



## OCC ARP Act Funding Guidance Dear Colleagues Letter for 477 Tribes

Dear Colleagues:

I am writing to Tribes operating under an approved Public Law (P.L.) 102-477 Plan regarding the recently enacted American Rescue Plan (ARP) Act (P.L. 117-2), which included significant funding increases for child care, including funds for Tribes. As detailed below, the Office of Child Care (OCC) will not require separate fiscal reporting on Child Care and Development Fund (CCDF) ARP Act funds for 477 Tribes, in alignment with the existing approach to financial reporting for 477 Tribes.

### Overview

OCC is providing guidance on child care funding included in the ARP Act for state, territory, and Tribal CCDF lead agencies, including for the two one-time supplemental funding streams—the CCDF Discretionary Supplemental Funding at Section 2201 and Child Care Stabilization Funds at Section 2202. The ARP Act also included an increase in CCDF Tribal Mandatory Funding at Section 9801. OCC has issued separate guidance for each of the ARP supplemental CCDF funds and the ARP Act mandatory CCDF funds. The information in this letter is general information that applies across the funding streams.

On May 10, 2021, the first Information Memorandum (IM) was released, [CCDF-ACF-IM-2021-02](#), which focused on the ARP Act Child Care Stabilization Funds.

As noted in the IM, section 2202 of the ARP Act provides resources to Tribes to provide stabilization grants to child care providers. The guidance addresses specific requirements in the Act and identifies opportunities for Tribes to leverage these resources for a wide range of child care providers. The IM is designed to help Tribes quickly distribute those funds and to protect the existing child care market. Please note the following:

- The guidance included in the IM only applies to section 2202 of the ARP Act and does not extend to the other child care funding streams included in the Act.
- Although the guidance aims to cover the range of topics necessary for Tribes to begin administering the funds, it is not exhaustive.
- OCC will issue supplemental guidance and frequently asked questions throughout the life of the grant.

On June 11, 2021, the second Information Memorandum was released, [CCDF-ACF-IM-2021-03](#), which focused on the ARP Act CCDF Discretionary Supplemental Funding.

As noted in the IM, section 2201 of the ARP Act provides supplemental discretionary resources to Tribes to implement the CCDF program. This IM is designed to help Tribes understand the specific requirements included in this section of the ARP Act to identify opportunities for lead agencies to leverage these resources to build a better child care system and to help more families afford child care over the next 3 years. Please note the following:

- The guidance included in the IM only applies to section 2201 of the ARP Act and does not extend to the other child care funding streams included in the Act.
- Although the guidance aims to cover the range of topics necessary for Tribes to begin administering the funds, it is not exhaustive.
- OCC will issue supplemental guidance and frequently asked questions throughout the life of the grant.

On August 4, 2021, the third Information Memorandum was released, [CCDF-ACF-IM-2021-04](#), which focused on the ARP Act CCDF Tribal Mandatory Funding.

As noted in the IM, section 9801 of the ARP Act increased the annual appropriation for CCDF mandatory and matching funds awarded to lead agencies in Section 418 of the Social Security Act. The IM is intended to be a reference for Tribes to incorporate the additional grant year 2021 funds into their regular CCDF program funds. Prior to the ARP Act, Tribal lead agencies received a proportion of the child care funds appropriated under Section 418 of the Social Security Act. Section 9801 of the ARP Act amended the Social Security Act to explicitly appropriate \$100 million in CCDF mandatory funds to Tribal lead agencies. The requirements for Tribal CCDF mandatory funds remain the same. Tribal CCDF mandatory funds are allocated based on the number of children under the age of 13 in a Tribe's service area. Please note the following:

- The guidance included in this IM only applies to Section 9801 of the ARP Act.
- Although the guidance aims to cover the range of topics necessary for Tribes to begin administering the funds, it is not exhaustive.
- OCC will issue supplemental guidance and frequently asked questions throughout the life of the grant.

*General information for 477 Tribes that applies to all three funding streams:*

For Tribes who include CCDF in a 477 Plan, CCDF ARP Act funds (all three funding streams) can be expended as part of the Tribe's 477 Plan. Except as otherwise specified in the ARP Act, the CCDF ARP Act funds are subject to the Child Care and Development Block Grant Act requirements. Requirements for Tribes with approved 477 Plans align with those established for the regular CCDF funds, as described below.

### **Obligating and Liquidating Funds**

P.L. 102-477, as amended, allows Tribes with approved 477 Plans to carry over funds. Therefore, as is the case with CCDF funds included in 477 Plans, the CCDF obligation and liquidation periods do not apply to CCDF ARP Act funds awarded to Tribes who have consolidated their CCDF program into an approved P.L. 102-477 Plan.

### **Reporting and Monitoring**

477 Tribes do not generally report using the ACF-700 (Annual Aggregate Child Care Data Report) or the ACF-696T (Financial Report) forms. These Tribes utilize a single reporting system annual narrative, statistical, and financial report. On December 18, 2017, P.L. 115-93 amended the 477 statutory provisions so that Tribes with approved P.L. 102-477 Plans have increased flexibility regarding their program's design and implementation, including streamlined monitoring and reporting.

In alignment with the existing approach to financial reporting for 477 Tribes, OCC will not require separate fiscal reporting on CCDF ARP Act funds for 477 Tribes. However, 477 Tribes will use the existing narrative report to provide information specifically about the ARP Act Child Care Stabilization Funds. The narrative report is a component of the single report format

contemplated by the 477 statute. This report currently allows 477 Tribes to describe efforts implemented to promote high-quality child care. For the ARP Act, using this report will enable a 477 Tribe to describe the use of the ARP Act funds to meet the Act's requirements while also supporting its employment, training, and related services and resources to address the unique needs of its community and the extent to which the Tribe has succeeded.

Information that 477 Tribes may collect and report on the narrative report regarding the Child Care Stabilization Funds include:

- Number of subgrant applications received
- Number of subgrants awarded
- Amount of subgrant awards
- Number of providers receiving subgrants, broken down by licensing status and provider type
- ZIP Code of the provider
- Race and ethnicity of center director or family child care owner
- Gender of center director or family child care owner.

We look forward to continuing our work with you and your staff on this Tribal initiative. If you have questions or need additional information, please contact James Henry in OCC at (202) 401-1484 or [james.henry@acf.hhs.gov](mailto:james.henry@acf.hhs.gov).

Sincerely,

/s/

Ruth Friedman, Ph.D.  
Director  
Office of Child Care