



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**



# Child Care and Development Fund **FINAL RULE**

# Presenters



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# Reauthorization

In 2014, Congress reauthorized Child Care and Development Block Grant (CCDBG). This was an **historic re-envisioning** of child care.

# Proposed and Final Rule

- In Dec. 2015, HHS published a Notice of Proposed Rulemaking (NPRM).
- This Final Rule:
  - Incorporates and clarifies changes made through the CCDBG Act of 2014; and
  - Responds to 150 public comments received.

# Effective/Compliance Dates

**Effective Date:** 60 days after publication.

**Compliance Date:** Full compliance by September 30, 2018. Compliance determined through CCDF Plans and federal monitoring.

**Compliance Date (Tribes):** Compliance through review and approval of the FY 2020 - 2022 Tribal CCDF Plans that become effective October 1, 2019.

# Alignment with Head Start

Where appropriate, we sought to align the program requirements.



CCDF Regulations



Head Start  
Performance  
Standards

*H&S standards, Training, Caring for Our Children Basics,  
and Background check requirements*

# Overview

Addresses 4 major topical areas:

Protect the **health and safety** of children in child care

Help parents make informed **consumer choices and access information** to support child development

Provide **equal access** to stable, high quality child care for low-income children

**Enhance the quality** of child care and the early childhood workforce





**Protect the Health and Safety of  
Children in Child Care**

# Health and Safety Requirements

The law requires States to:

- Describe why licensing exemptions do not endanger children;
- Have Health & Safety requirements related to specified topics (first aid, CPR, etc.)
  - Training (initial and on-going)
  - Monitoring
- Allows States to exclude relative providers



# Health and Safety in the Final Rule

- Requires specific information on any licensing exemptions
- Recommends “Caring for Our Children Basics” as a model baseline for standards

# Monitoring

By November 2016, CCDBG requires:

- **Licensed providers** have pre-licensure and annual unannounced visits
- **Licensed-exempt providers** have an annual visit



States must ensure:

- licensing inspectors are qualified
- ratio of inspectors to providers is sufficient to inspect in timely manner

# Monitoring (cont.)

## The Final Rule:

- Monitoring must cover specified H&S topics;
- Allows differential monitoring or risk-based approach;
- Encourages coordination; and
- Allows alternative monitoring requirements for care in child's home.



# Criminal Background Checks

Comprehensive background checks be completed (by Sept 2017) for child care staff members of:

- All licensed, regulated, or registered providers
- All providers eligible to deliver CCDF-funded services



# Criminal Background Checks (cont.)

## The Final Rule:

- Defines overlapping requirements;
- Requires checks for individuals age 18 or older residing in family child care home;
- Aligns with Head Start provisional employment requirements; and
- Requires timely responses to requests from other States, Territories, and Tribes.



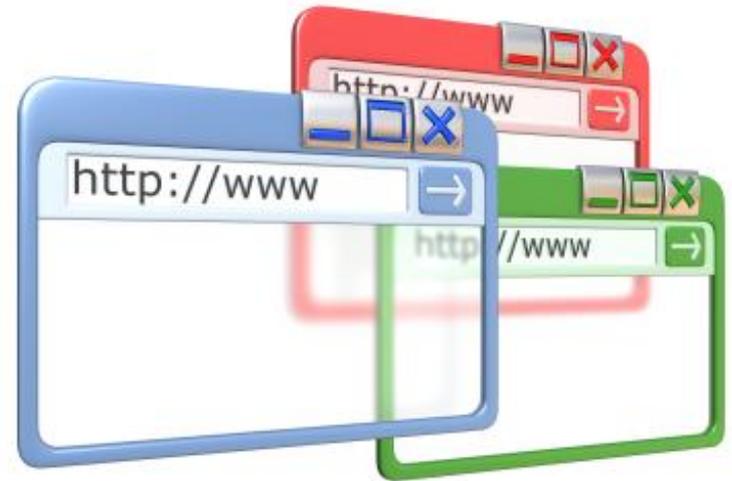


**Help Parents Make Informed Consumer Choices and Access Information to Support Child Development**

# Maintaining a Consumer Education Website

The Law requires States to make information available electronically, including:

- State processes for licensing, monitoring and inspections, and background checks;
- Quality of providers (if available);
- Monitoring and inspection results; and
- # of deaths, serious injuries, and instances of substantiated child abuse that occurred in child care settings each year.



