribal organization</li> </ul> <p>Sec. 658P, §9858n</p>	<p>Adds definitions for:</p> <ul style="list-style-type: none"> <li>• Child with a disability</li> <li>• English learner</li> <li>• Scientifically valid research</li> </ul> <p>Adds foster parent to the definition of a “parent” and specifies that the family of an “eligible child” must not have assets exceeding \$1 million (as certified by a member of the family).</p> <p>Sec. 658P</p>
<b>Use of CCDBG Funds</b>	<p>With priority given to children of families with very low incomes and children with special needs, states shall use CCDBG funds for:</p> <ul style="list-style-type: none"> <li>• Child care services on a sliding fee scale basis</li> <li>• Activities that improve the quality or availability of such services</li> <li>• Any other activity that the state deems appropriate to meet CCDBG goals</li> </ul> <p>Sec. 658E(c)(3)(B), §9858c(c)(3)(B)</p> <p>State may expend no more than 5 percent of CCDBG funds on administrative costs.</p> <ul style="list-style-type: none"> <li>• Sec. 658E(c)(3)(C), §9858c(c)(3)(C)</li> </ul>	<p>Maintains existing allowable uses of CCDBG funds (except for “any other activity...” category), including priority given to children with low incomes/special needs, and specifically authorizes expenditures for:</p> <ul style="list-style-type: none"> <li>• Activities that improve access to child care services, including access for homeless children</li> <li>• Establishment/support of a system of local/regional child care resource and referral organizations (coordinated by a statewide lead child care resource and referral organization), which shall: <ul style="list-style-type: none"> <li>• Provide parents with consumer education information concerning the full range of child care options, including faith- and community-based providers and care provided during nontraditional hours/in emergency child care centers</li> <li>• To the extent practicable, work directly with families receiving CCDBG assistance to help them enroll their children in appropriate, high-quality child care settings</li> <li>• Collect data and provide information on coordination of services and supports (including Individuals with Disabilities Education Act (IDEA) services for children with disabilities) and on the supply of/demand for child care</li> <li>• Establish partnerships with public agencies and private entities, including faith- and community-based providers, to increase the supply and quality of child care services</li> <li>• As appropriate, coordinate their activities with the activities of the LA and local agencies that administer CCDBG funds</li> </ul> </li> </ul> <p>Sec. 658E(c)(3)(B)(i), (iii)</p> <p>Maintains 5 percent limit on administrative expenditures and specifies that the state must:</p> <ul style="list-style-type: none"> <li>• Reserve the required quality set-aside and funds for administrative costs, and</li> <li>• From the remainder, use no less than 70 percent to fund direct services</li> </ul> <p>Sec. 658E(c)(3)(E)</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>General Administration &amp; Coordination</b></p>	<p>The Secretary shall:</p> <ul style="list-style-type: none"> <li>• Coordinate HHS activities relating to child care and coordinate with other federal entities engaging in similar activities to the extent practicable</li> <li>• Collect, publish, and make available a listing of state child care standards once every three years</li> <li>• Provide technical assistance to states to carry out the CCDBG program, including assistance on a reimbursable basis</li> </ul> <p>Sec. 658I(a), §9858g(a)</p>	<p>In addition to existing duties, the Secretary shall:</p> <ul style="list-style-type: none"> <li>• Disseminate information on practices that scientifically valid research indicates are most successful in improving quality of child care programs</li> <li>• After consulting with heads of any other federal agencies involved, issue guidance and disseminate information on best practices regarding use of funding for coordinating with other programs</li> </ul> <p>Technical assistance, such as business technical assistance, to states (which may include providing assistance on a reimbursable basis) shall be provided by qualified experts on practices grounded in scientifically valid research, where appropriate.</p> <p>Sec. 658I(a)</p> <p>To the extent practicable, the state must efficiently coordinate CCDBG services with programs operated at the federal, state, and local levels for children in preschool programs, tribal early childhood programs, and other early childhood programs to expand accessibility and continuity of care and assist children to receive full-day services. If the state elects to combine CCDBG funding with funding for other early childhood programs, it must describe the funding streams in its state plan and explain how it will use the combined funding.</p> <p>Sec. 658E(c)(2)(O)</p> <p>The state must also:</p> <ul style="list-style-type: none"> <li>• Encourage partnerships among state agencies, other public agencies, Indian tribes and tribal organizations, and private entities (including faith- and community-based) to leverage existing service delivery systems and increase the supply/quality of child care services for children under 13. Sec. 658E(c)(2)(P)</li> <li>• Give priority to investments for children of families in areas that have significant concentrations of poverty and unemployment and do not have high-quality care services. Sec. 658E(c)(2)(Q)</li> <li>• Consult with the State Advisory Council on Early Childhood Education and Care in developing state plan. Sec. 658E(c)(2)(R)</li> </ul>
