

PROPOSED STATUTORY & REGULATORY CHANGES TO CCDBG

In May 2013, the Administration for Children and Families (ACF) issued new proposed regulations governing the federal child care assistance program, and in June, Senators Mikulski (D-MD), Burr (R-NC), Harkin (D-IA), Alexander (R-TN), and Gillibrand (D-NY) introduced a bill to reauthorize the program (S. 1086, the Child Care and Development Block Grant Act of 2013). Both the reauthorization bill and the proposed regulations would make changes to current child care policies, particularly as they relate to the health and safety of children and the quality of child care programs.

The chart below compares current law governing the Child Care and Development Block Grant (CCDBG) with provisions of the reauthorization bill and proposed regulations that would make changes in the following areas:

- CCDBG Purposes & General Administration
- Consumer Education and Provider Compliance with Health & Safety Standards (including criminal background checks)
- Child Care Program Standards and Quality Improvement Activities
- Family-Friendly Policies
- Payment Rates and Practices

While the reauthorization bill and the proposed regulations address many similar issues, the specific approaches used are often different because the bill would change existing law, while the regulations are limited to implementing current law.

The reauthorization bill is currently pending in the Health, Education, Labor, and Pensions Committee in the Senate. The proposed regulations are open for public comment until August 5, 2013; to learn more about the regulations and how to submit comments, see [our fact sheet](#) and the website for ACF's [Office of Child Care](#).

Topic	Current Law: Child Care & Development Block Grant of 1990 (as amended)	Reauth. Bill: Child Care & Development Block Grant Act of 2013 (S. 1086)	Proposed Child Care Regulations: 78 Fed. Reg. 29442 (May 20, 2013)
<i>CCDBG Purposes & General Administration</i>			
Purposes	<p>The goals of this subchapter are to:</p> <ul style="list-style-type: none"> • Allow each State maximum flexibility to develop programs and policies to best suit the needs of children and parents • Promote parental choice • Encourage States to provide consumer education information • Assist States to provide child care to parents trying to achieve independence from public assistance • Assist States in implementing the health, safety, licensing, and registration standards established in State regulations <p>CCDBG Act Sec. 658A, 42 U.S.C. §9801 note</p>	<p>Adds language to existing purposes to emphasize quality of care and adds the following goals:</p> <ul style="list-style-type: none"> • Improving school readiness • Increasing the number and proportion of low-income children in high-quality care • Improving coordination and delivery of early childhood education <p>S. 1086 Sec. 2 (Act Sec. 658A(b))</p>	<p>Adds language to supplement existing regulations and emphasize objectives including:</p> <ul style="list-style-type: none"> • Promoting high-quality care that supports children’s learning, development, and success in school • Expanding high-quality choices available to parents • Ensuring program integrity <p>45 CFR §98.1(b) (78 Fed. Reg. pp. 29447, 29492)</p>
Lead Agencies	<p>Lead agency (LA) must be a State Agency designated by the chief executive of the state.</p> <p>Sec. 658D(a), §9858b(a)</p>	<p>Lead agency can be a State Agency or a joint interagency office established by the governor.</p> <p>Sec. 4(2) (Sec. 658D(a), §9858b(a))</p>	(No changes)
<i>Entity</i>	<p>Lead agency must:</p> <ul style="list-style-type: none"> • Administer CCDBG funds • Develop a State plan • Hold at least one public hearing on provision of child care services under the plan, with sufficient statewide notice • Coordinate provision of services with other federal, state, or local child care/development programs • Consult with local government representatives <p>Sec. 658D(b), §9858b(b)</p>	(No changes)	<p>Supplements existing regulations with additional administrative duties for LAs, including:</p> <ul style="list-style-type: none"> • Making the State plan (and any amendments) public, ideally on the LA website. §98.14(d) (pp. 29450, 29492) • Providing advance written notice to affected parties of changes in the program that adversely affect income eligibility, payment rates, or sliding scale fees. §98.18(b)(2) (pp. 29454, 29493) <p>In addition, the proposed rule:</p> <ul style="list-style-type: none"> • Clarifies LA responsibility for ensuring program integrity, pursuant to new §98.68
<i>Duties</i>			

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Lead Agencies, cont. <i>Duties, cont.</i>			<p>(which formalizes changes made to State plan). §§98.10, 98.68 (pp. 29448, 29481, 29492, 29497); <i>see</i> Reports & Audits.</p> <ul style="list-style-type: none"> Identifies minimum standards for content of LA contracts with other agencies/ organizations (e.g., task schedule, budget, performance measures). §98.11 (pp. 29448, 29492). Adds new entities with which LAs are required to coordinate provision of child care services. §98.14(a)(1) (pp. 29448-49, 29492); <i>see</i> General Administration & Coordination.
Duration of State Plan	2 years. Sec. 658E(b), §9858c(b)	3 years. Sec. 5(a) (Sec. 658E(b), §9858c(b))	(No changes)
Definitions	Defines: <ul style="list-style-type: none"> Caregiver Child care certificate Eligible child Eligible child care provider Family child care provider Indian Tribe Lead Agency Parent Secretary Sliding scale fee State Tribal organization Sec. 658P, §9858n	To existing definitions, adds definitions of “child with a disability” and “English learner.” Sec. 10 (Sec. 658P, §9858n)	Deletes definition for “group home child care provider” and makes conforming changes to the definitions of: <ul style="list-style-type: none"> Categories of care Eligible child care provider Family child care provider §98.2 (pp. 29447, 29492) Specifies that eligible children in the protective services category may include specific categories of vulnerable children as identified by the LA, not limited to children involved in the child welfare system. §98.20(a)(3)(ii) (pp. 29455, 29493)
Use of CCDBG Funds	With priority given to children of families with very low incomes and children with special needs, States shall use CCDBG funds for:	Maintains existing allowable uses of CCDBG funds (including priority given to children with low incomes/special needs) and specifically authorizes expenditures for:	Adds a list of activities that should not be counted toward the 5 percent limit on administrative expenditures: <ul style="list-style-type: none"> Establishment/maintenance of child care

