



EXTERNAL Q&As on the Child Care and Development Fund Final Rule

GENERAL

CHILD CARE AND DEVELOPMENT FUND

What is the Child Care and Development Fund (CCDF)?

- The CCDF is a federal and state partnership program (over \$5 billion) authorized under the Child Care and Development Block Grant Act (CCDBG) and administered by the Administration for Children and Families Office of Child Care along with states, territories and tribes. CCDF provides financial assistance to low-income families to access child care so they can work or attend a job training or educational program.
- The CCDF program helps fund child care assistance for 1.4 million children, under age 13, each month.
- In addition, the CCDF investments in quality benefit millions more children by building the skills and qualifications of the teacher workforce, supporting child care programs to achieve higher standards, and providing consumer education to help parents select child care that meets their families' needs.

What is CCDF reauthorization?

- The Child Care and Development Block Grant (CCDBG) Act is the law (along with Section 418 of the Social Security Act) that authorizes the federal child care subsidy program known as Child Care and Development Fund (CCDF).
- On November 19, 2014, President Obama signed into law bipartisan legislation that reauthorized the CCDBG Act for the first time since 1996. The law made many important statutory changes focused on reforming child care in this country to better support the success of both parents and children, including by providing a needed emphasis on improving school readiness for children aged zero-to-five by recognizing that child care settings should provide services that are developmentally appropriate and promote children's healthy growth and development.
- The final rule published by HHS updates the CCDF regulations to provide detail and clarification based on the law.

Why did Health and Human Services issue new child care regulations?

- It has been over 18 years since HHS last issued comprehensive child care regulations. In 2014, Congress reauthorized the Child Care and Development Block Grant (CCDBG) Act on a bipartisan basis and these new rules were necessary to provide clarity to states on how to implement the law and administer the program in a way that best meets the needs of children, child care providers, and families.
- Since the last revisions, we have learned a lot about the difference high-quality child care can have on young children's development and learning. Consistent with the changes in the law, this rule sets up new guidelines designed to ensure that children will be in safer, higher-quality care that supports their healthy growth and development; providers receive the support and training they need to meet the needs of children in their care; and parents have the information they need to make informed decisions about

care; care arrangements are more stable for children; and that parents have access to the provider of their choice.

How will children and families benefit from this new rule?

- Children who receive federal child care subsidies will have access to safer, higher-quality, and more stable child care. Currently 1.4 million children receive child care assistance each month.
- All children in the 370,000 child care settings that participate in the federal child care program – not just those receiving direct child care assistance from CCDBG -- will benefit from new health and safety requirements, staff training requirements, and criminal background checks for staff. In addition, CCDF quality investments are focused more broadly on child care systems and can impact all child care programs regardless of whether or not they receive federal funding.
- Most parents who go to work every day rely on child care. More than 58 percent of mothers are working before their children are a year old (Bureau of Labor Statistics Employment Characteristics of Families Summary, 2014-15). Parents with children in care deserve to have the peace of mind that their children are in settings that will provide them the safe, nurturing environments that are so critical to healthy development and being cared for by providers who have passed a background check and have the training they need to provide quality care.

How does this rule reflect the latest research on child development?

- There are nearly 12.5 million children under the age of five in some form of non-parental child care arrangement. They spend an average of 36 hours per week in care (Who's Minding the Kids? Child Care Arrangements: Spring 2011, U.S. Census Bureau). We know that a majority of the children who are served through the federal child care program are under the age of five. Based on the neuroscience, we know that these hours matter enormously to our youngest children. Safe and nurturing child care helps them grow, thrive, and be successful in school.
- Research also shows the importance of the stability of care arrangements for children. Children do best when their child care arrangements are steady, rather than stopping and starting frequently with many changes in caregivers. Under the rule, children from low-income families who receive federal child care assistance will benefit from key changes that promote continuity of care and family-friendly policies. Parents will be guaranteed at least 12 months of eligibility for child care subsidies. This will allow parents to accept a raise or work some additional hours without fear of losing eligibility for child care assistance by exceeding the income limits. This will decrease the number of times children have to change providers or start and stop at their child care program.

