

Child Care and Development Block Grant Act of 2014: Summary

September 19, 2014

In September, the House and Senate reached a bipartisan agreement on a bill reauthorizing the Child Care and Development Block Grant and the House voted to approve it. The Senate is scheduled to vote on the measure on November 13 when they return from the recess. The bill, which would reauthorize the primary federal child care program for the first time since 1996, is aimed at ensuring the health and safety of children in child care, facilitating families' access to child care assistance, and improving the quality of child care for children, and for infants and toddlers in particular.

The legislation is largely similar to the bill that the Senate passed in March 2014, but differs in a few key respects. The bill to be voted on this week reserves a lower percentage of funding for quality improvement activities than the Senate bill in the fifth and subsequent years (although the percentage is still higher than the current set-aside); expands permissible methodologies for setting provider payment rates; adds inspection requirements for license-exempt child care providers; adds provisions encouraging states to reimburse providers when children are absent from child care and take steps to reduce the expulsion of children from child care programs; requires training for providers on business practices; and sets fixed funding levels for fiscal years FY 2015 to FY 2020 (in contrast to the authorization of "such sums as are necessary" to carry out the Senate bill). The authorization levels are: \$2.36 billion for FY 2015, \$2.48 billion for FY 2016, \$2.54 billion for FY 2017, \$2.60 billion for FY 2018, \$2.67 billion for FY 2019, and \$2.75 billion for FY 2020.

As modified by the House, the legislation:

- Improves the health and safety of children in child care settings by:
 - Requiring a pre-licensure inspection and an unannounced annual inspection for all regulated and licensed providers receiving CCDBG funds, and one annual inspection for license-exempt providers (except providers related to all children in their care) receiving CCDBG funds.
 - Requiring a sufficient number of licensing inspectors to enable states to conduct timely inspections.
 - Requiring states to make public the results of monitoring reports.
 - Requiring states to provide comprehensive consumer education on parents' child care options and the quality of child care as well as the availability of child care assistance and other early learning programs.
 - Requiring states to provide information about how families can obtain a developmental screening for their children.

- Requiring states to mandate training on health and safety for child care providers serving children receiving CCDBG assistance.
- Requiring child care providers serving children receiving CCDBG assistance to have pre-service and ongoing training in a number of areas, including safe sleep practices and preparation for emergencies and disasters.
- Requiring all employees of child care providers receiving CCDBG assistance to undergo comprehensive background checks prior to employment and to maintain employment. Providers who are related to all children in their care are not required to undergo these checks.
- Improves families' access to child care and to child care assistance and increases stability for children in child care by:
 - Establishing a minimum initial eligibility period of 12 months.
 - Requiring states to make efforts to ensure that the redetermination process does not unduly disrupt parents' work, education, or job training efforts.
 - Requiring states to demonstrate how processes for eligibility determination and redetermination take into account irregular fluctuations in earnings.
 - Requiring states to describe how they will increase the supply and improve the quality of care for children in underserved areas, infants and toddlers, children with disabilities, and children who receive care during non-traditional hours.
 - Encouraging states to maintain child care assistance for at least three months when a family experiences a job loss to facilitate the parent's return to work.
 - Requiring states to use at least 70 percent of CCDBG funding for direct services.
 - Requiring states to certify that payment practices for child care providers serving children who receive CCDBG assistance reflect generally accepted payment practices for providers serving children who do not receive such assistance, and assure that, to the extent practicable, they will implement enrollment and eligibility policies that delink CCDBG provider reimbursement rates from an eligible child's occasional absences (due to, e.g., holidays or illness). The bill allows states to set maximum reimbursement rates using a market rate survey or an alternative methodology developed by the state's lead agency, such as a cost estimation model.
 - Requiring the Comptroller General to conduct a study of families on states' waiting lists for child care assistance every two years.

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- Strengthens the quality of child care by:
 - Increasing the total amount of CCDBG funding that states must spend on quality improvement activities by requiring states to set aside 7 percent of their CCDBG funds for quality improvement activities in the first and second fiscal years after the bill is enacted; 8 percent in the third and fourth fiscal years; and 9 percent in the fifth and subsequent fiscal years.
 - Requiring that at least 3 percent of a state's funding be used for quality improvement activities for infants and toddlers (beginning with funds received in the second full fiscal year after the bill's enactment).
 - Identifying a series of recommended quality improvement activities, from which states must choose at least one to expend set-aside funds. Specified activities include, for example, development of a tiered quality rating system and activities to enhance professional development for child care providers, such as training on behavior management strategies to reduce challenging behaviors (including reducing expulsions of preschool-aged children for such behaviors).
 - Requiring states to set training requirements that enable child care providers to promote the social, emotional, physical, and cognitive development of children.
 - Requiring that states' training requirements are appropriate for different age groups, English learners, children with disabilities, and Native Americans.
 - Requiring states to develop a progression of professional development designed to improve the skills and knowledge of the workforce.
 - Requiring states to develop and implement strategies to strengthen the business practices of child care providers to expand the supply, and improve the quality of, child care services.
 - Reserving up to ½ of 1 percent of CCDBG funding for technical assistance, and up to an additional ½ of 1 percent to support research, demonstration and evaluation activities.

- Improves the coordination of early care and education by:
 - Requiring states to coordinate CCDBG with other early childhood programs to the extent practicable, including preschool programs and early childhood programs serving tribal communities, infants and toddlers with disabilities, homeless children, and children in foster care.

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