

<h1>ACF</h1>	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Administration for Children and Families	1. Log No: CCDF-ACF-PI-2015-02	2. Issuance Date: January 9, 2015
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PROGRAM INSTRUCTION

To: State and Territorial Lead Agencies administering the Child Care and Development Fund (CCDF) program, as amended, and other interested parties.

Subject: Guidance on statutorily required effective dates in the CCDBG Act of 2014 for states and territories.

References: The CCDBG Act of 2014 (Pub. L. 113-186); The CCDBG Act of 1990, as amended (42 U.S.C. § 9858 *et seq.*); section 418 of the Social Security Act (42 U.S.C. § 618); 45 CFR Parts 98 and 99; 63 FR 39936-39998.

Purpose: This Program Instruction provides guidance on effective dates included in the Child Care and Development Block Grant (CCDBG) Act of 2014. Public Law 113-186 reauthorizes the CCDBG Act through FY 2020 and makes a number of substantive changes to program requirements, some of which include statutorily mandated effective dates. This guidance includes a description and timeline (attached) summarizing effective dates associated with different provisions in the law. This guidance applies to states and territories administering the CCDF program; separate guidance will be issued for tribes.

Background: On November 19, 2014, President Barack Obama signed the Child Care and Development Block Grant (CCDBG) Act of 2014 into law. The law (Pub.L. 113-186) reauthorizes the Child Care and Development Fund (CCDF)¹ program and makes expansive changes focused on improving the health and safety of children in child care, making the program more family-friendly by streamlining eligibility policies, ensuring parents and the general public have transparent information about the child care choices available to them, and improving the overall quality of early learning and afterschool programs.

¹ The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Pub.L. 104-193) consolidated funding for child care under section 418 of the Social Security Act (42 U.S.C. § 618) and made such funding subject to the requirements of the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended. The U.S. Department of Health and Human Services (HHS) subsequently designated the combined mandatory and discretionary funding streams as the Child Care and Development Fund (CCDF) program.

Guidance: The CCDBG Act of 2014 includes a number of new program requirements. In some cases, the law specifies a particular date when a provision is effective. **Table A** identifies and provides a description of these provisions and their effective dates. Where the law does not specify a date, the new requirements are effective upon the date of enactment of the law.

ACF will determine compliance with requirements in the new law through submission and approval of the FY 2016-2018 CCDF Plans and other appropriate means. Submission and approval of the Plan is the primary mechanism by which ACF works with Lead Agencies to ensure state and territory program implementation meets federal requirements. The CCDBG Act of 2014 changed the Plan cycle from a biennial to a triennial Plan period; thus, the next Plan will cover a 3-year period. (658E(b)) ACF will publish the CCDF Plan Preprint (ACF-118) for the FY2016-2018 period in the spring of 2015. States and territories are required to submit their FY 2016-2018 CCDF Plans by July 1, 2015, and approved Plans will become effective October 1, 2015.

Reauthorization of the CCDF program brings about a number of changes, some of which are straightforward to implement, and others that are more complex and will take time to put in place. The level of effort needed for implementation will vary across the country depending on the number of changes a state needs to make. Some states and territories will need time to enact changes through their state legislatures or rulemaking processes. In addition, some requirements will take time to fully operationalize, such as ensuring all CCDF providers have requisite health and safety training on the topics outlined in the new law. ACF will work with states and territories to ensure that adoption and implementation of these important changes is done in a thoughtful and comprehensive manner.

If a state or territory provides justification for why it cannot yet certify compliance with one or more of the new requirements in its FY 2016-2018 CCDF Plan, ACF may allow the Lead Agency to submit a state-specific timeline for achieving compliance with such provision(s). The timeline must provide sufficient information to support approval of the Plan for funding.²

We expect the need for additional time would be limited to provisions that require significant policy revisions or implementation efforts by the Lead Agency and that the timeline for implementation would not exceed a 1-year period (i.e., September 30, 2016). For those provisions listed in Table A, states and territories not already in compliance with such provisions may submit a timeline for consideration by ACF that aligns with the statutorily required effective dates. ACF will provide more detailed guidance on this process through the instructions that accompany the CCDF Plan Preprint.

