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PROGRAM INSTRUCTION

- To:** State and Territory Lead Agencies administering the Child Care and Development Fund (CCDF) program, as amended, and other interested parties.
- Subject:** This Program Instruction (PI) transmits the revised state/territory Plan Preprint (ACF-118) for the Child Care and Development Fund (CCDF) program for the Fiscal Year 2022-2024 triennium and provides guidance for submitting the Plan. This Plan is required by section 658E of the CCDBG Act.
- References:** The Child Care and Development Block Grant (CCDBG) Act (42 U.S.C. § 9857 et seq.), as amended by the CCDBG Act of 2014 (Pub. L. 113-186); section 418 of the Social Security Act (42 U.S.C. § 618); 45 CFR Parts 98 and 99.
- Purpose:** The CCDF Plan serves as the Lead Agency's application for CCDF funds by providing a description of how the program will be administered in accordance with CCDF law and regulations to provide high-quality child care services to eligible families.
- The CCDF Plan also presents an opportunity for states and territories to demonstrate the activities and services they are providing to meet the needs of low-income children and families. The Administration for Children and Families (ACF) makes Plans publicly available to many users including members of Congress, Congressional committees, state and local child care administrators, advocacy groups, researchers, and the general public.
- Guidance for Completing the Plan:** The CCDF Plan allows states and territories to describe their implementation of the CCDF program. It is organized into the following sections:
1. Define CCDF Leadership and Coordination with Relevant Systems and Funding Sources

2. Promote Family Engagement through Outreach and Consumer Education
3. Provide Stable Child Care Financial Assistance to Families
4. Ensure Equal Access to Child Care for Low-Income Children
5. Establish Standards and Monitoring Processes to Ensure the Health and Safety of Child Care Settings
6. Recruit and Retain a Qualified and Effective Child Care Workforce
7. Support Continuous Quality Improvement
8. Ensure Grantee Program Integrity and Accountability

These organizational categories reflect key purposes of the CCDBG Act for an integrated system of child care for low-income working families. Although the Plan is divided into sections for reporting and accountability purposes, ACF encourages Lead Agencies to approach the Plan in a cross-cutting, integrated manner. The intention is that grantees and the federal government will be able to use this information to track and assess progress, determine the need for technical assistance (TA), and determine compliance with specific requirements. The Preprint contains citations to the CCDBG statute and CCDF final rule that may be abbreviated for ease of referencing.

ACF acknowledges that in developing their FY 2022 – 2024 Plans states and territories may still be operating under policy changes – either through Plan Amendments or under approved waivers – related to the COVID-19 pandemic at the time they submit their Plans to meet the July 1 submission deadline. In responding to the CCDF Preprint, Lead Agencies may include and describe those policy changes for COVID-19 that are in effect at the time of Plan submission (July 1) and whether they will continue to be in effect at the time of the Plan effective period (October 1, 2021). For example, if a Lead Agency is paying based on enrollment rather than attendance as of July 1 and that policy will continue be in effect until November 15, 2021, then the Lead Agency should include that information in their submitted Plan. Or, if the Lead Agency is paying based on enrollment up until September 30 but will change to paying based on attendance starting October 1, then it should describe the policy that will start October 1 in its submitted Plan.

Lead Agencies are reminded that all existing approved waivers will end as of September 30, 2021 as OCC will have exhausted all allowable initial waiver and renewal options for the temporary waivers due to extraordinary circumstances at that time. OCC does not have the authority to renew existing temporary waivers due to COVID-19 beyond September 30, 2021 nor to provide blanket waiver authority to all Lead Agencies. OCC will provide separate guidance, as applicable, regarding

any additional waiver options that may be available as of October 1, 2021.

In completing the FY 2022-2024 Plan, each Lead Agency should consider all activities that it is conducting and will conduct as of October 1, 2021, the effective date of the FY2022-2024 CCDF Plan period. These activities may be direct services to families receiving child care assistance through CCDF as well as broader activities to support child care supply building and quality improvement activities for child care programs that are not limited to programs serving CCDF children and families. Lead Agencies must include and describe all relevant activities, whether funded by regular CCDF or CCDF funds awarded in response to COVID-19, including Coronavirus Aid, Relief, and Economic Security Act (CARES) and Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA).

In previous Plans, Lead Agencies were not asked to provide specific details about the funds used to support the activities described in the CCDF Plan. However, since both CARES and CRRSA funds have specific allowable activities that would not otherwise be allowed by regular CCDF without an approved waiver, Lead Agencies are asked to provide specific details about the funding (e.g., using CARES or CRRSA funds) used to support those activities. For example, some Lead Agencies are providing child care subsidies for emergency workers who may have incomes above the 85% state median income (SMI) threshold and are using CARES funds, which allow this activity. Other questions where such descriptions may be needed include 3.1.5 (additional eligibility conditions or rules at initial eligibility determination or redetermination), 3.2.3 (copayment policy), or in section 7 in describing quality activities.

