

What the Child Care and Development Block Grant (CCDBG) Act of 2014 Means for Vermont

The Child Care and Development Block Grant (CCDBG) Act of 2014 was passed by the Congress and signed into law by President Obama in November 2014. This act is also referred to as the Child Care and Development Fund (CCDF). This is the federal funding source and guidance for the Child Care Financial Assistance Program (CCFAP) and all related child care quality and professional development initiatives administered by the Vermont Department for Children and Families, Child Development Division (CDD).

This is the first time the law has been reauthorized since it was initiated in 1996; and there are significant changes focused on health and safety standards, consumer education, systems integration and the quality of child care services the fund supports. The federal Office of Child Care has released a summary of changes on the new law available at <http://www.acf.hhs.gov/programs/occ/ccdf-reauthorization> . There are specific timelines for meeting new requirements included in the law. This is a summary of what the changes in the law may mean for administration of the CCDBG in Vermont.

States, including Vermont, are required to submit a CCDF State Plan, subject to federal approval, to describe how they will meet the new requirements in state child care subsidy programs and quality initiatives. In some areas, states have broad discretion, in other areas there are highly prescriptive requirements in the law. There is a very limited amount of discretionary funds authorized to implement the new law. The President's budget includes increases to CCDBG which must be approved in the federal appropriation process. We are not anticipating any significant increased federal funding resources for child care subsidies or quality for Vermont at this time.

Vermont's current CCDF State Plan, which can be found on the CDD website at http://dcf.vermont.gov/sites/dcf/files/pdf/cdd/CCDF_VT_STATE_PLAN_2013.pdf , will be extended through October 2016 when new federal requirements begin to take effect. We have until March 1, 2016 to develop a new plan in consultation with state and local partners and stakeholders, hold a public hearing, and submit the plan for approval. CDD has convened a group of staff from across the Division to work on the plan and manage consultation and input from partners and stakeholders through a variety of already occurring venues, like the Professional Preparation and Development Committee and other Building Bright Futures (BBF) Committees as well as the BBF State Council and Regional Network. The Blue Ribbon Commission on access to affordable high quality child care, proposed by the Governor, and passed in the state budget for State Fiscal Year 2016 (July 2015 to June 2016), will convene in 2015. We expect the Commission will provide significant policy direction and input for the new state plan.

Currently, the federal Office of Child Care is finalizing the "Plan Preprint" which is the format states must use to create and electronically submit state plans. A second version of the Preprint is open for public comment until July 27, 2015. By November, we anticipate receiving the final format. Meanwhile, the federal Office of Child Care is developing and promulgating rules to implement the new law. These federal rules have not yet been released. CDD will follow that process, submit comments and work with our federal delegation on Vermont

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perspectives on the details in the new federal rules. Once the federal rules are finalized, the CDD will be revising and promulgating new Child Care Financial Assistance Program (CCFAP) rules intended to comply with changes in the federal rules.

The CDD is eager to engage with our many state and community partners to discuss the decision points that lie ahead as we develop the new three-year CCDF state plan for 2016 -2018.

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<i>Published: November 18, 2014, US ACF Office of Child Care</i>	<i>Currently CDD staff are assessing implications and making plans based on statutory language in the CCDBG Act of 2014 and preliminary guidance we are receiving from the Office of Child Care. It will be important as we proceed to get more clarity and definition in federal rules that have not yet been released for comment.</i>
Health and Safety Requirements for Child Care Providers	
<p>Establish health and safety requirements in 10 different topic areas (e.g., prevention of sudden infant death syndrome (SIDS), first-aid, and CPR).</p> <p>Ensure child care providers serving children receiving assistance through the Child Care and Development Fund (CCDF) program receive pre-service and ongoing training on the 10 topic areas.</p>	<p>The CDD has included these topics and training requirements that we believe meet the intent of the law in the proposed revision to the Child Care Licensing Regulations that will be released for public comment this summer (2015).</p>
<p>Conduct criminal background checks for all child care staff members, including staff members who don't care directly for children but have unsupervised access to children, and specifies disqualifying crimes.</p>	<p>Vermont currently conducts extensive annual criminal background checks on all child care providers and staff. What is new is a requirement to include fingerprinting as part of this process and to conduct these clearances every 5 years. The proposed revision to the Child Care Licensing Regulations that will be released for public comment this summer includes new requirements around background checks that are intended to align with federal requirements. The federal requirements need to be met by October</p>

