



NATIONAL CENTER ON

Subsidy Innovation and Accountability



The Intersection of Child Care Subsidy with Early Head Start – Child Care Partnerships



What is CCDF?

The funding mechanism authorized under the Child Care and Development Block Grant Act of 1990 (CCDBG) and reauthorized in 2014.

CCDF Funding

The Child Care and Development Fund (CCDF) made available \$5.8 Billion to States, Territories, and Tribes in fiscal year 2016.



Who Manages CCDF?

- Federal
 - Administration for Children and Families, Office of Child Care
- Lead Agency (State, Territory, Tribe, D.C.)
 - Departments of Human Services, Education, Children and Families, Early Childhood

THE PARTNERSHIP



Federal Role = administers regulation; provides guidance; manages grants; reporting, and monitoring

Lead Agency Role = complies with CCDF regulations; defines policies, procedures, and rules; submits a plan to OCC every 3 years

CCDF Provides:

Child Care Subsidies

and

Other Supports

- Eligible families and children
- Eligible providers
- Priority families and children
- Family cost sharing
- Payment method
- Provider payment rates

- Collaborations and partnerships
- Consumer education
- Health and safety
- Provider licensing
- Professional development
- Quality improvement and supply

Other Funds Supporting Early Care and Education

- Temporary Assistance for Needy Families (TANF)
- Additional State tax dollars
- State Pre-K funds
- Head Start program funds
- Privately donated funds



REAUTHORIZATION

- CCDBG Reauthorized – November 2014
 - Protects the health and safety of children
 - Promotes access and the continuity of care
 - Better informs parents and the public about the child care choices available to them
 - Improves the overall quality of early learning and afterschool child care program
- Notice of Proposed Rule Making (NPRM)

Pause for Questions



Child Care Subsidy

Targets Low income families

- **Economic self-sufficiency**
- **Access to quality child care**

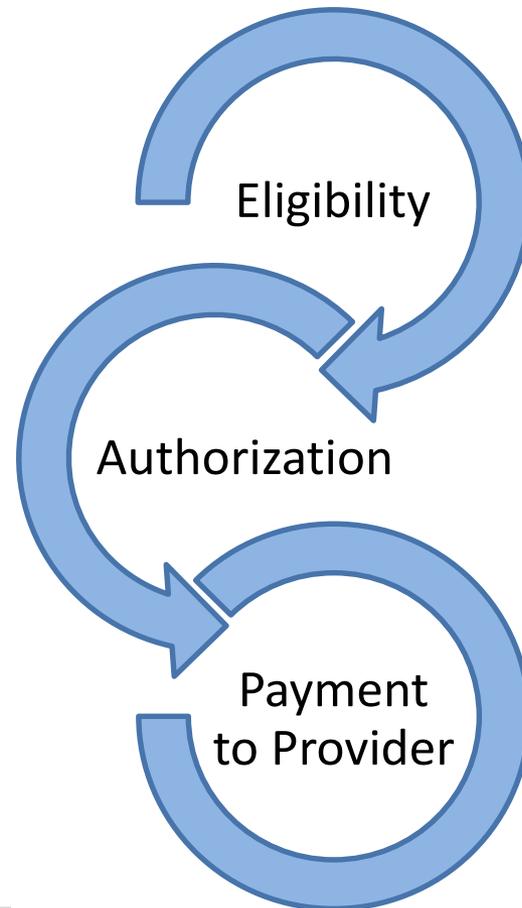
Supports Activities

- **Employment**
- **Education or training**

Ensures Access to Quality Child Care

- **Early learning**
- **Health and development**

Child Care Subsidy Process



Family/Child Eligibility

Eligible Family

- Parents who are working or attending a job training or educational program
- Income at or below 85 percent of SMI



Eligible Child

- Under age 13
- Citizen or qualified alien
 - ✓ Not required when meeting Head Start standards
- Lives with qualified parents
- Receives, or needs to receive, protective services, as defined by the State

