



CCDBG Act of 2014: Key Provisions and Implementation Status

The Child Care and Development Block Grant Act of 2014 (P.L. 113-186) was signed into law on November 19, 2014. This law reauthorized and amended the CCDBG Act for the first time since 1996. The CCDBG Act is the main federal law governing state child care programs for low-income working families. It is administered by the U.S. Department of Health and Human Services (HHS). This In Focus reviews key provisions and the law’s implementation status.

Purposes

Before 2014, the goals of the CCDBG Act mainly focused on giving states flexibility in designing child care programs and giving parents flexibility in selecting the right care for their family. The 2014 law expanded these purposes to include a focus on child development and high-quality care.

Funding

The 2014 law authorized CCDBG annual appropriations for FY2015-FY2020. As **Table 1** shows, appropriations exceeded the authorization levels in FY2015 and FY2016.

Table 1. Authorized and Enacted Funding, in Billions

Fiscal Year	Authorization	Appropriation
FY2015	\$2.360	\$2.435
FY2016	\$2.478	\$2.761
FY2017	\$2.540	TBD
FY2018	\$2.603	TBD
FY2019	\$2.669	TBD
FY2020	\$2.748	TBD

Initial Eligibility

The 2014 law generally retained existing eligibility criteria for the CCDBG. To be eligible, children must be under age 13 (or older in certain circumstances) and reside with a parent or parents who are working or attending job training (unless the child needs or is receiving protective services). The family’s income may not exceed 85% of state median income (SMI) under federal law, but states may set income limits below the federal maximum (and generally do). The 2014 law added one new eligibility requirement: family assets may not exceed \$1 million. The 2014 law also established a 12-month eligibility period. This means that once a child is deemed eligible, the child should generally continue to receive CCDBG support for a full year. (Almost half of states and territories were using eligibility periods of less than 12 months as of October 2014.) Under the 2014 law, children are to retain eligibility for 12 months regardless of any “temporary change” in parental work status or family income, as long as family income has not increased above the federal threshold of 85% SMI.

Continuing Eligibility

The 2014 law requires a “graduated phaseout” of CCDBG assistance when incomes rise. State plans must explain how the state will continue assistance to children whose family income at the time of eligibility redetermination has increased above the state’s initial income threshold, but remains below the federal income threshold of 85% SMI. A proposed rule issued by HHS would have required states that set initial income eligibility limits below 85% SMI to increase their limits to 85% SMI for at least 12 months if, at the end of the 12-month eligibility period, family income had increased above the state’s initial income threshold. (As of October 2014, all but two states set continuing eligibility limits below 85% SMI for a family of three.) However, the final rule revised this provision, requiring only that states establish a two-tier eligibility system that is sufficient to accommodate increases in family income over time.

Health and Safety Standards

Under prior law, states were required to establish health and safety requirements in three broad areas: (1) prevention and control of infectious diseases (including immunizations); (2) building and physical premises safety; and (3) minimum health and safety training for child care providers. The 2014 law expanded these requirements to include new topics such as first aid, cardiopulmonary resuscitation (CPR), emergency preparedness, and the prevention of sudden infant death syndrome, among others. The 2014 law also requires states to set age-specific standards for group size limits and child-to-provider ratios. In addition, states must now certify that all CCDBG providers will receive pre-service and ongoing training on specified health and safety topics, as well as other topics selected by the state.

Health and Safety Enforcement

Prior law did not require states to conduct inspections of child care providers. The 2014 law requires states to conduct the following inspections for compliance with health, safety, and fire standards:

- Pre-licensure and annual unannounced inspections of licensed child care providers receiving CCDBG funds (the final rule encourages states to inspect all licensed providers, not just those receiving CCDBG); and
- Annual inspections of license-exempt providers receiving CCDBG funds. (States must also explain how any proposed licensing exemptions would not endanger the health, safety, or development of children.)

The 2014 law requires licensing inspectors to be trained in the state’s health and safety standards and licensing rules. Further, the law specifies that the ratio of licensing inspectors to child care providers must be sufficient to ensure that inspections occur in a timely manner.

Criminal Background Checks

Previously, the CCDBG Act did not require criminal background checks for child care providers, though all states required some type of background check for at least some child care providers. The 2014 law and accompanying regulations require states to conduct comprehensive criminal background checks every five years for providers receiving CCDBG funds, as well as providers who are licensed, regulated, or registered in the state, with the exception of individuals exclusively caring for relatives. The law prohibits the employment of individuals who refuse to consent to a background check or knowingly make a false statement on their background check. The law also prohibits employment of registered sex offenders or those convicted of selected felonies or violent misdemeanors.