How many child care providers serve children participating in the federal child care program?

- Nationally there are almost 370,000 child care providers serving participating children. These include child care centers, small child care businesses in a providers' home, and care provided in the child's home.

Which child care providers are affected by this rule?

- Some provisions apply to a broad set of child care providers; others apply only to providers serving CCDF children. For example, the 370,000 CCDF providers are subject to the health and safety standards, background checks, training requirements and annual onsite monitoring visits.
 - However, all providers will now need to have a criminal background check.

- Quality improvement activities, including those that are specifically geared to improving the quality of care for infants and toddlers, will be available to all providers in addition to those that serve children receiving assistance through the federal child care program.

Which children qualify for help from the federal child care program?

- Under the federal rules, any child under the age of 13 could be eligible as long as their family income does not exceed 85 percent of their state's median income and their parent(s) are working or pursuing education and training.
- However, states have the flexibility to set additional eligibility requirements. For example, States may set the eligibility threshold at lower income levels, and most of them do.

How will the new rule protect the health and safety of children in child care?

- The rule provides needed clarity and guidance to states on how to administer the law's new protections for children relating to:
 - health and safety standards and training;
 - comprehensive background checks; and
 - annual monitoring of child care providers.
- Child care staff will need training and be monitored on 10 basic topics:
 - Prevention and control of infectious diseases (including immunization)
 - Sudden Infant Death Syndrome (SIDS) prevention and use of safe sleeping practices
 - Medication administration
 - 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 response planning
 - Handling and storage of hazardous materials/correct disposal of bio contaminants
 - Recognition and reporting of child abuse and neglect
 - First aid and CPR and;
 - If applicable, appropriate precautions in transporting children.

How will the new rule help parents make informed decisions about child care?

- This rule requires states to provide information to the public about choosing child care. Specifically, the rule requires States to establish a consumer education website with certain components, including:
 - A localized list of providers, searchable by zip code
 - The quality of the program, if that information is available
 - Results of the latest monitoring visits to a program
 - Other information, such as how parents can contact the State or local child care resource and referral organizations, which will help parents to choose care that best meets their needs.
- States will also develop and disseminate materials to parents with young children to help them understand the importance of monitoring their child's development during key milestones in those first years, including highlighting the importance of early screening for developmental problems.
- Additionally, the rule clarifies the obligations that the Department of Health and Human Services will have to provide parents with information about the availability of care in their area through an online web portal. CCDF parents must be given a consumer statement with easily understandable information about the provider they choose, including health and safety records, last date of inspection, and any voluntary

quality standards met by the provider. The statement must also include general information about background checks, parental complaints, and equal access.

IMPACT ON SPECIALIZED GROUPS

Will tribal child care be impacted?

- Yes, although some of the new rules will apply differently depending on the amount of annual funding the tribal grantee receives.
- All tribes receiving CCDF funding will be subject to the health and safety protections (monitoring, background checks, and training) and the quality spending requirements in the rule.

Does this new rule impact children and families experiencing homelessness?

- Yes. Homeless children will be prioritized to receive child care assistance as a result of this rule. Many homeless families have difficulty meeting eligibility requirements so this rule provides a grace period during which their children can start receiving support while the family gathers the required documentation necessary for ongoing eligibility.
- In addition, states are now also required to provide training and technical assistance, conduct outreach, and coordinate with other agencies to directly meet the needs of these extremely vulnerable children and families.

EQUAL ACCESS TO HIGH QUALITY CHILD CARE

Why do these changes matter for low-income children?

- We know that the richest period of development occurs in the first five years of life. Prior to the passage of the Child Care and Development Block Grant Act of 2014, the federal child care program lacked an emphasis on promoting services and practices that reflect the best research and evidence related to early childhood development. The child care program lacked any sort of requirement related to basic training on health or safety, nor did it require child care providers to receive professional development or training on developmentally appropriate practices for young children.
- The law rightfully reflects a shift in our thinking related to child care. For our youngest learners, child care is early learning and this rule reinforces that shift in focus in the law.
- In addition, we know that safety is a priority for all families when they leave their children in care. Children and families deserve to know that they are being cared for by qualified individuals in settings that meet health and safety requirements and are monitored by the state. Too many news stories show that substandard conditions are discovered only after a tragedy has occurred. Instead of reacting when it's already too late, these requirements aim to prevent the next tragedy.
- And no child should be left in the care of individuals who have not undergone a comprehensive background check.