<p><b>Reports &amp; Audits</b></p> <p>State Reports</p>	<p>States shall collect information on a monthly basis with respect to families receiving assistance (including, e.g., information relating to family income and demographics, child care services and other government assistance received), and must submit this information to the Secretary quarterly. States may use scientifically acceptable sampling methods to meet this requirement.</p> <p>States must also submit annual reports to the Secretary with aggregate data on, e.g., child care costs, payments made to providers, and families served.</p>	<p>In addition to existing requirements, the state shall collect and submit information regarding whether the children receiving assistance are homeless.</p> <p>Sec. 658K(a)(1)(B)(xi)</p> <p>Clarifies that reports shall not contain personally identifiable information.</p> <p>Sec. 658K(a)(1)(E)</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Reports &amp; Audits, cont.</b></p> <p>State Reports, cont.</p>	<p>After the close of each program period covered in the state plan, the state shall conduct an independent audit of its expenditures and submit the audit to the Secretary. The state shall repay any amounts not paid in accordance with CCDBG law.</p> <p>Sec. 658K, §9858i</p>	<p>Beginning in November 2015, in addition to existing requirements, annual reports must include aggregate data on the number of child fatalities occurring at providers receiving CCDBG assistance, listed by type of child care provider and indicating whether the providers are licensed or license-exempt.</p> <p>Sec. 658K(a)(2)(F)</p>
<p>Federal Reports</p>	<p>On a biennial basis, the Secretary shall submit a report to the Senate Committee on Health, Education, Labor and Pensions (HELP Committee) and the House Committee on Education and the Workforce that contains a summary and analysis of the data and information provided in the annual reports from the states, including an assessment and (where appropriate) recommendations for strategies to improve access to quality and affordable child care.</p> <p>Sec. 658L, §9858j</p>	<p>By July 31, 2016 and thereafter, the Secretary shall include in its biennial reports to Congress a determination around whether each State has complied with its obligation to use CCDBG funds for child care services or activities that improve quality, availability, or access to such services, with priority given to services for children with very low family incomes or special needs.</p> <p>Sec. 658L(a)</p> <p>In addition, by September 30, 2016 and each September 30 thereafter, the Assistant Secretary for Children and Families must prepare a report that determines whether each state uses CCDBG funds for child care services or activities that improve quality, availability, or access to such services, with priority given to services for children with very low family incomes or special needs.</p> <ul style="list-style-type: none"> <li>• The Secretary must withhold 5 percent of a State's CCDBG funds if a State found to be noncompliant does not appropriately modify its State plan within six months of the Secretary's report</li> <li>• The Secretary may waive the penalty for one year if he/she determines that noncompliance was due to extraordinary circumstances and reports to appropriate congressional committees on the basis for and expected impact of the waiver</li> </ul> <p>Sec. 658E(c)(3)(B)(ii)</p> <p>Adds provision directing the U.S. Comptroller General to conduct studies to determine, for each state, the number of families that:</p> <ul style="list-style-type: none"> <li>• Are eligible for CCDBG assistance,</li> <li>• Have applied for assistance (identified by the type of assistance requested), and</li> <li>• Have been placed on a waiting list for the assistance</li> </ul> <p>The Comptroller General must report the results of each study to the Senate HELP Committee and the House Committee on Education and the Workforce by November 2016 and every two years thereafter.</p> <p>Sec. 12 [not incorporated into CCDBG Act]</p> <p>Adds provision directing the Secretary of HHS and the Secretary of Education to conduct an interdepartmental review of all federal early learning and care programs for children less than six years of age and submit a detailed report to the Senate HELP Committee and the House Committee on Education and the Workforce outlining specific recommendations for eliminating overlap and fragmentation among all federal early learning and care programs.</p> <p>Sec. 13 [not incorporated into CCDBG Act]</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<b>Waivers</b>	Not addressed.	<p>Upon a state's request, the Secretary may waive any provision of CCDBG law or sanctions imposed for noncompliance if:</p> <ul style="list-style-type: none"> <li>• The state's request describes one or more conflicting or duplicative requirements preventing the effective delivery of child care services, extraordinary circumstances (such as a natural disaster or financial crisis), or an extended period of time for the State legislature to enact legislation to implement CCDBG provisions</li> <li>• The circumstances described in the request prevent the state from complying with any statutory or regulatory requirement of CCDBG</li> <li>• The waiver will, by itself, improve the state's ability to carry out CCDBG purposes, and</li> <li>• The waiver will not contribute to inconsistency with CCDBG goals</li> </ul> <p>The state's waiver request must :</p> <ul style="list-style-type: none"> <li>• Detail each sanction or provision of CCDBG law from which the state seeks relief</li> <li>• Describe how a waiver of that sanction/provision will by itself improve delivery of child care services, and</li> <li>• Certify that the health, safety, and well-being of children served through CCDBG will not be compromised as a result of the waiver</li> </ul> <p>The Secretary must approve or disapprove the State's waiver request within 90 days and make a report to the Senate HELP Committee and the House Committee on Education and the Workforce regarding the basis for approval or disapproval.</p> <p>The initial waiver period may be no longer than three years, with an option to renew the waiver for no more than one year upon approval from the Secretary. The Secretary shall terminate a waiver prior to its expiration if he/she determines (after notice and opportunity for a hearing) that the state's performance has been inadequate or the waiver is no longer necessary to achieve its original purposes</p> <p>Waiver authority does not authorize the Secretary to permit states to alter the eligibility requirements for children (including work/job training/education requirements for parents).</p> <p>Sec. 658I(c)</p>