Under the law, comprehensive background checks include (1) a search of state criminal and sex offender registries, (2) a search of state child abuse registries, (3) a search of the National Crime Information Center (NCIC), (4) a Federal Bureau of Investigation (FBI) fingerprint check, and (5) a search of the National Sex Offender Registry. Based on consultations with the FBI and other subject-matter experts, HHS issued regulations that provide technical clarifications to these requirements. These regulations restrict the NCIC search to one of the NCIC's 21 files: the file containing the National Sex Offender Registry. HHS regulations indicate that this is the only one of the NCIC's files with relevant data for these background checks. HHS also notes that compliance with the NCIC checks will not be assessed until guidance has been issued by HHS and the FBI. NCIC access is typically restricted to law enforcement agencies, so states must form partnerships to complete these checks.

Consumer Education

The 2014 law requires states to have a website describing licensing, monitoring, and background check processes. States must make the results of monitoring and inspection reports available electronically, along with information on deaths, serious injuries, and substantiated child abuse in child care facilities. In addition, state websites must have a searchable list of licensed and license-exempt child care providers, along with information about the provider's quality rating (if available).

Quality of Care

Prior to reauthorization, states were required to spend at least 4% of their child care funds on quality improvement activities. The 2014 law incrementally increases the quality spending requirement up to 9% by FY2020. Beginning in FY2017 (and in every year thereafter), states must also spend an *additional* 3% on quality activities targeted to infants and toddlers. This means that by FY2020, states will be required to spend a minimum of 12% on combined quality activities. The new law outlines a number of activities states may support with quality spending. For instance, states may offer professional development or other workforce supports, develop or implement tiered quality rating and improvement systems, or cultivate statewide systems of child care resource and referral services. In addition, states must develop or implement early learning and developmental guidelines covering essential domains of development from birth to kindergarten entry.

Workforce

The 2014 law includes several new provisions related to the child care workforce. For instance, the law requires states to establish qualification requirements for child care providers receiving CCDBG funds. In addition, states must require ongoing training and professional development for CCDBG providers. These requirements are to be developed with the State Advisory Council on Early Childhood Education and Care (or a similar entity) and are to incorporate the state's early learning guidelines. The final rule issued by HHS calls for each state's professional development framework to include six key components: (1) core knowledge and competencies, (2) career pathways, (3) advisory structures, (4) articulation agreements, (5) information on workforce characteristics and access to training, and (6) financing.

Payment Rates & Parental Copayments

The 2014 law includes new provisions tied to provider payment rates (also called reimbursement rates) and parental copayments (sliding fee scales). These provisions strengthened existing language about ensuring that CCDBG children have access to child care services of comparable quality to the services received by children in families with higher incomes. For instance, the law requires states to take into account costs associated with higher-quality care when setting payment rates. The law also added language stating that parental copayments should not be a barrier to families receiving assistance. HHS recommends that copayments be set at a level that does not exceed 7% of family income. A proposed rule by HHS would have prevented providers from charging any difference between the state's CCDBG payment rate and the market rate, with limited exceptions. (As of October 2014, 43 states and territories sometimes or always allowed providers to charge families the difference.) The final rule eliminated this provision and instead requires states allowing this practice to provide a rationale.

Implementation Status

Many provisions in the November 2014 law are considered to have gone into effect immediately, but several have yet to be fully implemented (e.g., quality spending is being phased in over several years and background checks do not take effect until FY2018). HHS released a proposed rule on the law in December 2015 and received about 150 comments from stakeholders. A final rule was published in September 2016. States must be fully compliant with the rule by September 30, 2018 (tribes have an additional year). State child care plans for FY2016-FY2018 were due to HHS on March 1, 2016. This is the first round of state plans to reflect the 2014 law, which amended the state plan process to be triennial, rather than biennial. As part of this planning process, HHS received requests from 24 states and territories to temporarily waive certain requirements taking effect in calendar year 2016. HHS approved all waiver requests except those related to health and safety. (HHS may waive provisions of the law for up to three years, with an optional one-year extension.) Requests to waive provisions taking effect after 2016 must be submitted to HHS no later than 90 days before their effective date.

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