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<p>Use of CCDBG Funds, cont.</p>	<ul style="list-style-type: none"> • Child care services on a sliding fee scale basis • Activities that improve the quality or availability of such services • Any other activity that the state deems appropriate to meet CCDBG goals <p>Sec. 658E(c)(3)(B), §9858c(c)(3)(B)</p> <p>State may expend no more than 5 percent of CCDBG funds on administrative costs.</p> <p>Sec. 658E(c)(3)(C), §9858c(c)(3)(C)</p>	<ul style="list-style-type: none"> • Activities that improve access to child care services, including access for homeless children • Establishment/support of a system of local/regional child care resource and referral organizations (coordinated by a statewide lead child care resource and referral organization) <p>Sec. 5(b)(2)(C) (Sec. 658E(c)(3)(B), §9858c(c)(3)(B))</p> <p>Maintains 5 percent limit on administrative expenditures and specifies that the State must:</p> <ul style="list-style-type: none"> • Reserve the required quality set-aside and funds for administrative costs, and • From the remainder, use no less than 70 percent to fund direct services <p>Sec. 5(b)(2)(D) (Sec. 658E(c)(3)(E), §9858c(c)(3)(E))</p>	<p>database</p> <ul style="list-style-type: none"> • Establishing/operating a certificate program • Eligibility determination • Preparation/participation in judicial hearings • Child care placement • Recruitment, licensing, and inspection of providers • Staff training on billing and claims processes • Reviews and supervision of child care placements • Activities associated with payment rate setting • Resource and referral services • Training for child care staff <p>§98.52(d) (pp. 29479, 29496)</p> <p>Clarifies that if LA enters into agreements with sub-recipients for CCDF program operation, amount of contract or grant attributable to administrative activities will be counted toward the 5 percent limit.</p> <p>§98.52(e) (pp. 29479, 29496)</p>
<p>General Administration & Coordination</p>	<p>The Secretary shall:</p> <ul style="list-style-type: none"> • Coordinate HHS activities with relating to child care and coordinate with other federal entities engaging in similar activities to the extent practicable • Collect, publish, and make available a listing of State child care standards once every three years • Provide technical assistance to States to 	<p>Maintains existing requirements at Sec. 658I(a).</p> <p>Requires the State to expand accessibility and continuity of quality early childhood education/care and assist children enrolled in part-day pre-K/Head Start to receive full-day services by coordinating CCDBG services with:</p>	<p>Increases technical assistance set-aside from ¼ of one percent to ½ of one percent of CCDF funds.</p> <p>§98.60(b)(1) (pp. 29480, 29496)</p> <p>Adds new entities with which LAs are required to coordinate provision of child care services:</p> <ul style="list-style-type: none"> • Public education agencies responsible for

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General Administration & Coordination , cont.	<p>carry out the program Sec. 658I(a), §9858g(a)</p>	<ul style="list-style-type: none"> • Head Start/Early Head Start • ESEA programs (Tit. I & Tit. IV, Part B) • IDEA programs (Sec. 619 & Part C) • Home visiting programs established by the Affordable Care Act • State and local early childhood education programs • Programs for homeless children • Other federal programs supporting early childhood development <p>The State must also:</p> <ul style="list-style-type: none"> • Encourage partnerships among State agencies, other public agencies and private entities to leverage existing service delivery systems and increase the supply/quality of children care services for children under 13 • Consult with the State Advisory Council on Early Childhood Education & Care in developing the State plan <p>Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(O)-(R), §9858c(c)(2)(O)-(R))</p>	<p>pre-K (if applicable) and IDEA (parts B & C)</p> <ul style="list-style-type: none"> • Agencies responsible for child care licensing, Head Start collaboration, and emergency response • State Advisory Council on Early Childhood Education & Care (if applicable) • Statewide afterschool network or other coordinating entity for out-of-school time care (if applicable) <p>§98.14(a)(1) (pp. 29448-49, 29492)</p>
Reports & Audits	<p>States shall collect information on a monthly basis with respect to families receiving assistance (including, e.g., information relating to family income and demographics, child care services and other government assistance received), and must submit this information to the Secretary quarterly. States may use scientifically acceptable sampling methods to meet this requirement.</p> <p>States must also submit annual reports to the Secretary with aggregate data on, e.g., child care costs, payments made to providers, and</p>	<p>Maintains existing requirements re: reports & audits. Adds information regarding whether children receiving CCDBG assistance are homeless to list of data to be collected on a monthly basis.</p> <p>Sec. 8 (Sec. 658K, §9858i)</p>	<p>Requires LAs to submit quarterly expenditure reports for each fiscal year and specifies that such reports must document the following CCDF expenditures (including discretionary, mandatory, matching, and MOE funds):</p> <ul style="list-style-type: none"> • Child care administration • Quality activities (excluding targeted funds) • Targeted funds identified in appropriations law • Direct services • Non-direct services • Other information as specified by the

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<p>Reports & Audits, cont.</p>	<p>families served.</p> <p>After the close of each program period covered in the State plan, the State shall conduct an independent audit of its expenditures and submit the audit to the Secretary. The State shall repay any amounts not paid in accordance with CCDBG law.</p> <p>Sec. 658K, §9858i</p>		<p>Secretary</p> <p>§98.65(g)-(h) (pp. 29481, 29497)</p> <p>Adds a new section on program integrity to formalize changes made to the CCDF plan. States are required to establish:</p> <ul style="list-style-type: none"> • Internal controls to ensure sound fiscal management and identify risks • Processes to identify fraud and other program violations • Procedures to document and verify eligibility • Processes to investigate and recover fraudulent payments <p>§98.68 (pp. 29481-82, 29497)</p> <p>Requires the CCDF plan to include a description of how the LA will monitor program implementation responsibilities undertaken by agencies other than the LA.</p> <p>§98.16(b) (pp. 29450, 29492)</p> <p>States with improper payment rates that exceed a level set by ACF must submit corrective action plans.</p> <p>§98.102(c) (pp. 29485-86, 29497)</p>