## Consumer Education and Provider Compliance with Health and Safety Standards

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Consumer Education &amp; Parental Complaints</b></p> <p>State Responsibilities</p>	<p>States must collect and disseminate consumer information that will promote informed child care choices.</p> <p>Sec. 658E(c)(2)(D), §9858c(c)(2)(D)</p> <p>State must maintain a record of substantial parental complaints and make information about such complaints available upon public request.</p> <p>Sec. 658E(c)(2)(C), §9858c(c)(2)(C)</p>	<p>States must make public the results of monitoring and inspection reports (including those due to major substantiated complaints) about failure to comply with CCDBG and state child care policies, within a year of complying with monitoring and inspection requirements (no later than November 19, 2017). Public results must:</p> <ul style="list-style-type: none"> <li>• Be electronically available in consumer-friendly format and organized by provider</li> <li>• Include number of deaths, serious injuries, and instances of substantiated child abuse that occurred for eligible child care providers each year</li> <li>• Include date of inspection and, where applicable, information on corrective action taken</li> </ul> <p>Sec. 658E(c)(2)(D)</p> <p>States must collect and disseminate—through resource and referral organizations or other means—information to parents, the public, and (where applicable) providers about:</p> <ul style="list-style-type: none"> <li>• Availability of child care services provided through CCDBG and, if feasible, other programs for which the family may be eligible</li> <li>• If available, information about the quality of providers (including quality rating and improvement system (QRIS) data)</li> <li>• State processes for licensing providers, background checks (and disqualifying offenses), monitoring and inspections of providers (made available through a State website)</li> <li>• Financial assistance to obtain child care services</li> <li>• Other assistance programs that CCDBG families may be eligible for, including TANF, Head Start, LIHEAP, SNAP, WIC, CACFP, Medicaid, and IDEA (Sec. 619, Part C) programs</li> <li>• Research and best practices concerning child development</li> <li>• State policies regarding social-behavioral health of young children and policies on expulsion of preschool-aged children in early childhood programs receiving CCDBG assistance</li> <li>• How the state can help families/providers obtain developmental screenings for CCDBG children</li> </ul> <p>Sec. 658E(c)(2)(E)</p> <p>The Secretary may not compel states to provide additional data that is currently not publicly available or required by CCDBG, unless such data are related to the purposes and scope of CCDBG and are subject to a notice and comment period of at least 90 days.</p> <p>Sec. 658L(b)</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Consumer Education &amp; Parental Complaints, cont.</b></p> <p>Federal Hotline &amp; Website</p>	<p>Not addressed.</p>	<p>The Secretary shall operate, directly or through the use of grants or contracts, a website to disseminate consumer education information and help parents access quality child care in their communities (with a range of price options), and a national toll-free hotline to allow reports (anonymous if desired) of suspected child abuse/health and safety violations at CCDBG providers. The website must:</p> <ul style="list-style-type: none"> <li>• Be hosted by childcare.gov and have nationwide, 24-hour capacity</li> <li>• Enable consumers to obtain referrals to local providers through a zip code search</li> <li>• Ensure the widest possible access to services for families who speak languages other than English</li> <li>• Ensure that families have access to easy-to-understand, high-quality child care consumer education and referral services</li> <li>• Provide the following information:                             <ul style="list-style-type: none"> <li>• A localized list of all eligible providers (differentiating between licensed and license-exempt providers)</li> <li>• Provider-specific quality information from QRIS or other quality indicators (to the extent the information is publicly available and to the extent practicable)</li> <li>• Provider-specific information about compliance with state licensing and health/safety requirements to the extent the information is publicly available and to the extent practicable)</li> <li>• Referrals to local resource and referral organizations</li> <li>• State information about child care subsidy programs and other financial supports for families</li> </ul> </li> </ul> <p>The Secretary shall reserve up to \$1.5 million of the total CCDBG appropriation for each fiscal year to operate the national toll-free hotline and website.</p> <p>Sec. 658O(a)(3)</p>
<p><b>Inspections &amp; Compliance with Licensing Requirements</b></p> <p>States</p>	<p>The state must certify that it has licensing requirements and describe the requirements and how they are effectively enforced, but is not required to mandate that specific types of providers meet licensing requirements.</p> <p>Sec. 658E(c)(2)(E), §9858c(c)(2)(E)</p>	<p>The state must certify that it has licensing requirements and describe the requirements and how they are effectively enforced.</p> <p>For license-exempt providers, the state must explain why licensing exemption does not endanger the health, safety, or development of children receiving services.</p> <p>Sec. 658E(c)(2)(F)</p> <p>No later than November 2016, the state must have policies and practices applicable to CCDBG providers and their facilities that:</p> <ul style="list-style-type: none"> <li>• Ensure that individuals hired as licensing inspectors are qualified and have received training in related health/safety requirements</li> <li>• Require annual inspections of license-exempt providers receiving CCDBG funds (except providers related to all children in their care) for compliance with health/safety/fire standards at a time determined by the state</li> </ul>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Inspections &amp; Compliance with Licensing Requirements, cont.</b></p> <p>States, cont.</p>		<ul style="list-style-type: none"> <li>Require annual inspections of license-exempt providers receiving CCDBG funds (except providers related to all children in their care) for compliance with health/safety/fire standards at a time determined by the state</li> <li>Require ratio of licensing inspectors to child care providers be sufficient to enable the state to conduct inspections on a timely basis</li> </ul> <p>The Secretary may provide guidance, if requested by the state, regarding appropriate inspector-to-provider ratios, but may not prescribe a particular ratio.</p> <p>Sec. 658E(c)(2)(K)</p>