² Under the CCDBG Act, in addition to a general mandate to review and monitor State compliance with the law, the Secretary has the authority to collect relevant information and the discretion to approve State CCDF plans. This includes requests for and approvals of timelines or corrective action plans in instances in which States are not in full compliance with requirements in the law. (Sections 658E(a) & (d), & 658I(b), 42 U.S.C. § 9858c(a) & (d) & § 9858g(b)) (footnote added January 23, 2015)

We believe this approach appropriately takes into account the complexity of state systems and policies for administration of the CCDF program, as well as the importance of engaging in a comprehensive planning process that includes public input from stakeholders directly impacted by the law, including child care providers and parents receiving CCDF assistance.

Questions: Please direct inquiries to the Child Care Program Manager in the appropriate ACF Regional Office or e-mail inquiries to: ccdf.reauthorization@acf.hhs.gov

Table A – Key Statutorily Required Implementation Dates	
Requirement	Effective Date
<p>Minimum Quality Spending Requirement: (658G(a)(2)(A)) The law increases the minimum quality spending requirement to 9 percent, phased-in over a 5-year period. States must spend not less than 7 percent of funds for quality in the 1st and 2nd full fiscal years after the date of enactment, 8 percent in the 3rd and 4th fiscal years after enactment, and 9 percent in the 5th and succeeding years.</p>	<p>5-year phase-in period: FY 2016: 7% FY 2017: 7% FY 2018: 8% FY 2019: 8% FY 2020 and thereafter: 9%</p>
<p>Quality Set-aside for Infants and Toddlers: (658G(a)(2)(B)) In addition to the quality spending requirements (658G(a)(2)(A)), 3 percent of the funds must be used for quality activities that relate to improving the quality of care for infants and toddlers.</p>	<p>Starting in FY 2017 and each succeeding fiscal year thereafter. FY 2017 and thereafter: 3%</p>
<p>Criminal Background Checks: (658H(j)) States must have policies and procedures in place to conduct comprehensive criminal background checks for child care providers and child care staff members.</p>	<p>September 30, 2017 (not later than the last day of the 2nd full fiscal year after enactment)</p> <p>The Secretary may grant an extension of time, of not more than 1 fiscal year, to meet the requirements of this section if the state demonstrates a good faith effort to comply with the requirements of this section.</p>
<p>Monitoring of Licensing and Regulatory Requirements: (658E(c)(2)(K)) States must have in place policies relating to licensing or regulating child care providers that serve children receiving CCDF subsidies, and the facilities of those providers, that-</p> <ul style="list-style-type: none"> • Ensure individuals who are hired as licensing inspectors are qualified and receive training. • Maintain the ratio of licensing inspectors to 	<p>November 19, 2016 (Not later than 2 years after the date of enactment.)</p>

<p>providers and facilities at a level sufficient to perform inspections on a timely basis.</p> <p>For licensed CCDF providers:</p> <ul style="list-style-type: none"> • Conduct 1 pre-licensure visit for compliance with fire, health, and safety standards; and • Conduct annual, unannounced inspections for compliance with licensing, health, safety and fire standards. <p>For license-exempt CCDF providers:</p> <ul style="list-style-type: none"> • Conduct an annual inspection for compliance with health, safety, and fire standards. 	
<p>Results of Monitoring and Inspection Reports (website): (658E(c)(2)(D)) State must make public by electronic means, in a consumer-friendly and easily accessible format, organized by provider, the results of monitoring and inspection reports, including those due to major substantiated complaints about failure to comply with CCDF requirements and State child care policies, as well as the number of deaths, serious injuries, and instances of substantiated child abuse that occurred in the child care settings each year, for eligible child care providers within the State.</p>	<p>Earlier of November 19, 2017, or 1 year after implementation of monitoring policies described above.</p>
<p>State Compliance with Priority for Services (658E(c)(3)(B)(ii)) ACF shall prepare a report that contains a determination about whether each state uses CCDF funds in accordance with the priority for services described in “Child care services and related activities – In General.” (658E(c)(3)(B)(i))</p>	<p>September 30, 2016 (Not later than Sept 30 of the first full fiscal year after the date of enactment.) ACF will make an annual determination and report thereafter.</p> <p>The requirement to submit this report applies to ACF. However, prior to the submission of this report, states will need to provide information to ACF regarding their compliance with priority for services.</p>

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

/s/

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Office of Child Care