The Final Rule requires these components be combined into a consumer-friendly and easily accessible website and aligns Federal and State website requirements.

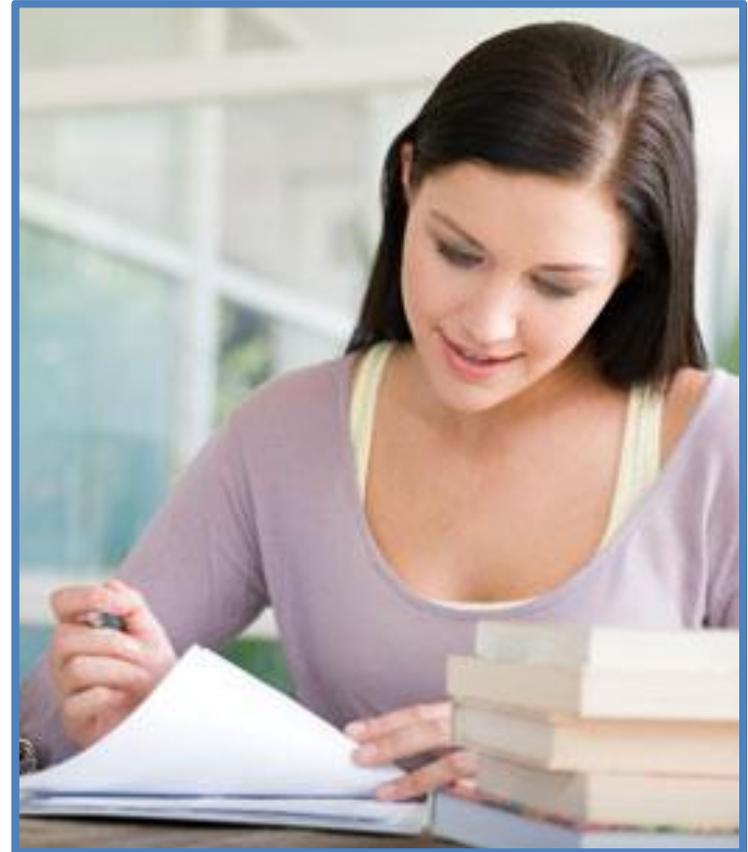
# Components of Consumer Ed Website

Components	Details
State Policies and Procedures	<ul style="list-style-type: none"><li>• Process for licensing, monitoring and inspections of providers, and background checks (incl. offenses that would prevent individual from being a provider)</li></ul>
Provider-specific Information	<ul style="list-style-type: none"><li>• Localized list of providers, incl. licensing status (Note: States have option to exempt license-exempt providers from this list)</li><li>• Quality of child care providers (if available)</li><li>• Results of monitoring and inspection reports, in plain language (recommended posting within 90 days)</li></ul>
Aggregate Annual Data	<ul style="list-style-type: none"><li>• Number of deaths, serious injuries, and instances of substantiated child abuse in child care settings</li></ul>
Referrals	<ul style="list-style-type: none"><li>• Referrals to local CCR&amp;Rs</li></ul>
Contact Information	<ul style="list-style-type: none"><li>• Directions on how parents can contact Lead Agency (or a designee) for help understanding the website</li></ul>

# Info for Parents, Providers & Public

The Law requires States to provide information on:

- CCDF child care services, other assistance programs, & programs carried out under IDEA;
- Research and best practices concerning children's development; and
- State policies regarding social-emotional behavior of young children (including expulsion policies).