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<i>Consumer Education and Provider Compliance with Health & Safety Standards</i>			
<p>Consumer Education & Parental Complaints</p>	<p>States must collect and disseminate consumer information that will promote informed child care choices.</p> <p>Sec. 658E(c)(2)(D), §9858c(c)(2)(D)</p> <p>State must maintain a record of “substantial parental complaints” and make information about such complaints available upon public request.</p> <p>Sec. 658E(c)(2)(C), §9858c(c)(2)(C)</p>	<p>States must publicize information about:</p> <ul style="list-style-type: none"> • Availability of child care services provided through CCDBG • If available, information about the quality of providers (including QRIS data) • State processes for licensing providers, background checks, and monitoring of providers • Assistance to obtain child care services • Other assistance programs that CCDBG families may be eligible for, including IDEA (Sec. 619, Part C) programs • Research and best practices concerning child development • How the State can help families obtain developmental screenings <p>Sec. 5(b)(2)(D) (Sec. 658E(c)(2)(E), §9858c(c)(2)(c))</p> <p>For eligible child care providers (i.e., licensed/regulated/registered), States must make public the results of monitoring and inspection reports (including those due to major substantiated complaints) about failure to comply with CCDBG and State child care policies, which must:</p> <ul style="list-style-type: none"> • Be electronically available in consumer-friendly format and organized by provider • Include number of deaths, serious injuries, and instances of substantiated child abuse <p>Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(D), §9858c(c)(2)(D))</p> <p>By 2015, ACF shall operate a national toll-free hotline and website to disseminate</p>	<p>To disseminate information to parents and the general public, States must create a user-friendly website that includes:</p> <ul style="list-style-type: none"> • A description of State licensing and regulatory requirements and enforcement procedures (including background check process for providers and offenses that preclude a provider from serving children) • Provider-specific information on requirements met, violations, and compliance actions taken <p>§98.33(a) (pp. 29460-63, 29494)</p> <p>Required consumer education activities also include establishing a “transparent system of quality indicators.” States may decide which providers to include in the quality indicators system. ACF recommends a QRIS to implement this requirement; States may use an alternative system but it must:</p> <ul style="list-style-type: none"> • Include provider-specific information about quality of care • Describe the standards used to assess the quality of child care providers • Take into account teaching staff qualifications and/or competencies, learning environment, curricula, and activities • Disseminate provider-specific quality information to the public through the consumer education website or another approved mechanism <p>§98.33(b) (pp. 29460-63, 29494)</p> <p>To families receiving CCDBG assistance,</p>

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<p>Consumer Education & Parental Complaints, cont.</p>		<p>consumer education information, help parents access quality child care in their communities, and allow reports of suspected child abuse/health & safety violations of health and safety at CCDBG providers. The hotline and website must:</p> <ul style="list-style-type: none"> • Be hosted by childcare.gov and have nationwide, 24-hour capacity • Enable consumers to obtain referrals to local providers through a zip code search • Ensure the widest possible access to services for families who speak languages other than English • Ensure that families have access to high-quality child care consumer education and referral services • Provide the following information: <ul style="list-style-type: none"> ○ A localized list of all state-licensed providers ○ Provider-specific quality information ○ Provider-specific information about compliance with State regulations ○ Referrals to local resource and referral organizations ○ State information about child care subsidy programs and other financial supports for families <p>Sec. 8 (Sec. 658L(b), §9858j(b))</p> <p>The Secretary shall reserve at least \$1,000,000 for the hotline and website.</p> <p>Sec. 9 (Sec. 658O(a), §9858m(a))</p>	<p>LAs must also provide a consumer statement that includes information about available child care options and specific information about the provider selected by the parent, including compliance with health and safety requirements and any voluntary quality standards met pursuant to the system of quality indicators.</p> <p>§98.33(c) (pp. 29461-63, 29494)</p> <p>LAs must establish a hotline for parents to submit complaints about providers.</p> <ul style="list-style-type: none"> • LAs are <i>encouraged</i> to widely publicize the number and consider requiring providers to post the number. • LAs are <i>encouraged</i> to create a 24-hour toll-free hotline with multi-lingual options and a TYY/TDD option. • LAs should have a complaint response plan that includes follow-up time depending on the severity of the complaint. • LAs may work with other State agencies to adapt an existing hotline. <p>§98.32(a) (pp. 29459, 29494)</p>
<p>Compliance with State Licensing Requirements</p>	<p>The State must certify the state has licensing requirements and describe these requirements and how they are effectively enforced. The State is not required to mandate that specific</p>	<p>The State must certify the state has licensing requirements and describe these requirements and how they are effectively enforced. For providers exempt from licenses, the State</p>	<p>State must describe licensing requirements and how they are effectively enforced, as well as any exemptions to the licensing requirements and a rationale for such</p>

