Slide 1

Child Care Development Block Grant (CCDBG) Reauthorization and the Child Care Development Fund (CCDF) State Plan for Federal Fiscal Years 2016-2018  
  
 Presentation to the Board of Early Education and Care

October 13, 2015

Slide 2

Outline

* Child Care Development Block Grant Reauthorization Overview
* Scope of Reauthorization
* Key Features of Reauthorization
* Reauthorization Implementation and Effective Dates
* CCDF State Plan and Key Related Upcoming Activities
* Stakeholder Engagement in Development of the CCDF State Plan
* Timeline for Development & Submission of CCDF State Plan
* Proposed Topics for Board Discussion on the CCDF Plan

Note: The key changes from the CCDBG Reauthorization that have the largest impact on MA are highlighted in red throughout this presentation.

Slide 3

CCDBG Reauthorization Overview

* The Child Care Development Block Grant (CCDBG) is a $5.3 billion block grant program that provides funding to States, Territories, and Tribes to provide access to child care services for low-income families and improve the quality of child care.
  + For FY15, MA expended over $481M through CCDBG (or 92% of EEC’s total state budget), including Maintenance of Effort, State Match and TANF related expenditures.
* President Obama signed the CCDBG Act of 2014 (P.L. 113-186) into law on November 19, 2014.
  + Represents the 1st time Congress has reauthorized CCDBG since 1996.
* The CCDBG Act of 2014 is focused on better balancing its dual purposes:
  + to promote economic self-sufficiency for low-income families, and
  + to support healthy development and school readiness needs of children.
* The CCDBG Act of 2014 renews authority for CCDBG through FY 2020 and represents an historic re-envisioning of the program.

Slide 4

Scope of Reauthorization

* Reauthorization brings significant advancements to early education and care programs, including those that accept subsidies and those that do not:
  + Makes child care safer by defining health and safety requirements for ALL child care providers, requiring background checks and annual inspection of facilities.
  + Provides more stability for parents and children through family-friendly subsidy eligibility policies.
  + Helps parents better understand child care choices available to them by improving accessibility and transparency of information about ALL providers.
* Includes a significant number of changes, some of which are straightforward to implement, while others are complex and will be phased-in over several years. The key changes associated with Reauthorization are described in greater detail throughout this presentation.
* HHS is currently working on implementing regulations for Reauthorization, which are anticipated to be released for public comment before the end of the calendar year.

Slide 5

Key Features of Reauthorization1

* Health and Safety
* Criminal Background Checks
* Monitoring
* Training & Professional Development
* Eligibility Policies
* Consumer Education
* Family Engagement
* Increased Quality Spending
* Infants and Toddlers
* Payment Rates & Provider Payment Practices
* Underserved Populations
* Tribal Provisions\*

\*These changes do not impact Massachusetts, so they are not included in this presentation.

1For more information related the full scope of the CCDBG Reauthorization, please refer to ACF-OCC’s dedicated website: <http://www.acf.hhs.gov/programs/occ/ccdf-reauthorization>. This resource includes an overview of the law, the full statutory text, and some Frequently Asked Questions to assist states in implementation of the law.

Slide 6

Health & Safety: Training, Ratios, Screenings and License Exemptions – Compliance by 9/30/2016

* States must establish policies and provide pre-service orientations and periodic training in the following areas\*: (Section 658E(c)(2)(I) of the CCDBG Act of 2014)

1. Prevention and control of infectious diseases (including immunization);
2. SIDS and safe sleep practices;
3. Administration of medication;
4. Prevention/response to food allergies;
5. Building and physical premises safety, including identifying electrical hazards, bodies of water, and vehicular traffic;
6. Shaken baby syndrome and head trauma;
7. Emergency preparedness and response planning, for natural or man-caused event;
8. Storage of hazardous materials and bio contaminants;
9. If applicable, precautions in transporting children; and
10. First-aid and CPR.
11. States must establish standards for group size limits and appropriate child-to-provider ratios. (Section 658E(c)(2)(H) of the CCDBG Act of 2014)
12. States must provide parents information about access to developmental screening services. (Section 658E(c)(2)(E)(ii) of the CCDBG Act of 2014)
13. Providers must comply with child abuse and neglect reporting. (Section 658E(c)(2)(L) of the CCDBG Act of 2014)
14. MA must explain its reasoning for any exemptions for CCDBG Providers (i.e., those that accept subsidy) to licensing and why exemptions do not endanger the health and safety of children in the care of such providers. (Section 658E(c)(2)(F)(ii) of the CCDBG Act of 2014)

New for MA: Applies to ALL licensed providers, plus any license exempt providers receiving CCDBG funds. MA has the option to continue exempting relative caregivers from CCDBG health and safety requirements.