<p>Indian Tribes</p>	<p>For Indian tribes and tribal organizations receiving CCDBG assistance, in lieu of any licensing and regulatory requirements applicable under state and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards that appropriately reflect tribal needs and available resources.</p> <p>Sec. 658E(c)(2)(E)(ii)</p>	<p>For Indian tribes and tribal organizations receiving CCDBG assistance, in lieu of any licensing and regulatory requirements applicable under state or local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards. The standards shall reflect Indian tribe/tribal organization needs and resources and shall include:</p> <ul style="list-style-type: none"> <li>Standards requiring a publicly available application</li> <li>Health and safety standards</li> <li>Standards requiring a reservation of funds for activities to improve the quality of child care services provided to Indian children</li> </ul> <p>Sec. 658O(c)(2)(D)</p>
<p><b>Establishment/ Enforcement of Health &amp; Safety Requirements</b></p>	<p>The state must certify that there are requirements applicable to child care providers serving CCDBG children to protect their health and safety. These requirements must address:</p> <ul style="list-style-type: none"> <li>Infectious disease prevention and control</li> <li>Building and physical premises safety</li> <li>Minimum health and safety training appropriate to the provider setting</li> </ul> <p>Sec. 658E(c)(2)(F), §9858c(c)(2)(F)</p>	<p>The state must certify that there are requirements applicable to providers serving CCDBG children to protect their health and safety. These requirements must include minimum health and safety training to be completed pre-service or in an orientation period, in addition to ongoing training, and address the following topics:</p> <ul style="list-style-type: none"> <li>Infectious disease prevention and control (with the establishment of a grace period to allow homeless children and children in foster care to receive services while their families take action to comply with immunization and other requirements)</li> <li>Prevention of SIDS and safe sleep practices</li> <li>Administration of medication and parental consent</li> <li>Prevention and response to food and allergy emergencies</li> <li>Building and physical premises safety (including identification and protection from hazards that can cause bodily injury)</li> <li>Prevention of shaken baby syndrome and abusive head trauma</li> <li>Emergency preparedness and disaster response</li> <li>Handling/storage of hazardous materials and disposal of biocontaminants</li> <li>Transportation of children (if applicable)</li> <li>First aid and CPR</li> </ul> <p>Requirements may also include nutrition, physical activity, and any other subject determined necessary by the state to promote child development or protect health/safety.</p> <p>Sec. 658E(c)(2)(I)</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Establishment/ Enforcement of Health &amp; Safety Requirements, cont.</b></p>		<p>The state plan must certify that procedures are in effect to ensure that CCDBG providers comply with these health and safety requirements, and that child care providers will comply with reporting requirements under the Child Abuse Protection Act.</p> <p>Sec. 658E(c)(2)(J),(L)</p> <p>The state plan must also include a statewide child care disaster plan to ensure safe child care before, during, and after a major emergency. The plan shall outline coordination of activities among state agencies, the resource and referral system, and the State Advisory Council on Early Childhood Education and Care. Plans must include:</p> <ul style="list-style-type: none"> <li>• Evacuation, relocation, shelter-in-place, and lock-down procedures, and procedures for communication and reunification with families, continuity of operations, and accommodation of infants and toddlers, children with disabilities and children with chronic medical conditions</li> <li>• Guidelines for continuation of services after an emergency or disaster, including emergency and temporary child care services (and standards for providers during that period)</li> <li>• Procedures for staff and volunteer emergency preparedness training and practice drills</li> </ul> <p>Sec. 658E(c)(2)(U)</p>
<p><b>Child-to-Provider Ratio Standards</b></p>	<p>Not addressed.</p>	<p>The state must determine standards for CCDBG providers that address:</p> <ul style="list-style-type: none"> <li>• Group size limits for different ages</li> <li>• Appropriate child-to-provider ratios, in terms of age of children</li> <li>• Required qualifications for providers</li> </ul> <p>The Secretary may provide guidance to states on child-to-provider ratios but shall not require specific standards.</p> <p>Sec. 658E(c)(2)(H)</p>
<p><b>Criminal Background Checks</b></p> <p>Applicable Personnel</p>	<p>Not addressed.</p>	<p>The state must require criminal background checks for all child care staff members (including prospective child care staff members) of providers, including:</p> <ul style="list-style-type: none"> <li>• Center-based child care provider</li> <li>• Family child care provider</li> <li>• Regular provider of child care services for compensation that:                             <ul style="list-style-type: none"> <li>• Is not related to at least one child in their care, and</li> <li>• Is licensed, regulated, or registered under State law or receives CCDBG assistance</li> </ul> </li> </ul> <p>A child care staff member is defined as an individual (who is not related to at least one child in his/her care):</p> <ul style="list-style-type: none"> <li>• Who is employed by a child care provider for compensation, or</li> <li>• Whose activities involve the care or supervision of children for a child care provider (or unsupervised access to children who are cared for or supervised by a child care provider)</li> </ul> <p>Sec. 658H(a), (i)</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Criminal Background Checks, cont.</b></p> <p>Search Procedures</p>	<p>Not addressed</p>	<p>Background check must include searches of:</p> <ul style="list-style-type: none"> <li>• State criminal and sex offender registry in the State where the staff member resides, and the States where he/she has lived in the past five years</li> <li>• State-based child abuse and neglect registries and databases for the state where the staff member resides, and the states where he/she has lived in the past five years</li> <li>• National Crime Information Center</li> <li>• FBI Integrated Automated Fingerprint Identification System</li> <li>• National Sex Offender Registry</li> </ul> <p>Sec. 7 (Sec. 658H(b))</p>