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Compliance with State Licensing Requirements , cont.	types of providers meet licensing requirements. Sec. 658E(c)(2)(E), §9858c(c)(2)(E)	must demonstrate how services provided by exempt providers are comparable in safety and quality to licensed providers and why licensing exemption does not endanger health, safety, or development of children receiving services. Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(F), §9858c(c)(2)(F)) Within two years of enactment, the State must have in effect polices applicable to licensing for CCDBG providers that: <ul style="list-style-type: none"> • Ensure licensing inspectors are qualified and trained • Maintain enough inspectors to conduct timely inspections • Require inspectors to perform at least one pre-licensure inspection and at least one annual unannounced inspection of each CCDBG provider Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(K), §9858c(c)(2)(K))	exemptions. §§98.16(q), 98.40(a)(2) (pp. 29452, 29464-65, 29493-94) Requires all CCDBG providers to be subject to on-site monitoring, including unannounced visits. §98.41(d) (pp. 29470-72, 29495); <i>see</i> Establishment/Enforcement of Health & Safety Requirements.
Establishment/ Enforcement of Health & Safety Requirements	The State must certify that there are requirements applicable to child care providers serving CCDBG children to protect their health and safety. These requirements must address: <ul style="list-style-type: none"> • Infectious disease prevention and control • Building and physical premises safety • Minimum health and safety training appropriate to the provider setting Note: “Nothing in this subparagraph shall be construed to require the establishment of additional health and safety requirements for child care providers that are subject to health and safety requirements in the categories	The State must certify that there are requirements applicable to providers serving CCDBG children to protect their health and safety (including prevention of shaken baby syndrome and head trauma). These requirements must address: <ul style="list-style-type: none"> • Infectious disease prevention and control (with the establishment of a grace period to allow homeless children to receive services while their families take action to comply with, e.g., immunization requirements) • Hand-washing and universal health precautions 	Based on statutory directive to assure “building and premises safety,” requires: <ul style="list-style-type: none"> • Comprehensive criminal background checks for CCDF providers (<i>see</i> Criminal Background Checks) • Pre-inspections to verify compliance with fire, health, and building codes before a provider can begin serving CCDF children • Emergency preparedness and response planning for CCDF providers §98.41(a)(2) (pp. 29465-66, 29494-95)

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<p>Establishment/ Enforcement of Health & Safety Requirements, cont.</p>	<p>described in this subparagraph on Nov. 5, 1990 under State or local law.” Sec. 658E(c)(2)(F), §9858c(c)(2)(F)</p>	<ul style="list-style-type: none"> • Medication and parental consent • Prevention and response to food and allergy emergencies • Prevention of SIDS and safe sleeping • Sanitary food handling • Building and physical premises safety • Emergency and disaster response • Handling and storage of hazardous materials • Protection from hazards that can cause bodily injury • Transportation of children (if applicable) • First aid and CPR <p>Pre-service/orientation training must incorporate these requirements and may also include nutrition and physical activity. Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(I), §9858c(c)(2)(I))</p> <p>Providers must comply with reporting requirements under the Child Abuse Protection Act. Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(L) §9858c(c)(2)(L))</p>	<p>Also requires pre-service/orientation training that is appropriate for ages of children and provider setting, which must cover:</p> <ul style="list-style-type: none"> • First-aid and CPR • Medication administration policies and practices • Poison prevention and safety • Safe sleep practices and SIDS prevention • Shaken baby syndrome and abusive head trauma prevention • Age-appropriate nutrition, feeding (including support for breast-feeding), and physical activity • Procedures for preventing spread of infectious disease including safe handling of food • Recognition and reporting of suspected child abuse and neglect • Emergency preparedness and response procedures • Management of common childhood illnesses including food allergies • Transportation and child passenger safety (if applicable) • Caring for children with special needs and developmental disabilities in compliance with the ADA • Child development, including knowledge of the developmental stages and milestones of all developmental domains appropriate for the ages of children receiving services. <p>§98.41(a)(3) (pp. 29466-70, 29495)</p> <p>Requires all CCDF providers to be subject to on-site monitoring, including unannounced visits. LAs may exempt only relatives and</p>

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Establishment/ Enforcement of Health & Safety Requirements, cont.			providers giving care in a child’s own home from this requirement. <ul style="list-style-type: none"> • Must conduct unannounced monitoring visits in response to complaints • CCDF providers must report any serious injuries or deaths of children in care <ul style="list-style-type: none"> ○ LAs must conduct annual assessment of all injuries and deaths in child care §98.16(v)(2) (pp. 29453, 29493) • LAs may not solely rely on self-certification by providers without documentation or other verification that requirements have been met • Recommends that providers receive one monitoring visit prior to serving children and at least one unannounced visit annually §98.41(d) (p 29470-72)
Criminal Background Checks <i>Applicable personnel</i>	Not addressed.	Requires criminal background checks for all providers that are licensed/regulated/registered or receive CCDBG funds. <ul style="list-style-type: none"> • Applies to staff who care for children or have unsupervised access to children • Applies to family child care providers (exception: an individual related to all children for whom care is provided) Sec. 7 (Sec. 658H(a), (h))	Requires all CCDF providers to have a comprehensive criminal background check. LAs may exempt only relatives and providers giving care in a child’s own home from this requirement. §98.41(a)(2)(i) (p. 29465, 29494)
<i>Search procedures</i>	N/A	Background check must include searches of: <ul style="list-style-type: none"> • State criminal and sex offender registry for each State where the staff member has lived in the past 10 years • State-based abuse and neglect registries each State where the staff member has lived in the past 10 years 	Background check must include: <ul style="list-style-type: none"> • Use of fingerprints for State checks of criminal history records and checks of FBI criminal history records • Clearance through the child abuse and neglect registry, if available • Clearance through sex offender registries,

