

# Federal Child Care Initiatives and Potential Impact on States

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## The Child Care and Development Block Grant Program

*About the Program:* The Child Care and Development Block Grant (CCDBG) is the primary federal grant program that provides child care assistance for families and funds child care quality initiatives. CCDBG is administered to states in formula block grants. States use the grants to subsidize child care for low-income working families. Most of this assistance is administered through vouchers or certificates, which can be used by parents for the provider or program of their choice. In addition, the law requires no less than 4 percent of CCDBG funding in each state to be used for activities to improve the overall quality of child care for all children within a community. CCDBG also funds Child Care Resource and Referral services and quality projects for infants and toddlers

*Legislative History:* The current system of child care assistance, which is supported by Federal, State, and local funds, is largely a result of Federal legislative activity over the last 25 years. In 1988, the Family Support Act, legislation reforming the Aid to Families with Dependent Children (AFDC) program, for the first time provided a child care entitlement for families on welfare. Originated by the Senate Committee on Finance, the Family Support Act created a child care entitlement for AFDC parents who were working, enrolled in job training or in an educational program, and for parents needing transitional child care assistance for 12 months after leaving welfare (Transitional Child Care or TCC).

In 1990, two more child care programs were created: the Child Care and Development Block Grant (CCDBG) program under the jurisdiction of the Senate Labor Committee (now renamed the Senate Committee on Health, Education, Labor, and Pensions), and the Title IV-A At Risk Child Care program under the jurisdiction of the Senate Committee on Finance. Both of these programs were designed to help low-income working families and CCDBG was designed to improve the quality of child care as well. Unlike the Family Support Act child care programs, these two new programs were block grants to the States (not individual entitlements) and were not designed to assist welfare families.

In 1996, the four Federal child care programs (the AFDC child care entitlement, the Transitional Child Care entitlement, the IVA At Risk child care program, and the Child Care and Development Block Grant) were consolidated under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The Act eliminated the entitlement to child care assistance for parents receiving welfare and for those transitioning from welfare to work. The three Finance Committee programs were consolidated into one funding stream, henceforth referred to as mandatory funding. Funding for the Child Care and Development Block Grant (CCDBG) remained under the jurisdiction of the Senate Health, Education, Labor, and Pensions (HELP) Committee and was retained as a discretionary program.

## Moving Federal Pieces

Recently, President Barack Obama signed S.1086, the Child Care and Development Block Grant Act of 2014 into law. The legislation most recently passed the United States Senate by a vote of 88-1 on Monday, November 17, 2014 following a multi-year process taking the bill through both the Senate and the House of Representatives. In June 2013, Senators Barbara Mikulski (D-MD), Richard Burr (R-NC), Lamar Alexander (R-TN), and Tom Harkin (D-IA) introduced S.1086, then titled the Child Care and Development Block Grant Act of 2013, a bill that would reauthorize the Child Care and Development Block Grant program for the first time in almost two decades, while including some baseline safety and quality measures.

S.1086 includes measures to:

- Promote quality child care by increasing state-level investments in activities to improve the quality of care, enhancing states' ability to train providers and develop safer and more effective child care services.
- Strengthen health and safety requirements in child care programs and providers.

- Improve access to child care by expanding eligibility for participating families and helping families connect with quality programs that meet their needs.

Later in 2013, in September, S.1086 passed out of the Senate Health, Education, Labor, and Pensions committee by an unanimous consent voice vote, sending the bill to the full Senate for consideration. In March of 2014, after days of debate and considering amendments (18 in total adopted), the Senate passed S.1086 by a vote of 96-2, sending the bill forward to the House of Representatives for consideration. After months of investigation, discussion, and negotiation, leaders on the House Education and the Workforce Committee and the Senate HELP Committee announced an agreement on an amended version of S.1086, which would pass the House of Representatives the following Monday, sending the bill back to the Senate for final consideration.