How will the new rule ensure equal access to stable, high-quality care for low-income children?

- Stable child care is critical to a child's development and learning. This rule provides important stability in their early education situations, which is particularly important for low-income children, many of whom experience instability in other areas of their life.
- The new rule requires a minimum 12-month eligibility period, which will provide stable assistance to families. In the past, some states have required families to reapply several times per year to keep their subsidy.

- The rule ensures that the 12 month eligibility requirement is not undermined by unnecessary paperwork or other administrative requirements.
- Access to high quality care depends in part on affordability. The rule recommends that states set copayment rates at a level of no greater than 7 percent of a family's income, which is consistent with U.S. census data on average child care expenses for families.
- Under the rule, states are to set forth policies around ensuring that any additional fees that a provider may charge in addition to a family's copayment are not so excessive that they put certain types of high-quality care out of reach for families.
- The rule also strengthens payment rates and practices – such as setting a payment schedule for providers that provides them with funding stability - to make the program work better for child care providers.

WORKFORCE EDUCATION AND TRAINING

How will the new rule enhance the quality of child care and the early childhood workforce?

- States use some of their federal child care funding to improve the quality of child care for all children. As a result of the new rule, states must increase the proportion of their funds that goes to improve the quality of child care, and in particular for infant and toddler child care.
- The rule also requires states to encourage the child care workforce to increase their training and professional development, and the expanded quality funds can help with that goal.

What is the federal government requiring of the early childhood workforce in regards to training and professional development? Is this training federally subsidized?

- The new training and professional development requirements apply to caregivers, teachers, and directors who work for providers that are delivering CCDF services. These individuals must complete pre-service/orientation and ongoing training in specified health and safety areas (e.g. first aid, CPR, SIDS prevention) and child development.
- States may use CCDF grant funds reserved for quality improvement activities to cover or subsidize the cost of training and professional development.
- The rule also clarifies that the professional development and training may be provided through organizations and institutions with a track record of success in providing high-quality training for child care providers, including worker organizations.

NPRM VS. FINAL RULE

What are the differences between the NPRM and the final rule?

- The final rule responds to the 150 comments received on the NPRM during the public comment period. Changes made to the final rule include:
 - Adding more worker protections to the background check appeals process;
 - Giving states more flexibility to establish eligibility and phase-out policies;
 - Eliminating some restrictions on provider payment practices related to parent copayments; and
 - Removing the requirement for states to use some grants or contracts for child care subsidies.

Does this rule still require states to make use of grants and contracts in addition to vouchers as was in the NPRM?

- No, unlike the NPRM, this final rule only asks a state whether they plan to use grants and contracts to help build a supply of quality child care for certain vulnerable populations of children – such as those served through non-traditional hour care and children with disabilities – and if so, that the State explains how it

will do so. And even when states do choose to use contracts and grants in this manner, parents benefiting from the contract or grant must be offered the opportunity to receive a certificate instead to help toward payment of the provider of their choice. All states must describe the steps they are taking to build the supply of high quality care in geographic areas or for sub-populations - such as very young children, children with disabilities, or children who need non-traditional hours of care - for which there is insufficient supply of such care.

WORKFORCE BACKGROUND CHECKS

Why are new background checks requirements needed? Didn't you already need a background check to care for children?