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<p>Criminal Background Checks, cont.</p> <p><i>Search procedures, cont.</i></p>		<ul style="list-style-type: none"> • National Crime Information Center • FBI Integrated Automated Fingerprint Identification System • National Sex Offender Registry <p>Sec. 7 (Sec. 658H(b))</p>	<p>if available</p> <p>§98.41(a)(2)(i) (pp. 29465, 29494)</p>
<p><i>Prohibitions</i></p>	<p>N/A</p>	<p>A child care staff member will be ineligible for employment by providers that are licensed, regulated, or registered under State law or received CCDBG funds if he or she:</p> <ul style="list-style-type: none"> • Refuses to consent to a criminal background check • Knowingly makes a materially false statement in connection with the background check • Is required to be registered in a State or national sex offender registry • Has been convicted of a felony concerning: <ul style="list-style-type: none"> ○ Murder ○ Child abuse or neglect ○ A crime against children, including child pornography ○ Spousal abuse ○ Crime involving rape or sexual assault ○ Kidnapping ○ Arson ○ Physical assault or battery ○ A drug-related offense committed during the preceding 5 years (exception: State may allow a review process for drug offenders that would permit them to work despite the offense) <p>A child care provider will be ineligible for CCDBG if it employs a staff member who</p>	<p>Requires that the State website’s description of licensing and regulatory requirements/ enforcement procedures include an explanation of the background check process and offenses that preclude a provider from serving children. See Consumer Education & Parental Complaints.</p>

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<p>Criminal Background Checks, cont.</p> <p><i>Prohibitions, cont.</i></p>		<p>fails the criminal background check.</p> <p>Sec. 7 (Sec. 658H(c))</p> <p>States may also disqualify individuals from working for child care providers for other convictions that bear upon their fitness to care for children.</p> <p>Sec. 7 (Sec. 658H(g))</p>	
<p><i>Frequency</i></p>	N/A	<p>Child care providers must request background checks:</p> <ul style="list-style-type: none"> • For existing staff members, within two years of enactment and at least once every 5 years thereafter • For prospective staff members, once prior to hiring and at least once every 5 years thereafter <p>Exceptions – providers are not required to submit background checks for employees if:</p> <ul style="list-style-type: none"> • The staff member received a background within the last five years and was employed/seeking employment with another provider in the State, and • The State provides a background check result for the staff member, who was separated from the prior child care employer for no more than 180 consecutive days <p>Sec. 7 (Sec. 658H(d))</p>	Not addressed.
<p><i>Results Disclosure & Appeals</i></p>	N/A	<p>State shall carry out the background check “as expeditiously as possible” and provide results to child care provider and staff member.</p> <ul style="list-style-type: none"> • To provider, State must indicate only whether staff is eligible or ineligible to provide care based on background check 	Not addressed.

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<i>Results Disclosure & Appeals, cont.</i>		<p>results, without revealing the crime or related information</p> <ul style="list-style-type: none"> • State shall inform an ineligible staff member of his/her disqualifying crime(s) • States cannot publicly release results of background checks unless it is part of local/statewide data (not individually identifiable) <p>State must provide process for child care staff members to appeal the results of a background check.</p> <p>Sec. 7 (Sec. 658H(e))</p>	
<i>Fees</i>	N/A	<p>Fees for background checks cannot be more than the actual costs of processing.</p> <p>(Sec. 658H(f))</p>	<p>Not addressed (<i>see</i> p. 29490 for discussion of potential cost to States)</p>

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<i>Child Care Program Standards and Quality Improvement Activities</i>			
Professional Training Requirements	Not addressed.	<p>The State must have training requirements applicable to CCDBG providers that:</p> <ul style="list-style-type: none"> • Provide a set of workforce and competency standards for CCDBG providers • Are developed with the State Advisory Council on Early Childhood Education and Care • Include an evidence-based training framework to promote children’s learning and development • Incorporate the State’s early learning and development guidelines and (where applicable) development/health standards • Are appropriate for different age groups, English learners, and children with disabilities (to the extent practicable) <p>The State must also develop a “statewide progression of professional development,” which may include acquisition of course credit or other credential.</p> <p>The State must engage the State Advisory Council on Early Childhood Education and Care in aligning training opportunities with State’s training framework; may engage other institutions/training providers as well.</p> <p>Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(G), §9858c(c)(2)(G))</p>	<p>The rule amends the list of allowable quality improvement activities at §98.51(a)(2) to encourage states to establish a framework for guiding and measuring quality activities, which <i>may</i> include “implementation of professional development systems to ensure a well-qualified workforce,” which may contain:</p> <ul style="list-style-type: none"> • Development of core knowledge and competencies to define key content and skills • Establishment of career pathways • Professional development assessments to build capacity of institutions to meet needs of the child care workforce and the children they serve • Expanded access to professional development opportunities • Rewards or financial support for participating providers <p>§98.51(a)(2)(iv) (pp. 29477-78, 29495)</p> <p>See also Activities to Improve the Quality of Child Care.</p>
Child-to-Provider Ratio Standards	Not addressed.	<p>The State must set standards for CCDBG providers that address:</p> <ul style="list-style-type: none"> • Group size limits for different ages • Appropriate child-to-provider ratios • Required qualifications for providers. 	Not specifically addressed in proposed regulations, but preamble discussion of new pre-inspection requirements to verify compliance with health and safety codes notes, “Child-staff ratios should also be set

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Child-to-Provider Ratio Standards, cont.		<p>The Secretary may provide guidance to states on child-to-provider ratios but shall not require specific standards.</p> <p>Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(H), §9858c(c)(2)(H))</p>	<p>such that providers can demonstrate the capacity to evacuate all of the children in their care in a timely manner.”</p> <p>(p. 29466)</p>
Early Learning & Development Guidelines	Not addressed.	<p>The State must develop/implement early learning developmental guidelines for use by child care providers that are licensed/regulated under State law (and not a relative of all children for whom services are provided). Guidelines must be:</p> <ul style="list-style-type: none"> • Research-based • Developmentally appropriate for children from birth through entry into kindergarten • Aligned with State standards for education in kindergarten through third grade. <p>The State cannot use CCDBG funds to develop or implement an assessment of children that will:</p> <ul style="list-style-type: none"> • Be the sole basis to determine a provider is ineligible to participate in CCDBG • Be used as primary or sole basis to reward or sanction an individual provider • Be used as primary or sole method for assessing program effectiveness <p>However, the State may use a single assessment for children for:</p> <ul style="list-style-type: none"> • Improving instruction or the classroom environment • Targeting professional development • Determining need for health services or other support for a child/family 	<p>The rule amends the list of allowable quality improvement activities at §98.51(a)(2) to encourage states to establish a framework for guiding and measuring quality activities, which <i>may</i> include “establishment and implementation of age-appropriate learning and development guidelines for children of all ages, including infants, toddlers, and school-age children.”</p> <p>§98.51(a)(2)(ii) (pp. 29476, 29495)</p> <p><i>See also Activities to Improve the Quality of Child Care.</i></p>

