

Guidance for CCDBG Economic Recovery Funds

On April 9, the [Child Care Bureau](#)¹ [issued guidance](#)² on the use and allocation of new Child Care and Development Block Grant (CCDBG) funding provided under the American Recovery and Reinvestment Act (ARRA).

Outlining how and when the funding can be used: The ARRA provides \$2 billion in funds for the CCDBG, including \$255 million in funding for quality improvements (in addition to the usual 4 percent quality set-aside), of which \$94 million is targeted toward improving the quality of care for infants and toddlers. These supplemental CCDBG funds are discretionary funds. They are subject to all the same requirements of other discretionary funding, and require no state match. The funds must be obligated by September 30, 2010, and must be liquidated by September 30, 2011. If a state makes a “substantial change” to its child care assistance program, it must submit an amendment to its approved CCDBG plan. States are required to report separately on their use of their additional CCDBG funding; the Child Care Bureau plans to issue separate guidance with more details on reporting requirements.

Clarifying “supplement, not supplant” language: The guidance clarifies language in the ARRA legislation that the CCDBG funding must be used to “supplement, not supplant” state general revenue funds for child care assistance. The guidance explains this requirement is satisfied the “if the State has not made administrative or legislative changes to reduce the amount of general revenue funds for child care assistance to low-income families below the amount the State would have spent under State law and policies in place on the date of enactment of the ARRA.” The guidance permits some flexibility for states that reduce funds below this amount if “the State can demonstrate that the reduction was not due to the availability of additional Federal funds included in the ARRA and does not violate the non-supplantation requirement...(States that made legislative or policy changes prior to the enactment of the ARRA but implemented these changes after the date of enactment are not considered to have violated the non-supplantation requirement.)” The guidance also indicates that the Child Care Bureau will consider an “an alternative rationale demonstrating compliance with the non-supplantation requirement” if a state submits a detailed justification.

Promoting collaboration: Finally, the guidance encourages coordination between CCDBG and other early education programs that receive funding through the ARRA, including Head Start, Early Head Start, IDEA Part B grants to states for preschool and school-age programs for children with disabilities, IDEA Part C for formula grants to serve infants and toddlers with special needs, and Title I of the Elementary and Secondary Education Act (which can be used by local school districts to support early education).

As states and communities receive this new funding for child care and other early childhood programs, please let us know how they are using it to help children and families, so that we can demonstrate how investments in child care can make a difference for parents trying to get and keep a job and children who need stable, nurturing care.

¹ <http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi2009-03/pi2009-03.htm>

² http://www.acf.hhs.gov/programs/ccb/law/allocations/current/state2009/2009_arra.htm