

# The Child Care and Development Block Grant (CCDBG) Act of 2014: Reauthorizing the Child Care and Development Fund (CCDF) Program

---

## Overview & Background

On Nov. 19, 2014, President Barack Obama signed into law the Child Care and Development Block Grant (CCDBG) Act of 2014 (Pub. L. 113-186), the first comprehensive reauthorization for the CCDBG in nearly 20 years. The CCDBG has two funding streams:

1. **Discretionary funding** is authorized by the CCDBG Act of 1990, which was reauthorized through 2020 by the CCDBG Act of 2014 (P.L. 113-186). There are no state maintenance-of-effort (MOE) or matching requirements.
2. **Mandatory funding** is authorized by Section 418 of the Social Security Act, and is generally appropriated directly by authorizing statute, meaning that these funds are not typically part of the annual appropriations process. States must meet MOE and matching requirements to receive their full allotments.

At the federal level, these child care funding streams are jointly administered by HHS—and are commonly referred to as the Child Care and Development Fund (CCDF). The funds are allocated to states, according to separate formulas, and are used to subsidize the child care expenses of low-income working families with children under age 13 (and sometimes older children in special circumstances).

Federal law stipulates that eligible families are those with a family income below 85 percent of the state median income, but in practice most states set income levels below the federal threshold. Child care services are provided to families on a sliding fee scale basis and parents may choose to receive assistance through vouchers or certificates, which can be used with a provider of the parents' choice, including religious providers and relatives.

In addition to supporting direct services for children, states must use a portion of their CCDBG funds (both mandatory and discretionary) to improve the quality and availability of child care (e.g., by supporting training and professional development).

### CCDBG Reauthorized

**The CCDBG Act of 2014 amended the goals of the program and created six new goals which strengthened requirements related to health and safety, licensing enforcement, and quality of care. For instance, under the reauthorized CCDBG Act:**

- States must establish and enforce **minimum health and safety standards** covering 11 broad areas, such as the prevention and control of infectious diseases, building and premises safety, and emergency preparedness,
- All providers receiving CCDF funds must compete pre-service and ongoing **training on health and safety topics**;
- States must set **age-specific standards** for group size limits and child-to-provider ratios,
- States must conduct **pre-licensure and annual unannounced licensing inspections** for all licensed CCDF providers, as well as annual inspections for unlicensed (or "license-exempt") CCDF providers,
- States must establish **qualifications and training for licensing inspectors** and set inspector-to-provider ratios,
- States must conduct **criminal background checks** on applicable child care providers and staff members, and
- Minimum state spending on general quality activities increases incrementally from 4% of CCDF spending under prior law to 9% by FY2020, plus states must spend an additional 3% on quality activities for infants and toddlers.

CCDF Reauthorization Frequently asked Questions [<http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq>]

## New Key Statutory Requirements

The law includes a number of new program requirements including:

- **Consumer and Provider Education Information**—States must collect and disseminate information including but not limited to, availability of child care, quality of providers (if available), and information on developmental screenings.
- **Licensing Exemptions**—If a state exempts providers from licensing requirements, the state must describe how the exemption does not endanger the health, safety, or development of children.
- **Training and Professional Development**—States must have training and professional development requirements that are applicable to all CCDF providers.
- **Child-to-Provider Ratio Standards**—States must have in place standards (appropriate for the setting) that include group size limits, appropriate child-staff ratios, and provider qualifications.
- **Health and Safety Requirements**—States must have in place requirements to protect the health and safety of children applicable to all CCDF providers relating to the following topics: (1) prevention and control of infectious disease; (2) prevention of sudden infant death syndrome and use of sleeping practices; (3) administration of medication, consistent with standards of parental consent; (4) prevention and response to emergencies due to food and allergic reaction; (5) building and physical premises safety, including identification of and protection from hazards that can cause bodily injury such as electrical hazards, bodies of water, and vehicular traffic; (6) prevention of shaken baby syndrome and abusive head trauma; (7) emergency preparedness and response planning for emergencies resulting from a natural disaster, or man-caused event (such as violence at a child care facility); (8) appropriate precautions in transporting children, if applicable; and (10) first aid and cardiopulmonary resuscitation.
- **Compliance with Child Abuse Reporting**—States must certify that child care providers within the state will comply with the child abuse reporting requirements of the Child Abuse Prevention and Treatment Act.
- **Meeting the Needs of Certain Populations**—States must develop and implement strategies to increase the supply and improve the quality of child care services for children in underserved areas, infants and toddlers, children with disabilities (as defined by the state), and children who receive care during nontraditional hours.
- **Minimum 12-month Eligibility Redetermination Period**—States must have a redetermination period of not less than 12 months, including graduated phase-out of child care.
- **Coordination with Other Programs**—States must coordinate with federal, state, and local programs, including those serving infants and toddlers with disabilities, homeless children, and children in foster care.
- **Public-Private Partnerships**—States must encourage partnerships with other entities to leverage existing service delivery systems and to increase supply and quality of child care.
- **Priority for Low-income Populations**—The state must ensure that families from areas with high poverty and unemployment that do not have high quality programs will have priority with respect to investments to increase access to high-quality programs.
- **Payment Practices**—States must have in place payment practices that reflect payment practices of non CCDF providers and, to the extent possible, implement enrollment and eligibility policies that delink reimbursement rates from occasional absences due to holidays or unforeseen circumstances.
- **Early Learning and Development Guidelines**—States must maintain or implement early learning and development guidelines.
- **Disaster Preparedness**—States must address child care needs before, during, and after a state of emergency and have a statewide child care disaster plan.
- **Business Technical Assistance**—States must develop and implement strategies to strengthen business practices of child care providers.
- **Homeless Families**—States must have procedures to permit enrollment (after an initial eligibility determination) of homeless children while required documentation is obtained, provide training and technical assistance on identifying and serving homeless children and their families, and provide specific outreach to homeless families.

## Timeline of Effective Dates for States and Territories: Child Care and Development Block Grant (CCDBG) Act of 2014

<b>NEW PROGRAM REQUIREMENTS</b>	<b>FY 2016</b> 10/01/2015 9/30/2016	<b>FY 2017</b> 10/01/2016 9/30/2017	<b>FY 2018</b> 10/01/2017 9/30/2018	<b>FY 2019</b> 10/01/2018 9/30/2019	<b>FY 2020</b> 10/01/2019 9/30/2020	<b>FY 2021</b> 10/01/2020 9/30/2021
<b>Minimum Quality Spending Requirements</b>	At least 7%	At least 7%	At least 8%	At least 8%	At least 9%	At least 9%
<b>Infant and Toddler Spending Requirement (Additional 3% quality set-aside)</b>	Planning/Implementation	At least 3%	At least 3%	At least 3%	At least 3%	At least 3%
<b>Criminal Background Checks</b>	Planning/Implementation	Planning/Implementation	<b>Compliance by 9/30/2017:</b> Not later than the last day of the 2 <sup>nd</sup> full fiscal year after enactment (states may request an extension of not more than 1 yr.)			
<b>Monitoring of Licensing and Regulatory Requirements</b>	Planning/Implementation	<b>Compliance by 11/19/2016:</b> Not later than 2 yrs. After enactment.				
<b>Posting Results of Monitoring and Inspection Reports (Website)</b>	Planning/Implementation	Planning/Implementation	<b>Compliance by earlier of 11/19/2017 or 1 year after monitoring in place.</b>			
<b>State Compliance With Priority for Services</b>	Planning/Implementation	Planning/Implementation	<b>Compliance by 9/30/2016:</b> Not later than Sept. 30 of the first full fiscal after the date of enactment (ACF will make an annual determination and report thereafter). The requirement to submit this report applies to ACF. However, prior to submission of this report, states will need to provide information to ACF regarding their compliance with priority for services.			
<b>Other Requirements</b>	If a state or territory provides justification for why it cannot certify compliance with one or more of the requirements of the new law in its FY 2016-2018 Plan, ACF may allow the Lead Agency to submit a state-specific timeline for achieving compliance with these provision(s). They expect the need for additional time would be limited to provisions that require significant policy revisions or implementation and that the timeline for implementation would not exceed a 1-year period (i.e., September 30, 2016).					

