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PROGRAM INSTRUCTION

To: State and Territorial Lead Agencies administering child care programs under the Child Care and Development Block Grant (CCDBG) Act of 1990, 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 (FY) 2012-2013 biennium, and provides guidance for completing and submitting the Plan. This Plan is required by Section 658E of the CCDBG Act.

References: The Child Care and Development Block Grant 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.

Purpose: The CCDF Plan serves as the Lead Agency’s application for CCDF funds by providing a description of the child care program and services available to eligible families. The Plan includes certain assurances and certifications required by CCDBG statute and provides information about the overall management of CCDF services, including income eligibility guidelines, provider payment rates, parental rights and responsibilities, program integrity and accountability, and the Lead Agency’s goals for administration of the subsidy program and quality improvement activities that include assurances of health and safety and continuous improvement strategies for child care programs and career pathways for child care providers and staff. 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.

CCDF Plan Revisions: The FY 2012-2013 Plan Preprint has been revised into three major sections: 1) Administration; 2) CCDF Subsidy Program Administration; and 3) Health and Safety and Quality Improvement Activities. ACF made changes across

all three sections to support and improve the States and Territories' ability to provide complete and accurate information on the child care services for low-income families. Goal questions were included in section 2 and section 3 to allow States and Territories an opportunity to describe goals for administering the CCDF program in FY 2012-2013. The Health and Safety and Quality Improvement Activities section of the Preprint has been significantly enhanced with a focus on building systems for child care quality improvement. As part of the revision to the Plan Preprint, a new Appendix titled "Quality Performance Report" has been added to ask for key data on quality. Each section in the Plan contains references to the applicable sections in the Act and/or the regulations.

Guidance: State and Territorial Lead Agencies are required to submit a CCDF Plan for the FY 2012-2013 biennium (October 1, 2011-September 30, 2013) by August 1, 2011. The State and Territory CCDF Plan Preprint (ACF-118) for FY 2012-2013 is included as Attachment A for reference purposes only. Lead Agencies will use a new online submission tool to enter their Plan information and submit it to ACF via the Web. While this Program Instruction provides brief guidance and clarification in a few areas, the electronic submission ("e-submission") process has allowed ACF to embed more guidance and definitions directly into the Plan Preprint document and in the e-submission site. Lead Agencies must complete and submit the attached ACF-118 CCDF Plan Preprint via e-submission by August 1, 2011.

Lead Agencies' Responsibilities – Section 658D(b)(1)(A) of the Child Care and Development Block Grant Act of 1990, as amended, (the "Act"), 42 U.S.C. § 9858b(b)(1)(A), 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 subgrantees and contractors; and ensure that any local or non-governmental entities through which the State administers the program operate according to the rules established for the CCDF.

Preparing the Biennial Plan – ACF reminds Lead Agencies that in preparing their biennial Plans, the Act requires Lead Agencies to: (1) Consult with appropriate representatives of local governments; (2) Coordinate the provision of services with Federal, State, and local child care and early childhood programs; (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 (MRS) no earlier than 2 years prior to

the effective date of the Plan (no earlier than October 1, 2009) and no later than June 30, 2011 (45 CFR 98.43(b)). The MRS must be completed prior to the submission of the CCDF Plan (see Program Instruction CCDF-ACF-PI-2009-2). Lead Agencies must include a summary of the results of the survey and a copy of the MRS instrument.

Submitting the Plan – ACF reminds Lead Agencies that section 658D(a) of the Act requires the chief executive officer of a State to designate the Lead Agency in its application. The Lead Agency, in turn, develops and submits the Plan and administers the program, either directly or through other entities pursuant to section 658D(b) of the Act (see also 45 CFR 98.10). Anyone submitting the Plan must be legally authorized to act on behalf of the Lead Agency.

Attachments – Unless otherwise specified, all required attachments must be submitted along with the Plan Preprint to provide supplemental information for corresponding questions. These attachments will be uploaded through the e-submission site. Lead Agencies should not submit any other attachments that are not required.

Areas to Note:

- **Describing Local Variation** – Some sections of the Plan require Lead Agencies to provide or attach specific information on local variations (e.g., section 2.4.2 on sliding fee scales and section 2.7.2 on payment rates). In other sections of the Plan, local variations may exist but Lead Agencies need not specify the details of each local variation unless the Lead Agency chooses to provide such detail. For example, in response to section 2.5, the Lead Agency could list the State-level priorities, but note that local counties have the flexibility to change the order of the priorities. It would not be necessary to list the priorities in each county. An acceptable response would be: *“Counties must submit their priorities to the State Lead Agency office for approval.”* Responses merely indicating that counties set their own priorities may not be acceptable unless it is made clear that the Lead Agency maintains its required “overall responsibility.”
- **Goals for Upcoming Biennium** – At the end of Part 2 and in each subsection of Part 3, Lead Agencies are asked to identify at least one goal for the upcoming biennium. These goal questions help acknowledge the prospective nature of the Plan where States/Territories are forecasting ahead for the next 2 years rather than reporting retrospectively on their activities. For sections involving multiple sub-questions (e.g., section 3.3 on program quality improvement activities), Lead Agencies do not need to establish a goal for each sub-question. Lead Agencies may include existing goals

(e.g., already identified in a strategic plan or established by a Governor for the Lead Agency). Lead Agencies are encouraged to include a realistic number of measurable goals. ACF recognizes the flexibility of the States and Territories to set their own goals. Providing these goals as part of the Plan will increase transparency about the direction of the program in the upcoming biennium and help ACF target technical assistance toward achievement of State and Territory goals.