- Before the new law was passed, there was no federal law requiring that all child care providers who were either licensed or eligible to serve CCDF children received a background check to work with children. These requirements were left to the states, so there was a lot of variation in these requirements. This unfortunately meant that there were too many gaps in the system.
- These CCDF reauthorization requires individuals with unsupervised access to children at licensed and license-exempt CCDF providers to receive a comprehensive criminal background check, with a limited exception for providers who only serve children with whom they are related.
- The rule provides clarity to states on how to implement the law's background check requirement.
- The rule also clarifies, consistent with guidance from the Equal Employment Opportunity Commission, that states are required to provide providers with sufficient opportunity to appeal a finding if the provider believes the information relied upon is outdated or inaccurate.

Are there federal minimum standards for what must be included in the background checks?

- Yes, the Child Care and Development Block Grant Act of 2014, which is the basis for this rule, establishes specific requirements regarding which individuals must be checked, the components of the checks (which include FBI fingerprint and State records and registries), and the crimes that disqualify individuals working for CCDF providers.

CHILD CARE ASSISTANCE FOR FAMILIES

How long does a family receive assistance with the federal child care program?

- Once a child is found eligible under a state's rules, the law says that the child can keep child care assistance for a minimum of 12 months, as long as the family's income does not exceed the federal limit (85 percent of a state's medium income).
- Before the change in the law, children in many states received subsidies for much shorter periods, sometimes as little as three months at a time.
- There are limited exceptions to this minimum eligibility period, but overall, by protecting the eligibility period for at least a year, the rule minimizes the burden on low-income working families and on states, and stabilizes the child care experience for children.
- Beyond the twelve-month eligibility, whether a family can continue to receive services is largely dependent on the eligibility criteria set for particular states. However, consistent with the law, if at the end of the twelve-month period a family is no longer eligible for care due to an increase in income, the state must have policies in place to provide continued assistance for such families to allow time for the family to adjust to the loss of assistance.
- The rule clarifies key details for how the 12-month period of eligibility and how families receive care after the 12 month period has ended if their income has increased.

What happens when a parent loses their job – do they lose their child care too?

- Before this law, when a low-income parent lost their job, s/he often lost child care assistance immediately. This rule now says that states can either let parents keep their child care subsidy for the rest of the minimum 12-month period even if they lose their job as long as families are below the income threshold set in the law – 85 percent of a state’s median income – or end the subsidy after a minimum of 3 months of continued assistance to allow the parent to look for a job or to commence additional training and education. Providing families with time to look for another job or enroll in a training program is vitally important for families who too often lose a job and need time – while their children are being well cared for – to apply for jobs, attend interviews, or locate and enroll in a job training program that will help them secure better employment in the future. Because losing a job is such a disruption for a family, allowing a child continue with their child care provider offers important stability and continuity for the child, and will also help support the parent’s search for a new job. Even if the state chooses to end assistance when a parent loses their job, the rule provides important protection for parents to ensure they have a period of continued assistance to look for a new one.
- This rule requires a state to provide a family with at least three months of continued assistance before they lose their subsidy. And if the parent finds a new job before those three months end, they would be able to keep their assistance. These policies will help minimize the impact that a job loss can have on a family and make it easier for a parent to regain their footing.

IMPLEMENTATION & COST

How much will implementing this cost?

- We estimate that meeting the health and safety requirements of the rule (many of which are required by the law) will cost approximately \$235 million per year.
- When we look at the cost of increasing subsidy payment rates and increasing the quality and supply of care, we estimate an additional \$840 million per year, though there is a lot of state flexibility on how to approach these improvements.
- While the rule goes into effect 60 days after the date of publication, not all changes must occur by then. ACF expects States to be fully implemented by September 30, 2018.

What happens if the federal government doesn’t provide enough additional funding?

- States and the federal government share in the costs of the child care program. The President has called for increasing federal child care funding and States also should consider investing more State funds in child care. However, absent additional funding, States may be faced with difficult choices, which could impact the number of children served.
- States have flexibility in how they comply with many of the provisions in the rule and the underlying law. A few provisions will not be effective for a year or more and ACF does not expect States to be fully implemented until September 30, 2018. States can take some steps toward improving child care quality and payment adequacy in a phased manner.

When does the new rule become effective?

- As a whole, the rule becomes effective 60 days after it is published in the federal register, though some individual requirements have delayed effective dates.