Tips for Your CCDF Plan Responses:

- Remember your audience is going to be broader than the Office of Child Care. Responses will be read by people who are very familiar with your state and those that are reading to learn more about your work. Do not assume that people understand your early childhood system or that they know your acronyms.
- Read the questions carefully. The introductions were written to clarify the requirements, and the intent was that each question would highlight what to include in your narrative. Notes were written to guide you in what is being asked for and rule and statutory references provide helpful links back to the requirements. In some cases, questions will have bulleted elements to emphasize what needs to be addressed to be considered a complete response.
- OCC will review all Plans for:

- Completeness – have all required components of the question been answered (e.g., have all requirements been described for all CCDF provider categories, including licensed and license-exempt providers)? When identifying website links, has the specific URL been provided and not a general state webpage?
- Responsiveness – do the responses address the information requested in the question?
- Clarity – does the response provide a clear understanding of how the requirement has been implemented by the State to be in compliance?
- Compliance — is the response allowable and does it fully meet the requirements of the CCDBG Law and the CCDF Final Rule?
- Consistency within the Plan – is the response consistent with similar/related areas of the Plan? The introductory information in questions may include details about how responses may need to be alignment with other related questions in other sections of the plan.
- Consistency with known state activities – has the state included all activities relevant to the question based on what OCC is aware of from other reports on CCDF activities?

Requests for Citations:

ACF recognizes that Lead Agencies use different mechanisms to establish policies, such as state statutes, regulations, administrative rules, policy manuals and policy issuances. When asked to provide a citation in the CCDF Plan, Lead Agencies should list the citation(s) for the policy that clearly identifies and establishes the requirement and that allows the Lead Agency to enforce the requirement. Lead Agencies may list multiple sources as needed to cover all types of providers receiving CCDF (e.g., policies for licensed providers may be established in licensing regulations and policies for license-exempt providers may be in subsidy rules).

Lead Agency Responsibilities:

Section 658D(b)(1)(A) of the CCDBG Act requires the Lead Agency to "administer, directly or through other State governmental or non-governmental agencies... " the funds received. The regulations at 45 CFR 98.11 provide that, in addition to retaining overall responsibility for the administration of the program, the Lead Agency must also (among other things) promulgate all rules and regulations of the CCDF program; ensure compliance with the approved Plan and all Federal requirements; oversee the expenditure of funds by sub grantees and contractors; and ensure that any local or non-governmental entities through which the

state and territory administers the program operate according to the rules established for the CCDF.

ACF reminds Lead Agencies that in preparing their triennial Plans, the Act requires Lead Agencies to:

1. Consult with appropriate representatives of local governments; the State Advisory Council (SAC) on Early Childhood Education and Care or similar coordinating body; and Indian Tribes and tribal organizations within the state at the option of the Tribe(s).
2. Coordinate the provision of services with the required Federal, State, and local child care and early childhood programs and agencies;
3. Provide statewide notice of at least one public hearing before the Plan is submitted to ACF to provide the public an opportunity to comment on the child care services to be provided under the Plan (Section 658D(b)(1) and (2) of the Act; 45 CFR 98.14); and
4. Complete a local Market Rate Survey. A Market Rate Survey (MRS) or an ACF pre-approved alternative methodology (AM) and a narrow cost analysis must be developed and conducted no earlier than 2 years (July 1, 2019) before the date of submission of the Plan and a detailed report must be made widely available 30 days after the completion of these activities that includes how stakeholder views and comments were considered (658E(c)(4)(B)(i) (98.45 (c))). Due to the COVID-19 pandemic, Lead Agencies may request a temporary waiver for up to one additional year (until July 1, 2022) to complete the required MRS or an ACF pre-approved alternative methodology. Lead Agencies may also request the required Narrow Cost Analysis be waived for one year (until July 1, 2022). These waiver requests must include a justification linked to the COVID-19 pandemic. The waiver questions are included in Appendix A. Regardless of whether requesting a waiver or not, all questions in this section will require a response. If the MRS, alternative methodology, or Narrow Cost Analysis have not been completed for this plan period, then Lead Agencies will respond to all questions based on the data available to them. This may include the data collected for the FY 2019-2021 CCDF Plan, as well as any additional data collected since then. Then after the required analysis is completed the responses in the Plan can be amended based on the new MRS, AM or narrow cost analysis data.

Any Lead Agency considering using an alternative methodology, instead of a market rate survey, is required to submit a description of its proposed approach to its ACF Regional Child Care Program Office for pre-approval in advance of the Plan submittal (see

<https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2016-08>). Advance approval is not required if the Lead Agency plans to implement both a market rate survey and an alternative methodology.