- **Health and Safety and Quality Improvement Activities** – In section 3, Lead Agencies are asked to conduct a three-part process when looking at their child care quality improvement system: (1) a self-assessment by describing the current status of their efforts, using common practices and best practices to list characteristics; (2) describe their data, performance measure, and evaluation capacity for each component; and (3) identify goals for making progress during the FY 2012-2013 biennium, as described above. In responding to the self-assessment questions, the Lead Agency’s responses may consider activities that are not the responsibility of the Lead Agency (e.g., licensing or early learning guidelines) but are conducted by another agency for the State/Territory. In responding to the data, performance measure, and evaluation capacity questions, Lead Agencies are not required to collect the data listed or to have established any performance measures or conduct evaluations. ACF recognizes that other State/Territory agencies may collect such data and does not intend for the Lead Agency to duplicate those efforts. In those instances, Lead Agencies may report the information from another agency if applicable to the question. Information on the capacity of each State/Territory to collect data, measure program progress and performance, and evaluate program achievements will help ACF target technical assistance efforts to Lead Agencies.

Quality Performance Report:

The FY 2012-2013 CCDF Plan contains a new Appendix titled “Quality Performance Report” (QPR). The appendix will be submitted annually starting December 31, 2012. The QPR aligns to four components of section 3 of the CCDF Plan (Health and Safety, Early Learning Guidelines, Program Quality Improvement, and Professional Development and Workforce Initiatives) and asks the Lead Agency to report back on the goals they set for themselves in the Plan. Lead Agencies also are asked for key data on quality. Lead Agencies have the option of providing narrative updates on these data if actual data is not available. The QPR will inform technical assistance efforts to help Lead Agencies make strategic use of quality funds.

Link between CCDF and the Race to the Top

As you know, over the past two years, we have been working in partnership with the U.S. Department of Education (ED) on a vision for integrated, high-quality early learning systems. CCDF has been a critical tool for early

– Early Learning Challenge (RTT-ELC)

childhood quality and it will now be an important component of States’ efforts to build an early childhood system in conjunction with the *Race to the Top–Early Learning Challenge (RTT – ELC)*, jointly administered by ED and HHS. We encourage States to bring together partners, including State Early Childhood Advisory Councils, to plan across CCDF, RTT–ELC, and other early learning programs.

In order to allow States time to bring together their planning for CCDF and RTT–ELC, we are extending the deadline for the State/Territory CCDF Plan submissions to August 1. By July, we will release more detailed information about the RTT–ELC competition. We expect that an integral part of the success of States in RTT–ELC will be high-quality CCDF Plans, reflecting strong, systemic quality improvement efforts and a commitment to investing CCDF in quality improvement. In addition to extending the submission deadline to August 1, ACF’s Office of Child Care (OCC) will accept any changes that the State wishes to make between August 1 and late September to strengthen the quality of your Plans and the alignment with your RTT–ELC application. As always, the State CCDF Plan remains an evolving document after approval and ACF’s OCC will accept amendments on an ongoing basis.

Note: Eligible RTT-ELC entities are the 50 States, Puerto Rico and the District of Columbia.

Deadlines and Effective Dates:

Lead Agencies must submit their Plans for ACF review no later than August 1, 2011. Upon approval by ACF, Plans are effective on October 1, 2011, through September 30, 2013.

E-Submission:

Beginning in FY 2012-2013, Lead Agencies will submit the CCDF Plan through an electronic submission (“e-submission”) process. This online tool reflects the approved CCDF Plan Preprint, which is included for reference purposes only as Attachment A and provided on the Office of Child Care website:

http://www.acf.hhs.gov/programs/occ/law/state_topic_application.htm.

Technical assistance will be provided for the e-submission website.

Plan Amendments: Any substantial change to the CCDF program requires an amendment to the approved Plan pursuant to 45 CFR 98.18(b) of CCDF regulations. Lead Agencies should submit the Log and 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. Program Instruction, CCDF-ACF-PI-2009-01, provides additional clarification regarding Plan amendments and is available on the Office of Child Care's website at: <http://www.acf.hhs.gov/programs/occ/law/guidance/current/>. Starting October 1, 2011, all amendments will be submitted using the e-submission process.

General Resources for Completing the CCDF Plan

- CCDF Final Regulations (1998 and 2007)
<http://www.acf.hhs.gov/programs/occ/law/finalrul/index.htm>
- CCDBG Law (1996)
<http://www.acf.hhs.gov/programs/occ/law/ccdbgact/index.htm>

Inquiries: Direct all inquiries to the ACF Regional Offices (see Attachment B).

/s/

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Director
Office of Child Care

Attachments: Attachment A: FY 2012-2013 CCDF Plan Preprint (ACF-118)
Attachment B: ACF Regional Child Care Program Managers