(CCDF State & Territory Plan (3-yr) FY 2016-2018)

### Statutory Provision for State Waivers

The new law allows ACF to waive provisions or penalties in the law for up to three-years (with an option of a 1 year extension) based on a request from the state or Territory identifying duplicative requirements preventing effective delivery of child care services, extraordinary circumstances, or an extended period of time for a state legislature to enact legislation to implement the statute. Waivers are subject to approval by the Secretary of Health & Human Services. In order for a waiver to be considered, the state must demonstrate that the waiver will enhance the State's ability to carry out the purposes of the CCDBG Act and will not contribute to inconsistencies with objectives of the Act. ACF may terminate a waiver if it determines that the performance of the state has been inadequate, or a waiver is no longer necessary to achieve its original purposes. ACF will provide additional guidance on the waiver process in the future.

<http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq>

## Notice of Proposed Rulemaking

A [Notice of Proposed Rulemaking \(NPRM\)](https://www.federalregister.gov/articles/2015/12/24/2015-31883/child-care-and-development-fund-ccdf-program) [https://www.federalregister.gov/articles/2015/12/24/2015-31883/child-care-and-development-fund-ccdf-program] on the CCDF was issued on Dec. 24, 2015, by the Office of Child Care/ Administration for Children and Families (ACF) with the U.S. Department of Health and Human Services (HHS). The proposed rules update the existing CCDF regulations to address changes made by the CCDBG Act of 2014. A brief [summary of the proposed rule](http://www.acf.hhs.gov/programs/occ/resource/overview-of-ccdf-2015-nprm) [http://www.acf.hhs.gov/programs/occ/resource/overview-of-ccdf-2015-nprm] was prepared by the ACF Office of Child Care and is posted on their web page. Final rules are expected to be published in the coming months.

### ***NCSL Response to the NPRM***

[Comments on the proposed rule](#) were accepted until Feb. 22, 2016. NCSL submitted remarks urging the Office of Childcare to scale back the level of additional requirements added in the NPRM to provide state and local governments the flexibility to build on their existing infrastructures and to maximize available funding and other existing resources.

The letter specifically addresses two points of concern regarding the proposed rule. The Child Care and Development Block Grant (CCDBG) Act of 2014 (Pub. L. 113-186) provided options for states to seek additional time to make necessary changes to state laws. The NPRM proposes to reduce the amount of time provided in the statute to permit states additional time to make necessary changes to state law. The letter asks that the statutory provisions be implemented as written

While there is broad support for background checks for child care workers, many sources have said that the requirements in the NPRM are confusing. NCSL has recommended that the Office of Child Welfare convene a workgroup of state and federal officials, including law enforcement agency officials to develop a workable solution.

## **Resources**

### **Office of Child Care Materials**

- Overview of the CCDBG Law [http://www.acf.hhs.gov/sites/default/files/occ/summary\\_of\\_s1086.pdf](http://www.acf.hhs.gov/sites/default/files/occ/summary_of_s1086.pdf)
- Technical Assistance Resources <https://childcareta.acf.hhs.gov/ccdf-reauthorization>
- [Overview of the NPRM](#)
- [Frequently Asked Questions about the 2015 NPRM](#)
- [Proposed Rule Track Changes](#)

### **Other Policy Resources**

- National Resource Center for Health and Safety in Child Care and Early Education (NRC) <http://nrckids.org/>

### **Resources for Parents and Caregivers**

- [Childcare Aware](http://www.childcareaware.org/) - <http://www.childcareaware.org/>
- Head Start Program Search Tool - <http://eclkc.ohs.acf.hhs.gov/hslc/HeadStartOffices>

**NCSL State Federal Relations staff contacts:** [Joy Johnson Wilson](#), Federal Affairs Counsel, Health and Human Services Policy Director or [Rachel B. Morgan](#) RN, BSN, Senior Director, Health Human Services Committee.