Slide 7

Health & Safety: Background Record Checks – Compliance by 9/30/2017

* Requires States to conduct criminal background checks on ALL early education and care providers and their staff members. Not limited to providers serving CCDBG subsidized children. Relative caregivers may be excluded. (Section 658H of the CCDBG Act of 2014)
* Includes child care staff members who don’t care directly for children but have unsupervised access to children.
* In addition to the CORI, DCF, SORI and FBI fingerprint checks already implemented, MA must incorporate the following into its background record check requirements:
  + State criminal and sex offender registry, including for all other states in which the applicant resided in the past 5 years;
  + State child abuse and neglect registry, including for all other states in which the applicant resided in the past 5 years;
  + National Crime Information Center (operated by the FBI); and
  + National Sex Offender Registry (operated by DOJ).
* Includes list of mandatory disqualifying crimes, allows State discretion to provide exceptions for felony drug offenses. Must have appeals process for providers.
* Penalty: HHS shall withhold 5% of the State’s CCDBG funds if the State is unable to demonstrate “substantial compliance” with the enhanced background check requirements.

Slide 8

Health & Safety: Monitoring and Inspections – Compliance by November 19, 2016

* + - Licensor Qualifications & Ratios: States must ensure licensing inspectors are qualified and have received training in related health and safety requirements. The ratio of inspectors to providers must be sufficient to ensure visits occur in a timely manner, but no specific ratio is established. Section 658E(c)(2)(K)(i)(I) and (III) of the CCDBG Act of 2014.
* Annual Monitoring: States must have monitoring and inspection requirements for all CCDBG providers that include:
  + For Licensed Providers (Section 658E(c)(2)(K)(i)(II) of the CCDBG Act of 2014):
    - 1 pre-licensure inspection for health, safety, and fire standards; and
    - Annual, unannounced inspections – at this time differential licensing visits will satisfy the annual monitoring requirements.
  + For License-Exempt CCDBG Providers, including summer camps, public and private schools, Friend/Family/Neighbor, etc. (Section 658E(c)(2)(K)(i)(IV) of the CCDBG Act of 2014):
    - Annual inspections for compliance with health, safety, and fire standards – license-exempt inspections may be announced.

Slide 9

Professional Development Pathway for Educators – Compliance by 9/30/2016

* Requires establishment of professional development and training requirements to improve knowledge and skills of all CCDBG providers and the entire child care workforce (includes both licensed and license-exempt).
* Professional development requirements should include:
  + Ongoing, annual training and a progression of professional development (which may include post-secondary education); and
  + Focus on social-emotional behavioral intervention models.
* Incorporate State’s Early Learning and Development Guidelines describing what children should know and be able to do.
* CCDBG Reauthorization has updated the permissible quality activities to include professional development and provider accreditation.
  + Professional Development opportunities may be used to meet enhanced quality set-aside requirements, including the 3% infant and toddler set-aside.

Slide 10

Family Friendly Subsidy Eligibility Requirements – Compliance by 9/30/2016

* Establishes 12-month eligibility period – May Require Regulatory Change:
  + No requirement to conduct annual assessments: CCDBG families shall remain eligible for at least 12-months, regardless of changes in income (as long as income remains below 85% SMI) or “temporary” changes in work, training, and/or education status.
  + States shall not terminate families for breaks between semesters, medical leave, etc.
* Requires minimum 3-month period of job search – Regulatory Change Required:
  + States have option to terminate assistance prior to re-determination if a parent loses employment, but must allow for a 3-month period of job search.
* States must provide for a graduated phase-out of assistance for families whose income has increased, but remains below the federal threshold.
  + Not applicable in MA as families remain eligible up to CCDBG income cap of 85% of the SMI.
* Eligibility re-determination should not be unduly disruptive to parents.
  + Encourages states to reduce burden on families seeking federally funded child care subsidies resulting from in-person eligibility assessments and documentation submissions that require time off from work, education or training activities.
* Increased emphasis on Parent Choice – whenever a subsidy is offered States shall give parents the option to enroll with a program that holds a contract OR receive a voucher. See 658E(c)(2)(A) of the CCDBG Act of 2014
  + Establishes a Parental “Right” to a voucher. See Section 658Q(b) of the CCDBG Act of 2014.