# Info for Parents, Providers, & Public

The Final Rule clarifies:

- Information on social emotional behavior should be for birth to school-age or age-appropriate;
- States must describe policies to prevent suspension and expulsion of children birth to age 5 in child care & other early childhood programs; Lead Agencies may consider most effective ways to reach families, including partnerships with CCR&Rs.



# Information on Developmental Screenings

The Law requires Lead Agencies to provide **information on existing resources and services** the State can provide in conducting developmental screenings and providing referrals, and a description of how a family or provider may use those resources.



# Information on Developmental Screenings (cont.)

## The Final Rule:

- Requires resources about **developmental screenings** be provided during the CCDF intake process, and to providers through training and education; and
- Recommends (but does not require) all children receive a developmental screening within 45 days of enrollment similar to Head Start.



# Consumer Statement

The Final Rule requires a consumer statement for CCDF parents\*, which must include:

## General Information

- How subsidies are designed to promote equal access
- How to submit a complaint through hotline
- How to contact local R&R or other community-based supports

## Provider-specific information

- H&S and licensing or regulatory requirements met by provider
- Date of last inspection
- Voluntary quality standards met by the provider

\*Lead Agencies may refer to their consumer education website and other existing resources to provide this information.



**Provide Equal Access to Stable, High Quality Child Care for Low-Income Children**

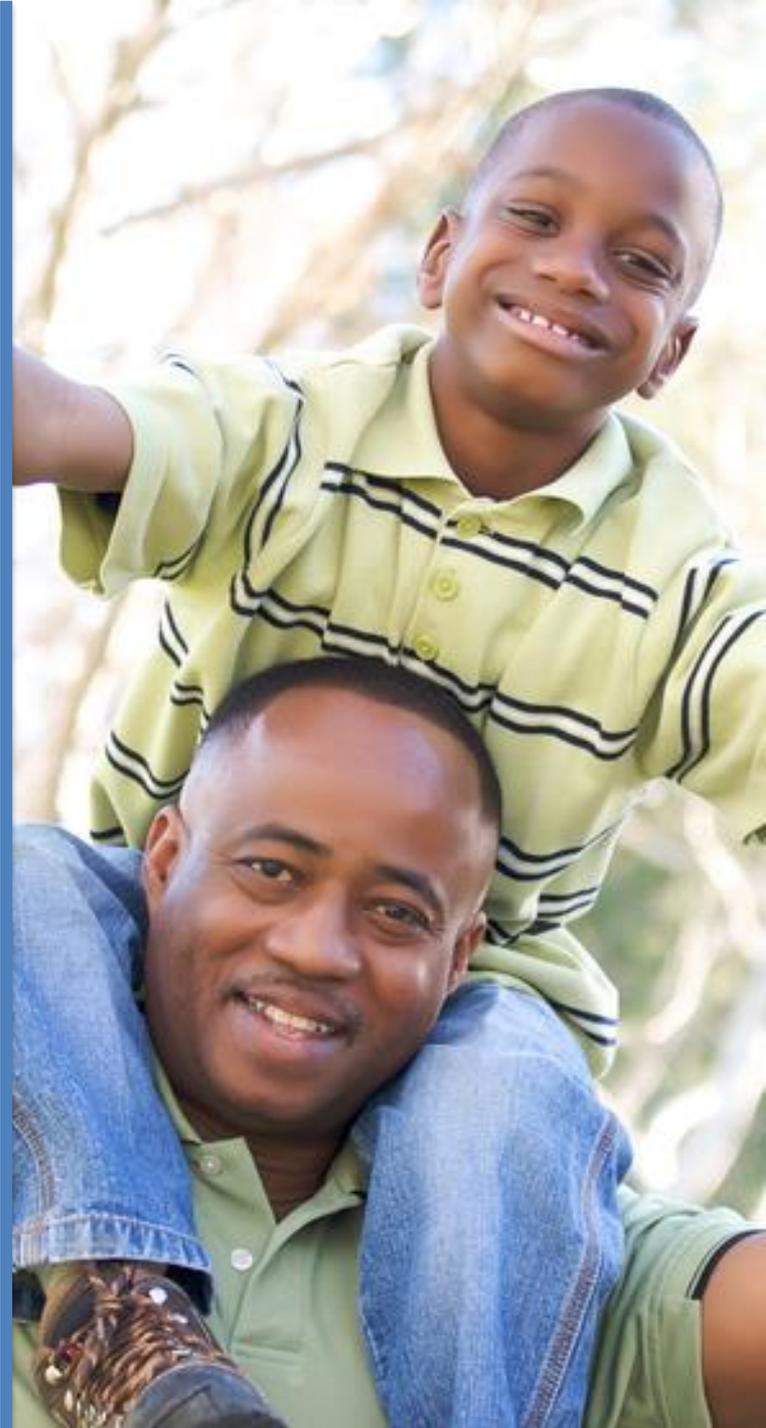
# Lengthened Eligibility in CCDBG Act

The law established **minimum 12 month eligibility periods**, regardless of a temporary change in parents' status as working or attending job training or education, if family income does not exceed 85% of SMI.



# Lengthened Eligibility in Final Rule

- Clarifies that minimum 12 mo. eligibility applies to initial and subsequent eligibility periods;
- Defines “temporary” to include at a minimum:
  - Specific time-limited absences from work or school;
  - Any reduction in work, training or education hours; and
  - Other changes to work, education, job training status that do not exceed 3 months.
- Prohibits shorter authorization periods within the minimum 12 mo eligibility period.