#### Timeline of S.1086:

**June 3, 2013:** Senator Mikulski (D-MD), Senator Burr (R-NC), Senator Harkin (D-IA), and Senator Alexander (R- TN) Introduce S.1086, a bill to reauthorize the Child Care and Development Block Grant.

**September 18, 2013:** The Senate Health, Education, Labor, and Pensions Committee passes S.1086 out of committee by unanimous consent via voice vote.

**March 12, 2014:** The Senate begins debate on S.1086.

**March 13, 2014:** After adopting multiple amendments, Senate passes S.1086 by a vote of 96-2.

**September 12, 2014:** Representatives John Kline (R-MN), George Miller (D-CA), Todd Rokita (R-IN), and David Loebsack (D-IA), and Senators Tom Harkin (D-IA), Lamar Alexander (R-TN), Barbara Mikulski (D-MD), and Richard Burr (R-NC) announce bi-partisan, bicameral agreement to reauthorize CCDBG.

**September 15, 2014:** House of Representatives pass amended version of S.1086 by a voice vote

**November 13, 2014:** Amended S.1086 cloture vote passes in Senate by vote of 96-1

**November 17, 2014:** S.1086 passes Senate by vote of 88-1

**November 19, 2014:** President Obama signs bill into law (*Date of enactment*)

#### Major Changes for State Child Care Licensing

With the reauthorization of the Child Care and Development Block Grant program (S.1086), the current program is in line for significant changes in order to comply with the new law as signed by President Obama in December 2014. The key changes that the new law will make to the Child Care and Development Block Grant program include:

#### Safeguarding the health and safety of children:

- States must provide pre-service health & safety training to all CCDBG providers.
- States must develop health & safety standards related to things such as first aid & CPR, prevention of sudden infant death syndrome, and child abuse prevention.
- States must perform at least one annual inspection and at least one pre-licensure inspection of CCDBG providers.
- Individuals who provide care for children with the support of CCDBG funding must undergo a comprehensive background check.

#### Improving program quality while simultaneously ensuring that federal funds support low-income and at-risk children and families:

- Allows state funding of resource and referral systems to help families connect with quality child care.
- Allows states to conduct a cost-estimation model or market price study in place of a market rate survey on which to base provider payment rates to allow states to show a connection of the rates to the cost of care.

#### Providing protections for children and families who receive assistance:

- Families who initially qualify for a subsidy get care for at least a year, regardless of changes in income or work, training, or education status.
- Prioritizes services for families with the lowest incomes
- Would authorize a consumer education toll-free hotline and website for parents and providers.

#### Strengthening coordination and alignment to contribute to a more comprehensive early childhood education and care system:

- Requires States to coordinate with existing early education and care programs.

#### Impact on States and the Child Care Resource and Referral System

With most of the measures requiring implementation and compliance within a timeframe from a year from the date of enactment to the end of the second full fiscal year after enactment states and specifically child care resource and referral agencies will likely start to see the impact of the federal initiatives start to change the landscape of the child care system in their states almost immediately.

The areas that the child care resource and referral system will likely see the most immediate and drastic impacts include, but are not limited to:

- Quality Rating and Improvement Systems
- Professional Development/Training Requirements
- Consumer Education, emphasizing provider-specific and quickly-accessible information for subsidy eligible families
- Data collection/reporting and sharing
- Coordination with other early childhood programs
- Continuity of care
- Technical Assistance
- Transition from Market Rate Survey to Cost-Estimation Models or Alternative Methodology

#### Resources:

Child Care Aware® of America's CCDBG Reauthorization Resource Page:

<http://usa.childcareaware.org/public-policy/core-issues/ccdbg-reauthorization>

The Office of Child Care's Fundamentals of CCDF Administration Website:

<https://ccdf-fundamentals.icfwebservices.com/>

Full Text of S.1086, As Amended and Passed by the House of Representatives:

[http://docs.house.gov/billsthisweek/20140915/s1086sub\\_301\\_xml.pdf](http://docs.house.gov/billsthisweek/20140915/s1086sub_301_xml.pdf)

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