<p>Prohibitions</p>	<p>Not addressed.</p>	<p>State licensing, regulation, and registration requirements must prohibit the employment of a child care staff member by providers that receive CCDBG funds if the staff member:</p> <ul style="list-style-type: none"> <li>• Refuses to consent to a criminal background check</li> <li>• Knowingly makes a materially false statement in connection with the background check</li> <li>• Is registered or is required to be registered on a State or national sex offender registry</li> <li>• Has been convicted of a felony consisting of: <ul style="list-style-type: none"> <li>• Murder</li> <li>• Child abuse or neglect</li> <li>• A crime against children, including child pornography</li> <li>• Spousal abuse</li> <li>• A crime involving rape or sexual assault</li> <li>• Kidnapping</li> <li>• Arson</li> <li>• Physical assault/battery</li> <li>• A drug-related offense committed during the preceding five years (subject to review), or</li> </ul> </li> <li>• Has been convicted of a violent misdemeanor committed as an adult against a child, including child abuse, child endangerment, sexual assault, or a misdemeanor involving child pornography</li> </ul> <p>A child care provider will be ineligible for CCDBG assistance if it employs a staff member who is ineligible under these provisions.</p> <p>Sec. 658H(a),(c)</p> <p>A state may disqualify individuals for employment based on convictions for other crimes that bear upon the fitness of an individual to provide care for and have responsibility for the safety and well-being of children.</p> <p>Sec. 658H(h)</p>
<p>Frequency</p>	<p>Not addressed.</p>	<p>Child care providers must request background checks:</p> <ul style="list-style-type: none"> <li>• For existing staff members, once by September 30, 2017 and at least once every five years thereafter</li> <li>• For prospective staff members, once prior to hiring and at least once every five years thereafter</li> </ul> <p>Exceptions – providers are not required to submit background checks for employees if:</p>

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<p><b>Criminal Background Checks, cont.</b></p> <p>Frequency, cont.</p>		<ul style="list-style-type: none"> <li>The staff member received a background check within the last five years and was employed/seeking employment with another provider in the state, and</li> <li>The state provided a background check result for the staff member, who was separated from the prior child care employer for no more than 180 consecutive days</li> </ul> <p>Sec. 658H(d)</p>
<p>Results Disclosure &amp; Appeals</p>	<p>Not addressed</p>	<p>The state must carry out a background check within no more than 45 days after submission of the request for the check.</p> <p>Sec. 658H(e)(1)</p> <p>Regarding disclosure of background check results:</p> <ul style="list-style-type: none"> <li>To the provider, the state must indicate only whether staff is eligible or ineligible to provide care based on background check results, without revealing the crime or related information</li> <li>To the ineligible staff member, state shall report his/her disqualifying crime(s)</li> <li>The state cannot publicly release or share the results of background checks except as part of aggregated data by crime (and then it must not be individually identifiable)</li> </ul> <p>Sec. 658H(e)(2)</p> <p>The state must provide a process for child care staff members and prospective staff members to appeal the results of a background check. The state must ensure that:</p> <ul style="list-style-type: none"> <li>Staff members are given notice of opportunity to appeal and are provided with instructions about how to appeal</li> <li>The appeals process is completed in a timely manner</li> </ul> <p>Sec. 658H(e)(3)</p> <p>The state may allow for a review process to determine eligibility for a staff member or prospective staff member who would otherwise be disqualified for a drug-related offense.</p> <p>Sec. 658H(e)(4)</p> <p>No private right of action if provider is in compliance with the section.</p> <p>Sec. 658H(e)(5)</p>
<p>Fees</p>	<p>Not addressed.</p>	<p>Fees for background checks cannot be more than the actual costs of processing and administration.</p> <p>Sec. 658H(f)</p>
<p>Transparency</p>	<p>Not addressed.</p>	<p>The state must ensure that the policies and procedures related to criminal background checks are published on state and LA websites (or other publicly available venue).</p> <p>Sec. 658H(g)</p>
<p>Penalty for Non-compliance</p>	<p>Not addressed</p>	<p>The state must meet the background check requirements by September 30, 2017. The Secretary may grant an extension of up to one year, if the state demonstrates a good faith effort to comply.</p> <p>Thereafter, if the state fails to comply substantially with the requirements, the Secretary shall withhold 5 percent of the funds that would otherwise be allocated to the state the next fiscal year.</p> <p>Sec. 658H(j)</p>

## Child Care Program Standards and Quality Improvement Activities

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Activities to Improve the Quality of Child Care</b></p>	<p>States must use at least 4 percent of CCDBG funds for:</p> <ul style="list-style-type: none"> <li>• Activities designed to provide comprehensive consumer education to parents and the public</li> <li>• Activities that increase parental choice</li> <li>• Activities designed to improve the quality and availability of child care (such as resource and referral services)</li> </ul> <p>Sec. 658G, §9858e</p>	<p>States must reserve a portion of CCDBG funds for activities (provided directly or through grants/contracts with resource and referral organizations or other appropriate entities) to improve child care quality and increase parental options/ access to high-quality care. States must reserve at least:</p> <ul style="list-style-type: none"> <li>• 7 percent in FY 2016 and FY 2017</li> <li>• 8 percent in FY 2018 and FY 2019</li> <li>• 9 percent in FY 2020 and each year thereafter</li> </ul> <p>In addition, 3 percent of CCDBG funds in FY 2017 and each year thereafter must be reserved for quality improvement activities related to care for infants and toddlers.