Slide 11

Consumer Education: Helping Families Find High Quality Programs

* States must have a website describing licensing and monitoring requirements, and processes for background checks, including offenses that prevent individuals from becoming providers.
  + Compliance by September 30, 2016.
* States must make available by electronic means provider-specific information showing results of monitoring and inspection reports of all licensed, approved or funded programs.
  + Compliance by November 19, 2017.
* In addition, an annual report on the number of deaths, serious injuries and instances of child abuse in all child care settings, including license-exempt.
  + Compliance by November 19, 2017.
* Federal Requirement: Sets aside up to $1.5 million for a national hotline and website to disseminate consumer education (searchable by zip code with referral to local child care providers) and for reporting of child abuse and neglect. (Section 658O(a)(3) of the CCDBG Act of 2014)

Slide 12

Partnering with Families and Other Sectors – Compliance by 9/30/2016

* Highlighting Family Engagement:
  + Added purpose of CCDBG, “…to promote involvement by parents and family members in the development of their children in child care settings.” (Section 658A(b)(3) of the CCDBG Act of 2014)
  + Consumer education must include dissemination of information regarding early childhood development and “meaningful parent and family engagement.” (Section 658E(c)(2)(E)(i)(VI) of the CCDBG Act of 2014)
  + Quality funds for professional development should include, “providing training and outreach on engaging parents and families in culturally and linguistically appropriate ways…” (Section 658G(b)((1)(E) of the CCDBG Act of 2014)
* Coordination and Access to Services:
  + Addressing needs of whole families by coordinating with other programs and providing information as part of consumer education (e.g., TANF, Head Start, developmental screenings, IDEA services, etc.). (Section 658E(c)(2)(E)(i) of the CCDBG Act of 2014)

Slide 13

Increased Spending Requirements to Enhance Program

* Phases-in increased minimum quality set-aside from 4% to 9% over a 5-year period.
  + MA quality set-aside for Quarter Ending 6/30/2015 was 15.4%
* Must establish outcome measures and evaluate progress of quality activities.
* Must spend quality funds on at least 1 of 10 specified quality activities:
  + Training and professional development;
  + Early learning and development guidelines;
  + Tiered quality rating system;
  + Infants and toddlers;
  + Child care resource & referral services;
  + Licensing and health and safety requirements;
  + Quality evaluation;
  + Accreditation;
  + Program standards; and
  + Other measurable quality activities as determined by the State.

Slide 14

Targeted Infant & Toddler Program Improvements

* The CCDBG Reauthorization added several areas within the statute focused on infants and toddlers which require compliance by 9/30/16:
  + Infant-Toddler Quality: 3% quality spending set-aside for infants and toddlers (Section 658G(a)(2)(B) of the CCDBG Act of 2014), including activities to improve the supply and quality of child care programs and services for infants and toddlers. (Section 658G(b)(4) of the CCDBG Act of 2014)

Coordination of Services to Infants and Toddlers: States must describe in their State Plan coordination with other programs, including early childhood programs serving infants and toddlers with disabilities. (Section 658E(c)(2)(O) of the CCDBG Act of 2014)

Slide 15

Program Friendly Payment Practices – Compliance by 9/30/2016

* Payment Practices (Section 658E(c)(2)(S) of the CCDBG Act of 2014):
  + States must establish policies that reflect generally accepted payment practices for child care providers, including (to the extent practicable) paying for absence days, and timely reimbursement for child care services.
* Equal Access and Rates (Section 658E(c)(4) of the CCDBG Act of 2014):
  + Requires States to conduct a market rate survey, or use an alternative methodology, such as a cost estimation model, and describe how payment rates will be established based on results of the survey or alternative methodology, taking into account cost of providing higher quality services.

Slide 16

Improving Access to Underserved Populations – Compliance by 9/30/2016

* Reauthorization Priority Populations – Requires States to establish procedures for enrollment of homeless children pending completion of documentation, and use of CCDBG funds for training and outreach to promote access to services for homeless families, as well as continued prioritization of services to low-income and disabled children. (Section 658E(c)(3)(B) of the CCDBG Act of 2014)
  + States shall be penalized up to 5% for failure to meet CCDBG priorities.
* Children with Disabilities – Establishes new statutory definition; requires greater coordination and providing parents with information about access to services (e.g., IDEA); must take into account when developing training and professional development requirements for CCDBG providers.
* Increase Access to and Quality of Programs – States must develop strategies for increasing supply and quality of services for children in underserved areas, infants and toddlers, children with disabilities, and children in non-traditional hour care—which may include use of grants/contracts and alternative reimbursement. (Section 658E(c)(2)(M) of the CCDBG Act of 2014)

Slide 17

Reauthorization Implementation and Effective Dates

Image depicting the Timeline of Effective dates for States and Territories: Child Care and Development Block Grant (CCDBG) Act of 2014

Slide 18

CCDF State Plan and Key Related Upcoming Activities

* ACF-OCC intentionally re-designed the FFY2016-2018 CCDF State Plan to assist States and Territories in developing “implementation plans” to achieve full implementation of the changes made through the CCDBG Reauthorization.
  + As the changes are phased in over the next couple of years, ACF-OCC will actively work with States to ensure substantial compliance in a timely fashion.
* The changes contained in the Reauthorization, which have been described in the previous slides, represent an historic re-envisioning of the CCDF program by:
  + making significant enhancements to health and safety requirements,
  + outlining family friendly/child focused policies, and
  + improving transparency to allow parents and the general public to make informed child care choices.
* Over the next couple of years, there are several activities that will afford EEC the opportunity to implement Reauthorization with the goal to improve the early childhood education system in Massachusetts in a manner that is family friendly, child focused and fair to providers; and aligned with the Strategic Plan of the Board.