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Early Learning & Development Guidelines, cont.		<ul style="list-style-type: none"> • Obtaining information for the State-level quality improvement process, or • Conducting a program evaluation to provide program improvement/parent information <p>The federal government may not mandate the content of the State early learning guidelines or prescribe/require review of the standards a State uses to establish the guidelines or their alignment with State education standards.</p> <p>Sec. 5 (b)(2)(C) (Sec. 658E(c)(2)(T), §9858c(c)(2)(T))</p>	
Activities to Improve the Quality of Child Care	<p>States must use at least 4 percent of CCDBG funds for:</p> <ul style="list-style-type: none"> • Activities designed to provide comprehensive consumer education to parents and the public • Activities that increase parental choice • Activities designed to improve the quality and availability of child care (such as resource and referral services) <p>Sec. 658G, §9858e</p>	<p>Of CCDBG funds, the State must reserve:</p> <ul style="list-style-type: none"> • 6 percent in 2014 • 8 percent in 2016, and • 10 percent in 2018 and thereafter <p>for activities to improve child care quality and increase parental options/access to high-quality care. Three percent of such funds in 2014 and each year thereafter shall be used for quality improvement activities related to care for infants and toddlers.</p> <p>Reserved funds shall be used to carry out at least two of the following activities:</p> <ul style="list-style-type: none"> • Supporting training/professional development of child care workforce through, e.g.: <ul style="list-style-type: none"> ○ Training that leads to a higher level of skill or certification ○ Programs to increase retention/competencies of providers (including wage incentive programs and tiered payment rates) ○ Training that relates to the use of developmentally and age appropriate 	<p>Maintains the requirement in §98.51 that at least 4 percent of CCDF funds be used to support quality activities.</p> <p>Amends the list of allowable quality improvement activities to encourage States to establish a framework for guiding and measuring quality activities. (All of the activities previously listed at §98.51(a)(2) “are incorporated into this new framework, and the proposed revision should not be interpreted as an indication that the previously delineated activities are no longer allowable” to count toward the 4 percent requirement.)</p> <p>The recommended framework includes the following revised list of activities:</p> <ul style="list-style-type: none"> • Activities to ensure health and safety of children • Establishment and implementation of age-appropriate learning and development guidelines for children of all ages • Establishment and implementation of quality improvement systems that may

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<p>Activities to Improve the Quality of Child Care, cont.</p>		<p>curricula, including specialized training for providers who care for infants and toddlers, English learners, children with disabilities</p> <ul style="list-style-type: none"> ○ Training in early math and literacy ○ Incorporating use of data ○ Including positive behavior management strategies ○ Incorporating feedback from experts ○ Training about nutritional and physical activity needs of children ○ Training to serve children with disabilities <ul style="list-style-type: none"> ● Supporting the use of early learning and development guidelines by: <ul style="list-style-type: none"> ○ Developing such guidelines ○ Providing technical assistance to promote language/literacy skills, school readiness, and later school success ● Developing and implementing a tiered quality rating system that shall: <ul style="list-style-type: none"> ○ Support and assess provider quality ○ Build on State licensing/regulatory standards ○ Improve the quality of different types of providers ○ Describe the quality of facilities ○ Improve parents' understanding of the early learning system and ratings ○ Provide financial incentives and other supports to achieve high quality ● Improving the quality and supply of infant and toddler programs through, e.g.: <ul style="list-style-type: none"> ○ Establishing/expanding neighborhood-based, high-quality comprehensive family and child development centers 	<p>contain the following elements:</p> <ul style="list-style-type: none"> ○ Establishment of quality standards and indicators ○ Supports, training, and technical assistance to help programs meet quality standards ○ Financial incentives/monetary supports to help programs meet quality standards ○ Quality assurance and monitoring to measure program quality over time ○ Outreach and consumer education about provider quality consistent with §98.33 <ul style="list-style-type: none"> ● Implementation of professional development systems that may contain the following elements: <ul style="list-style-type: none"> ○ Establishment of core knowledge and competencies for the child care workforce ○ Establishment of career pathways ○ Professional development assessments to build institutional capacity ○ Expanded access to professional development opportunities ○ Rewards or financial support for providers ● Implementation of an infrastructure to build provider capacity to promote children's health, serve vulnerable children, and implement family engagement strategies ● Assessment and evaluation of quality improvement activities ● Any other activities consistent with quality improvement goals