</p> <p>Sec. 658G(a)</p> <p>Reserved funds shall be used to carry out at least one of the following activities:</p> <ul style="list-style-type: none"> <li>• Supporting training/professional development of child care workforce through, e.g.:                             <ul style="list-style-type: none"> <li>• Activities included under 658E(c)(2)(G) [see <b>Professional Training Requirements</b>, <i>infra</i>]</li> <li>• Training and professional development that relate to the use of scientifically based, developmentally appropriate, and age-appropriate strategies to promote the social, emotional, physical, and cognitive development of children (including activities related to nutrition, physical activity, low-income populations, and children with disabilities)</li> <li>• Incorporating data to guide program improvement</li> <li>• Positive behavior management strategies and trainings (including to reduce expulsions of preschool-aged children)</li> <li>• Training/outreach on engaging parents/families in culturally and linguistically appropriate ways to expand their capacity to support their children's learning and development</li> <li>• Training on children's nutritional and physical activity needs</li> <li>• Training on early neurological development</li> <li>• Connecting child care provider staff with available federal and state financial aid, or other resources to assist them in pursuing relevant postsecondary training</li> </ul> </li> <li>• Improving upon the development/implementation of the state's early learning and developmental guidelines by providing technical assistance to eligible providers that enhances cognitive, physical, social and emotional development (including early childhood development) of participating preschool and school-aged children</li> <li>• Developing, implementing or enhancing a tiered quality rating system that may:                             <ul style="list-style-type: none"> <li>• Support and assess provider quality</li> <li>• Build on state licensing/regulatory standards</li> <li>• Be designed to improve the quality of different types of providers/services</li> <li>• Describe the safety of facilities</li> <li>• Improve parents' understanding of the early childhood system and ratings</li> </ul> </li> </ul>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Activities to Improve the Quality of Child Care,</b> cont.</p>		<ul style="list-style-type: none"> <li>• Provide financial incentives and other supports to expand full diversity of child care options and help improve service quality</li> <li>• Accommodate a variety of distinctive approaches to early childhood education and care (including those in faith-based, community-based, child-centered or similar settings)</li> <li>• Improving the supply and quality of infant and toddler care programs through, e.g.:             <ul style="list-style-type: none"> <li>• Establishing/expanding high-quality community- or neighborhood-based family and child development centers</li> <li>• Establishing/expanding community-based family child care networks</li> <li>• Promoting/expanding providers' ability to provide developmentally appropriate services for infants and toddlers through training/professional development; coaching and technical assistance on this age group's needs from qualified specialists; and improved coordination with early intervention specialists who provide services for infants and toddlers with disabilities</li> <li>• Developing infant/toddler components in the State's quality rating system (if applicable), licensing regulations, or early learning guidelines</li> <li>• Improving the ability of parents to access transparent and easy-to-understand information on high-quality infant/toddler care</li> <li>• Other activities determined by the State to improve infant and toddler care quality (based on evidence they improve health and safety, cognitive and physical development, well-being), including training in safe sleep practices, first aid and CPR Establishing/ expanding a statewide system of child care resource and referral services</li> </ul> </li> <li>• Facilitating compliance with state requirements for inspection, monitoring, training, health and safety, and state licensing standards</li> <li>• Evaluating quality and effectiveness of child care programs</li> <li>• Supporting providers seeking accreditation by a national body</li> <li>• Supporting efforts to develop high-quality health, mental health, nutrition, physical activity and development program standards</li> <li>• Carrying out other activities determined by the State to improve quality of care for which measurement of outcomes related to provider preparedness, child safety, child well-being, or kindergarten entry is possible</li> </ul> <p>Sec. 658G(b)</p> <p>Adds that the Secretary does not have authority to regulate, direct, dictate or place conditions (outside of what is required by the subchapter) on a state adopting specific child care quality activities or progress in implementing those activities.</p> <p>Sec. 658G(f)</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<b>Early Learning &amp; Development Guidelines</b>	Not addressed.	<p>The state must develop, maintain or implement early learning and development guidelines (for children from birth to kindergarten entry) for use by child care providers statewide. Guidelines must be:</p> <ul style="list-style-type: none"> <li>• Research-based</li> <li>• Developmentally appropriate for children</li> <li>• Aligned with entry to kindergarten</li> <li>• Implemented in consultation with the state educational agency and the State Advisory Council on Early Childhood Education and Care, and</li> <li>• Be updated as determined by the state</li> </ul> <p>The state cannot use CCDBG funds to develop or implement an assessment of children that will:</p> <ul style="list-style-type: none"> <li>• Be the sole basis to determine a provider is ineligible to participate in CCDBG</li> <li>• Be used as the primary or sole basis to reward or sanction an individual provider</li> <li>• Be used as the primary or sole method for assessing program effectiveness, or</li> <li>• Be used to deny children eligibility to participate in CCDBG</li> </ul> <p>However, the state may use a single assessment of children for:</p> <ul style="list-style-type: none"> <li>• Supporting learning or improving a classroom environment</li> <li>• Targeting professional development</li> <li>• Determining need for health, mental health, disability, developmental delay, or family support services</li> <li>• Obtaining information for the state-level quality improvement process, or</li> <li>• Conducting a program evaluation to provide program improvement and parent information</li> </ul> <p>The federal government may not mandate/control the content of the state early learning guidelines, prescribe the standards a state uses to establish/improve the guidelines (or their alignment with state education standards), or require a State to submit the guidelines for review.</p> <p>Sec. 658E(c)(2)(T)</p>
