



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

Background

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

http://edworkforce.house.gov/uploadedfiles/s_1086_ans.pdf

- Federal law governing child care – Originally passed in 1990. PRWORA of 1996 reauthorized the discretionary fund and established the new funding streams and rules under the Child Care and Development Fund. Efforts to reauthorize CCDBG have started and stalled for more than a decade.
- 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 – including:
 - 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 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 *and* 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 – *and* increased assurances that their provider is delivering safe child care.

Implementation

- To implement the changes will require additional resources and adjustments in operations.
- The degree of impact, from minimal to significant, will be dependent on the content of the final program guidance received from federal Office of Child Care (OCC) regarding implementation.

Timelines:

- The provisions contained in the law are 'effective upon enactment' with a few exceptions - timeframes 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".
- OCC intends that states describe in their FFY2016-2017 CCDF State Plans how they are meeting, or intending to meet, the new requirements.
- Plan is due by July 1st, 2015 (plans are approved/effective as of October 1, 2015). States have requested an extension on this date. OCC will provide further guidance on this in the next few weeks.

Next Steps

- OCC recently hosted a meeting for state administrators and staff in DC. High level guidance was provided with a commitment to provide additional program guidance over the next few weeks/months.
- OCC is scheduled to host additional meetings to with the intention of providing additional guidance. These meetings are scheduled for April and July of 2015.
- DHS will continue to lay out impacts, cost projections, policy or procedural changes needed, and timeline targets necessary to achieve compliance.
- DHS will keep legislators, caucus staff, agency partners and stakeholders apprised of our analysis as well as the content of the final rule.