



Child Care and Development Block Grant Act of 2014 (aka CCDBG Reauthorization) Overview of Changes to the (CCDBG) Updated March 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 – CCDBG 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 (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 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 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 30th. However, due to the significant changes contained in the law, the OCC has greatly extended the time period for states to prepare their plans. The State Plan is now due by **March 1st, 2016**.
- Adjusted timelines are as follows:
 - April 2015 – OCC Pre-Print revised and re-noticed for a 2nd public comment period
 - Nov 2015 – OCC Final Pre-print issued to states
 - March 1st 2016 – State Plan due
 - June 2016 – State Plan approved by OCC
- CCDF State Plans are approved for the FFY (i.e., approved by October 1st). However, due to the extension the plan will be approved by June 2016. The plan will still address the FFY2016-2018 timeframe. Note:
 1. All effective dates for CCDBG implementation remain in effect.
 2. The current FFY1415 plan will be extended until June 2016.
- The extension allows Iowa more time to sort through the new requirements, receive guidance from OCC on the parameters/expectations for implementation, and develop the steps needed to fully achieve the goals and intent of the CCDBG.

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 the content of the final Program Instructions received from the OCC regarding implementation.
- States are expecting to receive in the coming weeks further Program Instructions on the specific provisions of the law as well as responses to the many questions that have been submitted. The information will be posted on the OCC website’s Reauthorization page. 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, including providers, 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, and CCR&R, as well as DHS staff.
- DHS will keep legislators and stakeholders apprised of the ongoing work and analysis of the many components of the federal law. A webpage has also been set up on the DHS website.