Slide 19

CCDF State Plan and Key Related Upcoming Activities

* The CCDF State Plan will act as the primary vehicle to shape the future of the early childhood education system in the Commonwealth, as follows:
  + Equal Access to Child Care 🡪 Use the Market Rate Study to improve subsidy rates
  + Affordability 🡪 Assess the existing parent fee structure to mitigate access impediments
    - Consideration of parent fee waiver for priority populations and PEG
  + Continuity of Care 🡪 Ensure 12 month authorizations for all families in a manner that is fair, equitable, and fiscally responsible
    - Consider targeted populations for authorizations beyond 12 months to support other child care funding opportunities, including the EHS-CC Partnerships, expansion of PEG, teen parents, etc.
    - Coordinate with other agencies to improve front end detection to mitigate fraud, waste and abuse
  + Use of Contracts to Improve Access and Align Services 🡪 Does current contract structure allow for parent choice and/or meet the needs of priority populations?
    - Opportunity to better support full year, full day services – PEG, EHS, HS
  + Review of Transportation Services 🡪 Establish a Task Force to review use and funding of transportation in light of EEC’s mission and the significant changes to the CCDF Program
  + Annual Health and Safety Monitoring 🡪 Develop plan to ensure annual monitoring of both licensed and license-exempt programs and by whom (e.g., licensing staff, food programs, other agencies, etc.)
  + Background Record Checks 🡪 Work with federal and state agencies to achieve substantial compliance with enhanced BRC requirements, including license-exempt providers receiving CCDF funds:
    - Summer camps
    - Informal Child Care (e.g., Friend, Family and Neighbor care) – non-relative (may exempt relatives)
    - Public and Private schools exempt from licensure

Slide 20

Stakeholder Engagement in Developing the CCDF State Plan

* EEC has identified key staff to facilitate the completion of each section of the CCDF State Plan:
  + CCDF Leadership and Coordination with Relevant Systems
  + Family Engagement and Consumer Education
  + Child Care Subsidy Laws and Policies
  + Equal Access to High Quality Child Care
  + Health and Safety Standards and Monitoring
  + Workforce and Professional Development
  + Continuous Quality Improvement
  + Program Integrity and Accountability
* In mid-October 2015, EEC will also invite external stakeholders to participate in a Stakeholder Advisory Group that will focus on each of the CCDF State Plan topics (as outlined above).
  + EEC anticipates that the Stakeholder Advisory Group will convene 3-4 times between October 19th and December 4th to facilitate the development of the initial draft of EEC’s CCDF State Plan for an initial Board vote in December 2015.

Slide 21

Timeline for Development & Submission of CCDF State Plan

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| Tasks | Timeline |
| Stakeholder Advisory – Internal & External – to Develop Initial Draft of the CCDF State Plan | October 19, 2015 – December 4, 2015 |
| Present Draft of CCDF State Plan to Oversight and PRC Committees | December 7, 2015 |
| Present to Full Board for Vote to Release CCDF State Plan for Public Comment | December 8, 2015 |
| Present to EEC Advisory Council | December 11, 2015 |
| Hold Public Hearings in Western MA, Central MA and Boston | January 2016 |
| Close of Public Comment Period and Revisions to CCDF State Plan | January 25, 2016 - February 5, 2016 |
| Present to Full Board for Vote to Approve and Submit Final CCDF State Plan to ACF-OCC | February 9, 2016 |
| Submit Final CCDF State Plan | No later than March 1, 2016 |

Slide 22

Proposed Topics for Board Discussion on the CCDF Plan

* As noted throughout this presentation, the CCDBG Act of 2014 presents significant compliance challenges for the Department, as well as windows of opportunity to improve health and safety, consistency in early education and care placements, and transparency for families seeking educational opportunities for their children.
* To assist EEC in developing its responses for the CCDF Plan, the Department proposes the following topics for discussion by the Board:
  + Given that the CCDBG Act of 2014 mirrors EEC’s dual purpose to both support the economic self-sufficiency of low-income/at risk families and to foster school readiness for children, what types of changes do you think Reauthorization suggests for the Commonwealth?
  + What challenges and opportunities do these changes present?
  + What is important to you in shaping a process to address both the challenges and opportunities before the Board and the Department?
  + Other questions or discussion points to help guide the development of the CCDF Plan?