In its request for ACF pre-approval, a Lead Agency must:

- Provide an overview of the Lead Agency’s proposed approach (e.g., cost estimation model, cost study/survey, etc.), including a description of data sources.
- Describe what information the Lead Agency will obtain from an alternative methodology that could not be obtained from the required narrow cost analysis.
- Describe how the Lead Agency will consult with the State Early Childhood Advisory Council or similar coordinating body, local child care program administrators, local child care resource and referral agencies, organizations representing child care caregivers, teachers and directors, and other appropriate entities prior to conducting the identified alternative methodology.
- Describe how the alternative methodology will use methods that are statistically valid and reliable and will yield accurate results. For example, if using a survey, describe how the Lead Agency will ensure a representative sample and promote an adequate response rate. If using a cost estimation model, describe how the Lead Agency will validate the assumptions in the model.
- If the proposed alternative methodology includes an analysis of costs (e.g., cost estimation model or cost study/survey), describe how the alternative methodology will account for key factors that impact the cost of providing care, such as: staff salaries and benefits, training and professional development, curricula and supplies, group size and ratios, enrollment levels, licensing requirements, quality level, facility size, and other factors.
- Describe how the alternative methodology will provide complete information that captures the universe of providers in the child care market.
- Describe how the alternative methodology will reflect variations by provider type, age of children, geographic location, and quality.
- Describe how the alternative methodology will use current data.
- Describe what metrics the Lead Agency will use to set rates based on the alternative methodology.
- Describe the estimated reporting burden and cost to conduct the approach.

**Submission
Deadline and
Effective Date:**

The state and territory deadline for the submission of the Plan is July 1, 2021. We expect the ACF -118 site to be available to accept FY2022-2024 CCDF Plan submissions (Go Live!) early May 2021. OCC will

issue additional guidance when the site is ready. OCC will review Plans submission from July through September 2021. As part of the review process, Lead Agencies should expect to respond to questions and requests for clarifications from OCC. OCC will send an approval letter to Lead Agencies in October that will address approved activities and any requirement(s) not fully implemented in compliance with the CCDF Final Rule. Any non-compliance(s) are subject to compliance actions, such as corrective action plans and/or penalties in accordance with CCDF regulations. Once approved, Plans will be effective from October 1, 2021, through September 30, 2024.

Plan Submission Process:

States and territories will submit their Plans electronically through the ACF-118 electronic submission site by the July 1, 2021 deadline. The state and territory CCDF Plan Preprint (ACF-118) is included as Attachment A for reference purposes only. Lead Agencies will continue to use the online submission tool via the web to submit the Plan to ACF. The ACF-118 site will include all language and questions included in the final CCDF Plan Preprint template approved by the Office of Management and Budget. Please note that the format of the questions on the ACF-118 site could be modified from the Word version of the document to ensure compliance with Section 508 policies regarding accessibility to electronic and information technology for individuals with disabilities. (See <http://www.section508.gov/> for more information.)

In responding to questions, states and territories are asked to provide brief, specific summaries and/or bullet points only with specific language that responds to the question. Do not use tables or copy and paste charts, add attachments, or paste manuals into the Plan. All information and materials developed to support CCDF implementation and information reported in the CCDF Plan are subject to review by ACF as part of ongoing oversight and monitoring efforts. Lead Agencies are required to post their approved Plan and Plan Amendments on the Lead Agency's website.

Plan Amendments:

Once the Plan is approved, any substantial change to the CCDF program during the Plan period requires an amendment to the approved Plan per 45 CFR 98.18(b) of CCDF regulations. Lead Agencies should submit the amendment within 60 days of the effective date of the change. ACF will make determinations on amendments no later than 90 days following the date on which the amendment is received, unless a written agreement to extend that period has been secured.

Substantial changes include, but are not limited to, any changes that affect CCDF administration and policies such as policy changes to program eligibility (e.g., changes in income eligibility levels), payment rates, sliding fee scales, changes in responsible agency/entity who is

administering CCDF activity (e.g., change in agency who oversees quality funds), change in CCDF Lead Agency, change in subsidy or quality activities that affects parents and/or providers access to the program (e.g., adding a new professional development initiative or changing the subsidy application process), and changes to the Lead Agency consumer education website address.

Lead Agencies are not required to submit Plan Amendments for basic "edits" or revisions to Plan questions that do not constitute a CCDF program change. Whenever you are unsure if you are making a substantial change, please consult with your Regional Office staff.

Questions: Please direct any questions to the Child Care Program Manager in the appropriate ACF Regional Office.

/s/

Ellen C. Wheatley, Ph.D.
Acting Director
Office of Child Care

Paperwork Reduction Act of 1995 (Pub. L. 104-13) Statement of Public Burden: The purpose of this information collection is the application for CCDF funds and provides ACF and the public with a description of, and assurance about, the States' and Territories' child care programs. Public reporting burden for this collection of information is estimated to average 200 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and completing the form. This is a mandatory collection of information (Pub. L. 113-186), and 42 U.S.C 9858.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information subject to the requirements of the Paperwork Reduction Act of 1995, unless it displays a currently valid OMB control number. The OMB # is 0970-0114 and the expiration date is 02/29/2024. If you have any comments on this collection of information, please contact ACF Office of Child Care.