# Lengthened Eligibility in Final Rule (cont.)

Allows Lead Agencies to discontinue assistance prior to next re-determination only in limited circumstances:

- Excessive unexplained absences (after attempts to contact family);
- A change in residency outside of State, Territory, or Tribal service area; or
- Substantiated fraud or intentional program violations.

# Continuity During Eligibility Periods

## At Determination & Redetermination

Information needed to determine CCDF Eligibility:

- child age
- family income
- qualifying activity
- other information as determined by the Lead Agency

## During Minimum 12 month Period

- Families required to report if income over 85% of SMI.
- Limits what Lead Agencies can require families to report.
- Requires that families be *allowed* to report changes at any time and that Lead Agencies act on information that is beneficial to family.



# Flexibility for Working Parents

The law requires Lead Agencies to:

- Take into account **irregular fluctuations in earnings**; and
- Ensure that parents (esp. those receiving TANF) are not required to **unduly disrupt** employment, education or training to meet requirements.

# Flexibility for Working Parents in Final Rule

- Not required to limit care to parent schedule;
- May expand Protective Services Category; and
- Must take Child Development into account.



# Continued Assistance before *Optional* Termination

The law gives a State the *option* to end assistance prior to the end of the eligibility period due to loss of work or cessation of attendance at a job training or educational program.

However, it must provide **at least 3 months of continued assistance** after such loss or cessation.



# Continued Assistance/ Job Search in Final Rule

- Cont. assistance must be provided *at least the same level*;
- No requirement to collect documentation; and
- If, by the end of the 3 month period, the parent is again engaged in an eligible work, education, or training activity, assistance cannot be terminated.
- Lead Agencies can still use job search status as initial qualifying activity as long as:
  - assistance is provided for at least 3 mos; and
  - Assistance continues if the parent becomes engaged in an eligible work, education, or training activity.



# Graduated Phase-out



The law requires Lead Agencies to have Graduated Phase-out policies and procedures for families who, at redetermination, exceed the initial CCDF Lead Agency income threshold if income is still below 85% of SMI.

