



## Child Care and Development Block Grant Act of 2014 (aka CCDBG Reauthorization) Overview of Changes to the (CCDBG) Updated September 2015

### Background

S. 1086 - Child Care and Development Block Grant Act of 2014

[http://edworkforce.house.gov/uploadedfiles/s\\_1086\\_ans.pdf](http://edworkforce.house.gov/uploadedfiles/s_1086_ans.pdf)

- Federal law governing child care – establishes the new funding streams and rules under the Child Care and Development Fund (CCDF).
- The President signed the bill into law on November 19, 2014.

### Potential Impact – Cost/Operational

- Reauthorization represents, in DHS's opinion, a sea change in how the child care system operates. The bill addresses all three components of the child care program:
  - eligibility and payment;
  - regulation/monitoring; and
  - training and quality improvement efforts
- All parties – parents, providers, state agencies and community partners - will be affected by these changes. Examples:
  - Requires states to implement a 12 month eligibility period for subsidy and allow for short term disruptions in the need for care - - result could be an increase in the number and duration of families served
  - Requires states to implement an "exit" eligibility level for subsidy - - result could help to lessen the impact of wage increases resulting in loss of eligibility (aka "cliff effect")
  - Requires states to factor in quality of care when setting payment rates and certify that rates are at a level that assure equal access without, if practical, reducing the number of families served - - result could be a tiered reimbursement system.
  - Requires states to establish comprehensive pre-service or orientation training requirements for all providers serving families eligible for CCA - - the result could be a reduction in providers willing to be registered or serve children eligible for CCA *as well as* providers better prepared to provide safe care to children.
  - Requires states to conduct onsite, pre-license/registration monitoring and an annual, unannounced visit of all providers receiving funding under CCA, including non-registered/license-exempt providers - - result could be a reduction in access to care for families *as well as* increased assurances that a child's provider is delivering safe care.

## Timelines

- The provisions contained in the law are 'effective upon enactment' with a few exceptions – future dates for implementation are set for record checks, monitoring, and new reporting requirements. Recent federal guidance provided a 9/30/16 implementation date for items “effective upon enactment”.
- The Federal Office of Child Care (OCC) intends that states describe in their FFY2016-2018 CCDF State Plans how they are meeting, or intending to meet, the new requirements.
- The State Plan is typically due by June 30<sup>th</sup>. However, due to the significant changes contained in the law, the OCC has extended the time period for states to prepare their plans. The State Plan is now due by **March 1st, 2016**.
- CCDF State Plans are approved for the FFY (i.e., approved by October 1<sup>st</sup>). However, due to the extension the plan will be approved by June 2016. The plan will still address the FFY2016-2018 timeframe. All effective dates for CCDBG implementation remain in effect. The current FFY1415 plan will be extended until June 2016.

## Implementation / Next Steps

- To implement the changes will require additional resources and adjustments in operations. The degree of impact, from minimal to significant, will be dependent on final direction received from the OCC regarding implementation.
- No further guidance has been received from the Office of Child Care (OCC) regarding parameters and expectations for compliance for implementing the new provisions. The last program instruction (PI) received on timelines was forwarded to stakeholders 1/21/15. A FAQ has been posted on the OCC site.
- States are expecting to receive from OCC by the end of 2015 a Notice of Rulemaking for the Child Care Development Fund rules.
- Per an email received from OCC on 6/1/15 – *“Pending the issuance of implementing regulations, States/Territories are to comply with the law based on their reasonable interpretation of the revised CCDBG statute.”* DHS will continue to lay out impacts, cost projections, policy or procedural changes needed, and timeline targets necessary to achieve compliance
- DHS is coordinating and partnering with many stakeholders in the drafting of the State Plan. These include but are not limited to the State Child Care Advisory Committee, the ECI Stakeholders Alliance, ECI Component groups, ECI Area Directors, CCR&R, as well as DHS staff. Community meetings have been held around the state, coordinated by ECI and United Way, to further solicit the input of parents, providers, and community partners.
- Webpage – a “CCDBG Reauthorization” section has been added on the DHS Child Care page that contains the latest documents related to implementation as well as a link to the OCC Reauthorization federal site. Items of interest can be found at: <https://dhs.iowa.gov/node/2309>