<b>Professional Training Requirements</b>	Not addressed	<p>The state must have training and professional development requirements applicable to CCDBG providers that promote child development and improve knowledge and skills of the workforce. Requirements must:</p> <ul style="list-style-type: none"> <li>• Be conducted on an ongoing basis and provide for a progression of professional development (which may include encouraging postsecondary education)</li> <li>• Reflect current research and best practices relating to skills necessary for the child care workforce to meet developmental needs of children and to improve quality of, and stability within, the workforce</li> <li>• Be developed in consultation with the State Advisory Council on Early Childhood Education and Care (may also engage training providers in aligning training opportunities with the state's training framework)</li> <li>• Incorporate the state's early learning and developmental guidelines (where applicable), health/safety standards, and social-emotional behavior intervention models</li> </ul>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Professional Training Requirements, cont.</b></p>		<ul style="list-style-type: none"> <li>• Be accessible to providers supported through Indian tribes or tribal organizations that receive CCDBG assistance</li> <li>• Be appropriate for different age groups, English learners, children with disabilities and Native Americans and Indians (to the extent practicable)</li> </ul> <p>The state plan must include the number of hours of training required annually for providers (as determined by the State).</p> <p>The Secretary shall not require credential acquisition, but the state may require a credential for providers.</p> <p>Sec. 658E(c)(2)(G)</p>
<p><b>Reporting Requirements</b></p>	<p>Not addressed</p>	<p>Starting in FY 2016, the state shall annually (at the beginning of each fiscal year) submit to the Secretary a certification describing how the state used CCDBG funds to comply with the quality set-aside requirements during the preceding fiscal year.</p> <p>Sec. 658G(c)</p> <p>In addition, the state must submit an annual report to the Secretary with information about the:</p> <ul style="list-style-type: none"> <li>• Amount of funds reserved for quality improvement activities</li> <li>• Quality improvement activities carried out</li> <li>• Measures the state will use to evaluate its progress in improving the quality of child care programs and services</li> </ul> <p>Sec. 658G(d)</p>
<p><b>Technical Assistance, Research &amp; Demonstration</b></p>	<p>The Secretary shall provide technical assistance to assist States to carry out CCDBG, including assistance on a reimbursable basis; no quality component specified.</p> <p>Sec. 658I(a)(3), §9858g(a)(3)</p>	<p>At the request of the state, the Secretary shall offer technical assistance for quality improvement activities, which may include technical assistance through the use of grants or cooperative agreements. (Technical assistance must be provided in accordance with section 658I(a)(3), which authorizes providing assistance on a reimbursable basis and requires that, where appropriate, technical assistance be provided by qualified experts on practices grounded in scientifically valid research.)</p> <p>Sec. 658G(e)</p> <p>The state must develop and implement strategies to strengthen the business practices of child care providers to expand the supply, and improve the quality of, child care services. (The Secretary may provide technical assistance to help states carry out this provision.)</p> <p>Sec. 658E(c)(2)(V), Sec. 658I(a)(3)</p> <p>The Secretary shall reserve up to ½ of 1 percent of the total CCDBG appropriation for each fiscal year to support technical assistance and dissemination of information on practices that scientifically valid research indicates are most successful in improving child care program quality.</p> <p>The Secretary may also reserve up to ½ of 1 percent of the total CCDBG appropriation for each fiscal year to conduct research and demonstration activities, as well as independent evaluations of the impact of CCDBG on increasing access to/ improving the quality of child care services, and to disseminate key findings of those evaluations widely and on a timely basis.</p> <p>Sec. 658O(a)(4)-(5)</p>

<b>Family-Friendly Policies</b>		
<b>Topic</b>	<b>Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)</b>	<b>New Law: Child Care and Development Block Grant Act of 2014</b>
<b>Meeting the Needs of Certain Populations; Priority for Low-Income Populations</b>	<p>After complying with 42 U.S.C. §618(b)(2), which requires states to expend at least 70 percent of mandatory and matching CCDBG funds to provide child care assistance to families receiving Temporary Assistance for Needy Families (TANF), families attempting to transition off TANF through work, and families at risk of becoming dependent on TANF, the state must ensure that a substantial portion of remaining CCDBG funds are used to provide assistance to other low-income working families.</p> <p>Sec. 658E(c)(2)(H), 658E(c)(3)(D), §9858c(c)(2)(H), §9858c(c)(3)(D)</p>	<p>The state must develop and implement strategies (which may include, e.g., alternative reimbursement rates for providers, contracting with community-based organizations, or offering child care certificates to parents) to increase the supply and improve the quality of child care for:</p> <ul style="list-style-type: none"> <li>• Children in underserved areas</li> <li>• Infants and toddlers</li> <li>• Children with disabilities</li> <li>• Children who receive care during nontraditional hours</li> </ul> <p>Sec. 658E(c)(2)(M)</p> <p>After complying with 42 U.S.C. §618(b)(2), the state must ensure that a substantial portion of remaining CCDBG funds are used to provide assistance to other low-income working families including or in addition to the categories of families with children described above.</p> <p>Sec. 658E(c)(3)(D)</p> <p>The state must prioritize investments for children in areas with concentrated poverty and unemployment that do not have high-quality child care services.</p> <p>Sec. 658E(c)(2)(Q)</p>