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<p>Activities to Improve the Quality of Child Care, cont.</p>		<ul style="list-style-type: none"> ○ Establishing/expanding community-based family child care networks ○ Supporting statewide networks of infant/toddler care specialists ○ Improving the infant/toddler child care workforce ○ Developing infant/toddler components in State's quality rating system (if applicable) ○ Improving ability of parents to access information about infant/toddler care ● Promoting broad provider participation in the quality rating system ● Establishing/expanding a statewide system of child care resource and referral services ● Facilitating compliance with State licensing, monitoring, health, and safety requirements ● Evaluating the quality and effectiveness of child care programs ● Supporting providers seeking accreditation by a national body ● Supporting efforts to develop high-quality health and nutrition standards ● Carrying out other activities determined by the State to improve quality of care for which measurement is possible <p>Sec. 6 (Sec. 658G, §9858e)</p>	<p>§98.51(a)(2) (pp. 29475-79, 29495-96)</p> <p>Clarifies that quality improvement activities are not restricted to CCDF-eligible children or providers serving those children.</p> <p>§98.51(d) (pp. 29478, 29496)</p> <p>Codifies existing ACF policy that targeted funds for quality improvement and other activities that may be included in appropriations law may not count towards meeting the 4 percent minimum quality requirement unless so specified by Congress.</p> <p>§98.51(e) (pp. 29478-79, 29496)</p>
<p>Reporting Requirements</p>	<p>Not addressed.</p>	<p>The State must submit an annual report to the Secretary with information about the:</p> <ul style="list-style-type: none"> ● Amount of funds reserved for quality improvement ● Quality improvement activities conducted ● Measures the State will use to evaluate progress 	<p>Requires a new annual performance report to ACF that includes a description of progress towards performance goals established to improve the quality of child care.</p> <p>§§98.16(v), 98.51(f) (pp. 29452-53, 29493, 29496)</p>

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Reporting Requirements , cont.		Sec. 6 (Sec. 658G(d), §9858e(d))	Also requires LAs to submit an indicator of the quality of the child care provider as part of the quarterly family case-level administrative data report. §98.71(a)(15) (pp. 29482, 29497)
Technical Assistance	The Secretary shall provide technical assistance to assist States to carry out CCDBG, including assistance on a reimbursable basis; no quality component specified. Sec. 658(a)(3), §9858g(a)(3)	The Secretary shall offer technical assistance to States for quality improvement activities. Sec. 6 (Sec. 658G(c), §9858e(c))	Increases technical assistance set-aside from ¼ of one percent to ½ of one percent of CCDF funds. Preamble notes that ACF believes the increase is necessary for it to “meet its responsibility to support Lead Agencies as they begin to improve health and safety standards, implement a transparent system of quality indicators, and invest in improving access to high quality child care.” §98.60(b)(1) (pp. 29480, 29496)

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<i>Family-Friendly Policies</i>			
<p>Meeting the Needs of Certain Populations; Priority for Low-Income Populations</p>	<p>The State must demonstrate how it will meet the needs of:</p> <ul style="list-style-type: none"> • Families receiving TANF • Families attempting to transition off TANF through work • Families at risk of becoming dependent on TANF <p>Sec. 658E(c)(2)(H), §9858c(c)(2)(H)</p> <p>After complying with 42 U.S.C. §618(b)(2), which requires States to expend at least 70 percent of mandatory and matching CCDBG funds to provide child care assistance to the families described above, the State must ensure that a substantial portion of remaining CCDBG funds are used to provide assistance to other low-income working families.</p> <p>Sec. 658E(c)(3)(D), §9858c(c)(3)(D)</p>	<p>Maintains requirements to meet the needs of families receiving/at risk of becoming dependent on TANF or attempting to transition off the program; to expend at least 70 percent of mandatory and matching CCDBG funds to provide assistance to these families; and to ensure that a substantial portion of remaining CCDBG funds are used to provide assistance to other low-income working families.</p> <p>In addition, the State must give priority to investments that increase access to high-quality early childhood education in areas that have significant concentrations of poverty and unemployment.</p> <p>Sec. 5 (b)(2)(C) (Sec. 658E(c)(2)(Q) §9858c(c)(2)(Q))</p> <p>The State must also develop and implement strategies (which might include, e.g., higher pay/bonuses for providers or contracting with community-based organizations) to increase supply and improve the quality of child care for:</p> <ul style="list-style-type: none"> • Children in underserved areas • Infants and toddlers • Children with disabilities • Children who receive care during nontraditional hours <p>Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(M), §9858c(c)(2)(M))</p>	<p>Clarifies that the substantial portion of funds used to provide assistance to low-income working families (after meeting other funding conditions) must be used for <i>direct</i> child care services.</p> <p>§98.50(a) (p. 29474, 29495)</p>
<p>Parental Choice of Providers</p>	<p>Parents must be given the option to enroll their children with providers who have a CCDBG</p>	<p>(No changes)</p>	<p>Specifies that LAs must include some use of grants or contracts, in addition to certificates,</p>

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Parental Choice of Providers, cont.	grant or to receive a certificate (voucher). Sec. 658E(c)(2)(A), §9858c(c)(2)(A)		for the provision of direct child care services and offer parents a choice between the two. <ul style="list-style-type: none"> • State plan must indicate how LA will use grants or contracts to address shortages in the supply of high-quality child care. §98.16(i)(1) (pp. 29451, 29493) §§98.30(a)(1), 98.50(b)(3) (pp. 29458, 29494-95) Also clarifies that LAs may: <ul style="list-style-type: none"> • Establish policies that require CCDF providers to meet higher standards of quality as indicated by the quality indicators system (provided they do not limit parental choice by excluding any category of provider) • Provide parents with information and incentives to encourage them to choose high-quality providers §98.30 (g)-(h) (pp. 29459, 29494)
Eligibility Period/Redetermination; Protection of Working Parents <i>12-Month Eligibility</i>	Not addressed.	LA must consider each child receiving CCDBG assistance eligible for at least 12 months before a re-determination, even if the parent's work/education status or income changes during the 12-month period, as long as family income does not exceed 85% of State median income. <ul style="list-style-type: none"> • Exception: LA <i>may</i> determine that a child is ineligible within less than 12 months if a parent loses a job or stops attending a training/education program, but may not terminate assistance in such cases for at least 3 months • State must also provide for continued CCDBG assistance – for a period of no more than 12 months – for children who 	LA shall re-determine a child's eligibility for CCDF services no sooner than 12 months following the initial determination or most recent re-determination. <ul style="list-style-type: none"> • LA has the option to allow a child to remain eligible until the next redetermination, which may occur at intervals longer than 12 months • LA <i>may</i> establish criteria that require families to report changed circumstances <ul style="list-style-type: none"> ○ ACF recommends that States require parents to report job loss between eligibility determinations ○ Tracking all eligibility criteria between re-determinations is allowed but not recommended

