



**Q: Does this funding increase require more state match?**

A: No, the funds are discretionary so there is no required state match.

**Q: When will these funds get to states?**

A: The normal way your state receives funds (quarterly payments) will continue. States will be getting a large influx of funding when they obligate those funds, but states should not be waiting for any specific instructions from the feds related to this money. If your state agency is slow to move forward, this is an advocacy opportunity to show them that they should not wait to strategize around using the dollars. We need to get these funds out the doors so that we're not left with unspent funds.

**Q: When will states get the money?**

A: We don't have an exact date when the final allocation will be available. For now, you can use CLASP's estimates. States will get the funds through their regular CCDBG payments. Funds must be obligated by Sept 30<sup>th</sup> 2019 and spent by Sept 30<sup>th</sup> 2020.

**Q: Will there be any stipulations on funding?**

A: This is a regular appropriation. Congress did not put any stipulations on the funding.

**Q: What proportion of funds will states use to increase quality verses new slots?**

A: The CCDBG law requires an 8% set aside for quality, a 3% set aside for infant/toddler care. This means the total for quality set-asides in 2018 is 11% and it will grow up to 12% in 2018. Then, 70% of the remaining funding must be spent on child care assistance. With the new funding, the amounts for these will go up dramatically, but the proportions will remain the same. And remember, you can use the infant/toddler quality money to increase rates for infant/toddler providers because that is connected to quality.

**Q: Is quality money a ceiling or a floor?**

A: The percentages for quality money are floors. States need to spend a minimum of 8% on quality and another 3% on infant/toddler quality activities.

**Q: If the state decided to spend 10% on quality instead of 8% and the 3% on infants/toddlers, then is it from that balance that they have to spend that 70%?**

A: 70% applies to the remainder of funds after the minimum set-asides are met.

**Q: What is the status of background checks?**

A: The background check requirements are still in place. We would hope that states would consider using some of the new money to help fund background checks for family child care and FFN providers.

**Q: Do we expect states will use increased funding to expand infant/toddler care including Early Head Start/child care partnerships?**

A: Remember you do have the 3 percent infant toddler set aside. States can use that for partnerships. This is a block grant that gives states a great degree of flexibility.

**Q: Can there be any strong language from ACS about avoiding supplantation?**

A: We don't know what kind of guidance ACS will be putting out around the new funds. The supplement, not supplant, language is included in the appropriations bill. But this is something that state advocates will have to pay attention to. We know it is a challenging thing in states to follow those dollars and that over the years it is difficult to enforce non-supplantation language. Regarding TANF dollars, states make decisions annually about how to spend their TANF dollars. There is no language compelling them to maintain the current TANF dollars next year. This is an opportunity for advocacy to ensure that states are not pulling back TANF dollars.

**Q: How likely is it that Congress will use rescission to reduce CCDBG increases?**

A: It would be surprising to see these funds subject to rescission because it the child care increase was highlighted in a bipartisan budget deal.

**Q: Can funds be used to help family child care providers with business practices**

A: We are very concerned about the deep drop in regulated family child care providers around the country. This is happening due to many factors. Anything you can do to help providers with background checks, business strategy, or other technical assistance and funding to make sure that they can remain viable would be important. We would recommend having listening session with providers to see what would encourage more of them to either seek regulation or get back into business. The report language also encourages states to look at non-standard hour care and most of that is provided by FFN providers. The question is how to support non-standard hour care. Perhaps family child care and FFN providers would respond to a rate incentive.

**Q: What counts in 70% of direct services?**

A: A few things, including:

- Serving children on waiting lists
- What the state might spend on prioritizing groups
- Contracts for infant toddler care or any other kind of care

It does NOT include costs related to administration as well as quality spending. Outreach and education does not count. Although we would strongly encourage your states to expand their outreach efforts, using quality dollars as the subsidy dollars increase.

**Q: We're hearing from providers that Iowa needs serious dollars spent on a statewide initiative for consumer education about the value of choosing quality care. Can you speak to that as far as any restrictions on the dollars?**

A: Iowa is a state characterized by very low eligibility cut-offs and very low rates. Families who have access to subsidies will be able to have the resources to make better choices. Similarly, providers with higher rates will be better able to meet quality standards. We see consumer education as useful but do not see it as the priority of the reauthorization and funding increase.

**Q: Report language contains a suggestion from Congress about professional development for providers. Is that mandatory?**

A: Remember, report language is non-binding and it's just a suggestion from Congress. It's obviously an important use of funds.

**Q: Will states have to reapply for PDGs?**

A: Yes, this year there will be a new round of applications. States that have grants will have to reapply.