<b>Parental Choice of Providers</b>	<p>Parents must be given the option to enroll their children with providers who have a CCDBG grant or to receive a certificate (voucher).</p> <p>Sec. 658E(c)(2)(A), §9858c(c)(2)(A)</p>	<p>Adds provision clarifying that CCDBG law shall not be construed to favor the use of grants/contracts over the use of child care certificates, or to disfavor the use of certificates for child care services, including services provided by private or non-profit entities (such as faith-based providers).</p> <p>Sec. 658Q(b)</p>
<b>Eligibility Period/ Re-determination</b>  12-Month Eligibility	Not addressed.	<p>Each child receiving CCDBG assistance will be considered eligible for at least 12 months before a redetermination, regardless of a temporary change in the parent's work/education status or income, as long as family income does not exceed 85 percent of State median income (based on family size).</p> <p>The State plan must demonstrate how the State or its designated local entity takes into account irregular fluctuations in earnings for initial determination and redetermination of eligibility.</p> <p>Sec. 658E(c)(2)(N)(i)</p>
Re-determination Procedures	Not addressed	<p>The State's redetermination process must have policies in place to ensure that working parents (especially those receiving TANF) are not required to unduly disrupt their employment in order to comply with requirements for redetermination of eligibility.</p> <p>Sec. 658E(c)(2)(N)(ii)</p> <p>The State must have policies to allow for provision of continued CCDBG assistance at the beginning of a new eligibility period for children of parents who are working or attending a job training or educational program and whose family income exceeds the state's income limit to initially qualify for such assistance, if the family income does not exceed 85 percent of the state median income (based on family size).</p> <p>Sec. 658E(c)(2)(N)(iv)</p>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Eligibility Period/ Re-determination, cont.</b></p> <p>Job Search</p>	<p>Not addressed.</p>	<p>The state may not terminate CCDBG assistance based on a parent's loss of work (or cessation of attendance at a job training/educational program) unless it continues assistance for at least three months to allow the parent to engage in a job search and resume work (or resume attendance at a job training or educational program).</p> <p>Sec. 658E(c)(2)(N)(iii)</p>

## Payment Rates and Practices

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<p><b>Provider Payment Practices, Generally</b></p>	<p>Payment rates for CCDBG providers must be sufficient to ensure equal access for CCDBG-eligible families to child care services comparable to those provided to non-eligible families.</p> <p>Sec. 658E(c)(4)(A), §9858c(c)(4)</p>	<p>Specifies that the state must certify that rates are sufficient to ensure equal access for CCDBG-eligible families to child care services comparable to those provided to non-eligible families.</p> <p>Sec. 658E(c)(4)(A)</p> <p>Adds language clarifying that states are not barred from differentiating payment rates on the basis of:</p> <ul style="list-style-type: none"> <li>• Geographic location of child care providers</li> <li>• Age or particular needs of children</li> <li>• Whether providers provide care during nontraditional hours</li> <li>• The state's determination that differentiated rates are needed to enable a parent to choose high-quality care</li> </ul> <p>Sec. 658E(c)(4)(C)(ii)</p> <p>The state must certify that payment practices of providers receiving CCDBG assistance reflect generally accepted payment practices of child care providers that serve children who do not receive CCDBG assistance, and to the extent practicable, implement enrollment and eligibility policies that support the fixed costs of providing child care services by delinking provider reimbursement rates from an eligible child's occasional absences due to holidays or unforeseen circumstances (such as illness).</p> <p>Sec. 658E(c)(2)(S)</p>
<p><b>Sliding Fee Scales/ Family Cost Sharing</b></p>	<p>The State must create and periodically revise sliding scale fees for family cost sharing for CCDBG services.</p> <p>Sec. 658E(c)(5), §9858c(c)(5)</p>	<p>Maintains existing language on sliding fee scales and adds that cost sharing must not be a barrier to families receiving CCDBG assistance.</p> <p>Sec. 658E(c)(5)</p>
<p><b>Market Rate Surveys</b></p>	<p>State plan must provide summary of the facts relied on to determine that CCDBG provider payment rates are sufficient to ensure equal access.</p> <p>Sec. 658E(c)(4)(A), §9858c(c)(4)</p>	<p>In addition to providing a summary of the facts relied on to determine that rates are sufficient to ensure equal access, the state—in consultation with the State Advisory Council on Early Childhood Education and Care, local program administrators, resource and referral agencies, and other appropriate entities—must develop and conduct:</p> <ul style="list-style-type: none"> <li>• A statistically valid and reliable survey of the market rates for child care services in the state that reflects variations in the cost of child care services by geographic area, type of provider, and age of child, or</li> <li>• An alternative methodology, such as a cost estimation model, developed by the LA</li> </ul>

Topic	Old Law: Child Care and Development Block Grant Act of 1990 (as amended prior to 2014)	New Law: Child Care and Development Block Grant Act of 2014
<b>Market Rate Surveys, cont.</b>		<p>The State must:</p> <ul style="list-style-type: none"> <li>• Develop and conduct the market rate survey/alternative methodology within two years of the relevant state plan submission</li> <li>• Report on the results of the survey/alternative methodology and make the results widely available (including Internet posting)</li> <li>• Describe how it will set provider payment rates in accordance with the market rate survey/alternative methodology (and taking into consideration the cost of providing higher-quality child care services) without, to the extent practicable, reducing the number of families receiving CCDBG assistance</li> <li>• Describe how it will provide for timely payment for services</li> </ul> <p>Sec. 658E(c)(4)(B)</p>



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