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<p>Eligibility Period/Redetermination; Protection of Working Parents, cont.</p> <p><i>12-Month Eligibility, cont.</i></p>		<p>are deemed ineligible at redetermination due to “a modest increase in the parents’ income,” if the family’s income does not exceed 85% SMI</p> <ul style="list-style-type: none"> • Policies must ensure that working parents are not required to “unduly disrupt their employment” to comply with eligibility redetermination requirements <p>Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(N), §9858c(c)(2)(N))</p>	<ul style="list-style-type: none"> ○ Does not propose a regulatory change to require a two-tiered eligibility policy but recommends that LAs “consider this policy as a strategy that allows families to retain child care assistance while experiencing modest success in the job market” (p. 29455) <p>§98.20(b) (pp. 29456-57, 29493-94)</p> <p>For purposes of determining CCDF eligibility, States must define “working” to include some period of job search.</p> <ul style="list-style-type: none"> • States retain discretion to determine length of this period and to decide whether job search is an eligible activity for families initially applying for a subsidy <p>§98.16(g)(6) (pp. 29450-51, 29493)</p> <p>States must have policies to promote continuity of care for children and stability for families, including consideration of the developmental needs of the child when authorizing child care services.</p> <ul style="list-style-type: none"> • States are not required to limit authorized services based on parents’ work/education schedule and may, e.g., extend hours to support enrollment in high-quality care • Policies must also support timely eligibility determination and employment/income advancement for parents <p>§§98.16(h), 98.20(d) (pp. 29451, 29457, 29493)</p>

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<i>Payment Rates and Practices</i>			
Provider Payment Practices, Generally	Payment rates for CCDBG providers must be sufficient to ensure equal access for CCDBG-eligible families to child care services comparable to those provided to non-eligible families. Sec. 658E(c)(4)(A), §9858c(c)(4)	Maintains general equal access provision; specifies that the State must certify that payment practices for CCDBG providers reflect generally accepted payment practices for non-CCDBG providers in the State. Sec. 5(b)(2)(C) (Sec. 658E(c)(2)(S), §9858c(c)(2)(S))	LAs must describe payment practices for CCDF providers, including: <ul style="list-style-type: none"> • Timely reimbursement • How practices support high-quality services • How practices promote participation of providers in the subsidy system §98.16(t) (pp. 29452, 29493)
Sliding Fee Scales/ Family Cost Sharing	The State must create and periodically revise sliding scale fees for family cost sharing for CCDBG services. Sec. 658E(c)(5), §9858c(c)(5)	Maintains existing language on sliding fee scales and adds that cost sharing must not be a barrier to families receiving CCDBG assistance. Sec. 5(b)(2)(C) (Sec. 658E(c)(5), §9858c(c)(5))	Allows LAs to waive contributions from families meeting criteria established by the LAs (no longer limited to income at or below the federal poverty level). <ul style="list-style-type: none"> • Waiver criteria must be approved; cannot eliminate cost sharing for all families receiving CCDF assistance (<i>see also</i> §98.16(k)) • LA may not use cost of care or subsidy payment rate as a factor in setting co-payment amounts §98.42(c)-(d) (pp. 29472, 29495)
Market Rate Surveys	State plan must provide summary of the facts relied on to determine that provider payment rates are sufficient to ensure equal access. Sec. 658E(c)(4)(A), §9858c(c)(4)	In addition to summary of facts in State plan, the State must develop and conduct “a statistically valid and reliable survey of the market rates for child care services in the State.” The market rate survey must: <ul style="list-style-type: none"> • Be developed in consultation with the State Advisory Council on Early Childhood Education and Care, local program administrators, resource & referral agencies, and other appropriate entities (within two years of plan submission) • Reflect variations in the cost of child care 	Revises existing regulations to allow varied methods of examining market rates. Specifically, in the summary of facts in the State plan, the LA must show how payment rates are adequate based on <i>either</i> : <ul style="list-style-type: none"> • A “valid, local market price study” (phrased as “local market rate survey” in current §98.43(b)(2)) conducted within two years of the effective date of the currently approved plan, <i>or</i> • An alternative methodology, that has been proposed by the LA and approved in advance by ACF

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Market Rate Surveys, cont.		<p>services by geographic area, type of provider, and age of child</p> <p>The State must:</p> <ul style="list-style-type: none"> • Make the market rate survey results widely available (including internet posting) • Describe how it will set provider payment rates in accordance with the market rate survey without reducing the number of families receiving CCDBG assistance (to the extent practicable) • Describe how it will provide for timely payment for services <p>The State may differentiate payment rates on the basis of such factors as:</p> <ul style="list-style-type: none"> • Geographic location • Age or particular needs of children • Whether providers provide care during nontraditional hours • The State's determination that such differentiated rates are needed to enable a parent to choose high-quality care <p>Sec. 5(b)(2)(D), (Sec. 658E(c)(4), §9858c(c)(4))</p>	<p>§98.43(b)(2)(ii) (pp. 29473-74, 29495)</p> <p>Also specifies that LAs must take into account the quality of child care when determining payment rates.</p> <ul style="list-style-type: none"> • Recommends that LAs pay higher rates for higher-quality care and encourages LAs to make certain that rates are sufficient to ensure access at higher levels of quality • LAs may pay amounts above providers' private pay rate as a quality bonus or incentive (e.g., tiered or quality reimbursement systems) <p>§98.43(c) (pp. 29474, 29495)</p>