STATE DISCRETION

- To define
 - ✓ Work and self-employment
 - ✓ Acceptable job training or education
 - ✓ Protective services, as defined by the State
 - ✓ Countable income and deductions
- To set tiered income eligibility limits for new applicants vs. current recipients
- To establish priority service categories
- To set family copays
- To establish provider payment rates

Panel Discussion

State Structures

- **States have different structures for determining eligibility:**
 - State staff at local agencies
 - County staff
 - Contracted agencies such as CC Resource & Referral
- **Different application processes:**
 - In person interview
 - Phone interview
 - Web application



Panel Discussion

Eligibility

- Eligibility period
 - Reauthorization requires Lead Agency to move to 12+ months
 - NPRM would guarantee eligibility except for:
 - Non-temporary cessation of work, education, or training
 - When income exceeds 85% SMI
- Redetermination process
- Change reporting requirements
- Allows child care for job search

Panel Discussion

Sliding Fees/Copayment

- **Families must contribute toward the cost of care with certain exceptions as determined by the Lead Agency:**
 - Families with income at or below poverty
 - Children who receive, or need to receive, protective services on a case-by-case basis
- **Fees must be based on income and family size**
- **May use other factors when establishing fees, such as the number of children in care or lower fees for higher quality care**
- **OCC recommends strongly that fees should not exceed 7 percent of family income**



Panel Discussion

Authorization of Care

- **Child is generally authorized for level of care based on:**
 - Number of hours parent is working, in education, or training
 - Travel time for parent to commute to and from the activity
- **Reauthorization encourages States to support continuity of care by delinking the hours of care from the activity hours of parents**
- **Lead Agencies are also beginning to move toward:**
 - Full day curricula
 - Monday – Friday care



Panel Discussion

Authorization of Care

- **Typically through voucher or certificate**
 - Some States also contract (purchase slots) with provider or provider networks for care
 - States may issue pre-paid vouchers to parents
- **Authorizing agency varies by State**
 - May be eligibility agency
 - May or may not be same eligibility worker
 - May be different agency
- **Length of authorization should equal the eligibility period**

Panel Discussion

Payment Policies



- **Attendance based payments**
 - Actual hours the child attends care
- **Enrollment based payments**
 - Pay full amount for the hours authorized
- **Combination of enrollment/attendance based**
 - Blocks of hours (part time, full time)
 - May vary by type of child care setting

Payment Rates

- Sufficient to ensure equal access to child care services
- Reflect variations in cost of child care services by geographic area, provider type and age
- CCDF benchmark is 75th percentile of market rate survey or alternative methodology approved by OCC

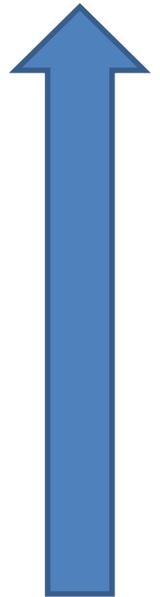
Panel Discussion

Payment Practices

- Payment usually in arrears 1-4 weeks in advance takes place
- Paper billing (invoices) – Attendance sheets
- Swipe cards or other attendance systems
- EFT or automatic deposit
- EBT card transactions
- Use of online billing portals
- May pay in advance or have payment cycles shorter than one month

Supply Building Strategies

- **Reauthorization requires Lead Agencies to implement strategies to increase the supply and improve the quality of child care for:**
 - Infants and toddlers
 - Children in underserved areas
 - Children with disabilities
 - Children who receive care during non-traditional hours
- **States currently use grants and contracts to:**
 - Serve special or vulnerable populations
 - Secure quality child care slots
 - Serve specific geographical areas
 - Support TANF activities
 - Provide wrap-around for Pre-K



Grants and Contracts



- Provides the State with a stable supply of quality slots for subsidy children
- Facilitates quality improvement efforts
- Facilitates access to State quality improvement resources
- Allows for negotiated payments and processes
- Provides consistent and stable financial support to child care providers and networks located in high-poverty areas and priority school districts



Panel Discussion

Summary Questions



For more information,
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