# Graduated Phase-out

The Final Rule requires Lead Agencies that establish initial income eligibility below 85% of SMI must establish two-tiered eligibility. That second tier must be at either:

- 85% of SMI; or
- An amount lower than 85percent of SMI for a family of the same size, but above the initial eligibility threshold, that:
  - takes into account the typical household budget of a low income family; and
  - provides justification that the second eligibility threshold is:
    - sufficient to accommodate increases in family income over time that are typical for low-income workers and that promote and support family economic stability; and
    - reasonably allows a family to continue accessing child care services without unnecessary disruption.

Lead Agencies may increase co-payments during graduated phase-out.

# Eligibility Processes and Error Rate

**The Final Rule clarifies that the following situations are *not* considered errors or improper payments:**

1. Family's circumstances change during the eligibility period.\*

2. A child experiencing homelessness or a child in foster care is permitted to initially enroll, but is found to be ineligible once all documentation is submitted.

\*Unless income exceeds 85% SMI or at Lead Agency option, the family experiences a non-temporary cessation in work or attendance in a job training or educational program.

# Homeless Provisions

The law requires:

- Grace periods (incl. for H&S requirements);
- Training & technical assistance;
- Outreach;
- Coordination with other programs; and
- New data reporting.



# Homeless Provisions (Final Rule)

- Uses McKinney-Vento definition used by Head Start and Dept. of Education
- Clarifies that children experiencing homelessness shall be given priority for services.
- Requires Lead Agencies to coordinate with other relevant agencies to help families receiving services during a grace period comply with immunization and other health and safety requirements.
- Specifies that grace period shall be established in consultation with appropriate health agency

# Equal Access

The law continues to require Lead Agency to:

- Certify that payment rates are sufficient to ensure equal access for eligible children that are comparable to child care services provided to children whose parents are not eligible for CCDF; and
- Provide a summary of the facts used to determine that payment rates are sufficient to ensure equal access.



# Equal Access: Components (Final Rule)



Requires CCDF Lead Agencies to provide the following summary of facts in its plan (**new provisions in bold**):

1. How a choice of the full range of providers is available.
2. How payment rates are adequate, **based on most recent market survey or alternative methodology; rates must be updated every three years.**
3. **How base payment rates enable providers to meet the health, safety, quality, and staffing requirements.**
4. **How the Lead Agency took the cost of higher quality child care into account.**

(cont.)

# Equal Access: Components (Final Rule)

5. How family co-payments are affordable and the extent to which providers charge above co-pay (if at all).
6. **How payment practices support equal access to a range of providers.**
7. **How and on what factors the Lead Agency differentiates payment rates.**
8. Any additional facts considered by the Lead Agency.



# Payment Rates: Market Rate Survey or Alternative Methodology

- Base provider payment rates on a valid market rate survey or alternative methodology (e.g. cost estimation model), and must:
  - Consult in advance with specified entities;
  - Submit alternative methodology for advance ACF approval;
  - Reflect variations by location, category of provider, & child age; and
  - Track provider participation in CCDF, any barriers to participation, and whether provider charges above co-pay.
- Requires making widely available a detailed report with results of market rate survey or alternative methodology no later than 30 days after its completion.

# Family Co-Payments

- Prohibits Lead Agency from increasing co-pays within the min. 12 mo. eligibility period (unless the family is eligible through the graduated phase-out provision).
- *Recommends* a new benchmark of no more than 7% of a family's income;
- Allows waiving of co-pays for families that meet criteria established by the Lead Agency (in addition to families below poverty or protective services); and
- Prohibits co-pays based on the cost of care or amount of subsidy payment.



# Improving Payment Practices & Provider Stability

- Ensure timely payment;
- Delink provider payments from children's occasional absences to the extent practicable;
- Reflect generally-accepted payment practices;
- Provide payment for any services in accordance with payment agreement or authorization for services;





## Improving Payment Practices & Provider Stability (cont.)

- Ensure child care providers receive prompt notice of changes to a family's eligibility status that may impact payment;
- Include timely appeal and resolution processes for any payment inaccuracies and disputes.



**Enhance the Quality of Child Care  
and the Early Childhood Workforce**

# Focus on Quality Improvement

## The Law:

- Gradually increases, over a 5 year period, the mandatory quality set-aside from the previous level of 4% annually to 9% by FY 2020.
- Adds a new 3% Infant-toddler set-aside starting in FY 2017.

Percentages apply to aggregate amount of CCDF expended- Discretionary, Mandatory, and Federal and State Matching.



# Focus on Quality Improvement

Federal Fiscal Year	FFY 2016	FFY 2018	FFY 2018	FFY 2019	FFY 2020 (& ongoing)
% Quality Set-aside	7%	7%	8%	8%	9%
% Infant & Toddler Set-aside	--	3%	3%	3%	3%
<i>Total % Quality Set-aside</i>	7%	10%	11%	11%	12%

# Allowable Quality Activities

Lead Agencies must spend quality funds on at least 1 of 10 specified quality activities:

- Training & PD;
- Early learning & development guidelines;
- Tiered quality rating system;
- Infant and toddler supply;
- Child care resource & referral services;
- Licensing and health & safety requirements;
- Quality evaluation;
- Accreditation;
- Program standards; and
- Other measurable quality activities.





# Reporting on Quality Improvement

The Law requires States to report annually on quality expenditures, quality activities, and the measures used to evaluate those activities.

The Final Rule requires an expenditure report and a quality progress report about these quality investments.

# Building Supply of High-Quality Care

The law requires States to:

- Describe strategies (e.g. payment rates, grants or contracts) to increase supply and improve quality of child care services for:
  - Children in underserved areas;
  - Infants and toddlers;
  - Children with disabilities; and
  - Children who receive care during non-traditional hours.
- Prioritize populations with high-concentrations of poverty & unemployment
- Use public-private partnerships to increase supply and quality of care



# Training & Prof. Development

The Law requires States to:

- Require preservice/orientation training within 3 months;
- Create a progression of professional development which may include pursuit of postsecondary education; and
- Provide assurances that training and professional development will improve the quality, diversity, stability, retention of the workforce.



# Training and Professional Development (cont.)



The Final Rule clarifies that:

- Ongoing, accessible PD is aligned to a progression of professional development; and
- To the extent practicable, select professional development that carries CEU or college credit.

# Training Req. for CCDF Caregivers, Teachers, & Directors

## The Final Rule:

- Clarifies that the pre-service/orientation and ongoing training requirements for CCDF providers includes caregivers, teachers, and directors.
  - Adds 2 new definitions: “teacher” and “director.”
  - Adds “child development” to required training
- Requires that, to the extent possible, this training be aligned with State framework.





# **Which Provisions Would Apply to Tribes?**



# A Tiered Approach to Tribal Requirements

The final rule establishes 3 tiers of tribal grantees based on the size of their allocation, with reduced req. for medium and smaller allocations.

- Large Allocations: over \$1 million (34 Tribes)
- Medium Allocations: \$250,000 to \$1 million (72 Tribes)
- Small Allocations: under \$250,000 (153 Tribes)

# Tribal Requirements by Allocation Size

## Large Allocations (Over \$1 Million)

Subject to the majority  
of CCDF requirements

Some Tribal-specific  
exemptions

## Medium Allocations (\$250,000 - \$1 million)

Allowed the same  
exemptions as the large  
allocation category

Exempt from operating  
a certificate program

## Small Allocations (Under \$250,000)

Must spend their funds  
in alignment with CCDF  
goals and purposes

Exempt from the  
majority of CCDF  
requirements

Option to submit an  
abbreviated CCDF Plan

# Questions & Additional Information

For additional information and resources on the Final Rule, please visit:

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

To submit questions, please email:  
[CCDF.reauthorization@acf.hhs.gov](mailto:CCDF.reauthorization@acf.hhs.gov)





Thank you for all you do for  
children and families!