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	2017 and implementation of the new child care rules in September 2016 will support Vermont in meeting that deadline.
Certify child care providers will comply with child abuse reporting requirements.	Vermont currently requires child care providers and staff to certify knowledge of and comply with child abuse reporting mandates. These requirements are articulated and clarified in the proposed revision to the Child Care Licensing Regulations.
Conduct pre-licensure and annual unannounced inspections of licensed CCDF providers and annual inspections of license-exempt CCDF providers.	Vermont already conducts pre-licensure visits and annual unannounced visits for licensed child care providers. We need to plan for necessary resources to reach the goal of expanding to annual visits for all registered home providers. Under the new federal law legally exempt child care providers who are relatives of children in their care receiving subsidies do not need to be fingerprinted or receive annual on-site inspections. The CDD is proposing to limit the use of legally exempt providers in CCFAP to relatives of eligible children. We plan to continue to conduct background checks on those individuals and are planning to increase health and safety assurances and include some training requirements. Current legally exempt providers participating in CCFAP that are not related to the children in their care will be encouraged to become registered Family Child Care Home providers.
Establish qualifications and training for licensing inspectors and appropriate inspector-to-provider ratios.	The Department for Children and Families (DCF) currently has strong qualifications for Licensing Field Specialists and supports on-going training and professional development. Vermont licensure – to – program ratios have been reduced but could be improved to strengthen monitoring capacity. Federal rules are not specific in terms of a target ratio but we can assume ratios would need to be

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	appropriate to support implementation of all new requirements for monitoring.
Establish or maintain standards for CCDF providers regarding group size limits and appropriate child-to-provider ratios based on the age of children in child care.	Vermont has established appropriate child-to-provider ratios in child care regulatory standards that are maintained in the proposed revision to the Child Care Licensing Regulations.
Complete emergency preparedness planning and statewide disaster plans for child care.	Emergency preparedness planning and statewide disaster plans for child care are included in the proposed revision to the Child Care Licensing Regulations. The CDD has a current and robust Continuity of Operations Plan (COOP). Guidance and training for child care providers related to emergency preparedness is available and expanding in the state. We have established a working group to examine and achieve compliance in this area. We will need to see details in the federal rules to determine what is needed.
Transparent Consumer and Provider Education Information	
Ensure availability by electronic means, easily accessible provider-specific information showing results of monitoring and inspection reports, date of last licensing visit, as well as the number of deaths, serious injuries, and instances of substantiated child abuse that occur in child care settings each year.	The CDD currently posts the results of monitoring visits on the Bright Futures Information System (BFIS) which is accessible to the public through the CDD website or directly at www.brightfutures.dcf.state.vt.us . This procedure is part of the proposed revision to the Child Care Licensing Regulations. We collect information on deaths, serious injuries, and instances of substantiated child abuse that occur in child care settings and are planning to make this information accessible to the public annually in compliance with the law.

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<p>Have a website describing processes for licensing and monitoring child care providers, processes for conducting criminal background checks, and offenses that prevent individuals from being child care providers.</p>	<p>Vermont child care licensing regulations describing processes for licensing and monitoring child care providers, conducting criminal background checks, and on the offenses that prevent individuals from being child care providers are posted on the CDD website. We will update these with expanded and clarified language once we have completed the promulgation process for the proposed revision to the Child Care Licensing Regulations. We have also begun work on detailed guidance manuals to accompany each set of regulations. The manuals will also be posted on the CDD website.</p>
Family-Friendly Eligibility Policies	
<p>Establish a 12-month eligibility re-determination period for families receiving CCDF child care subsidies, regardless of changes in income (as long as income does not exceed the federal threshold of 85% of State median income) or temporary changes in participation in work, training, or education activities.</p>	<p>Vermont has established a 12-month eligibility re-determination period in CCFAP. There is a tolerance established in current rules for temporary changes in work, training and education activities. Few families exit CCFAP due to income changes but we will be reviewing federal rules once these are finalized and adjusting state rules for compliance with this provision.</p>
<p>Allows states the option to terminate assistance prior to re-determination if a parent loses employment, however assistance must be continued for at least 3 months to allow for job search.</p>	<p>Vermont has established a work search policy for subsidized families who lose employment.</p>
<p>Ensure that eligibility re-determination does not require parents to unduly disrupt their employment.</p>	<p>Vermont's re-determination processes do not require face-to-face interviews or other stipulations that disrupt employment.</p>
<p>Provides for a graduated phase-out of assistance for families whose income has increased at the time of re-determination, but remains below the federal threshold.</p>	<p>Vermont has not created a graduated phase-out of child care assistance. Once federal rules have clarified this requirement we will adjust state rules to come into compliance.</p>

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<p>Requires procedures for enrollment of homeless children pending completion of documentation, and training and outreach to promote access to services to families who are homeless.</p>	<p>Vermont has some program policies to ensure access to child care services for children in families who are homeless, and we are actively examining how to strengthen these as part of the Agency of Human Services (AHS) plan to end family homelessness by 2020.</p>
Activities to Improve the Quality of Child Care	
<p>Phases in an increase in the minimum amount of CCDF funds that must be set aside for activities related to quality care. The increase starts at 4% and goes to 9% over a 5-year period. In addition, States are required to spend minimum of 3% to improve the quality of care for infants and toddlers.</p>	<p>Vermont currently invests sufficient funds on quality to meet the increased requirements on the amount of CCDF funds that must be set aside for activities related to quality care. We will be working with community partners to identify opportunities to improve the quality of care for infants and toddlers by targeting a 3% set-aside described in the law. The amount of funds that meet set aside requirements under current federal rules are determined not as percent of overall child care expenditures but through application of a formula applied to specific funding allocations. We are waiting for new federal regulations to clarify how the set aside requirements need to be calculated under the new law.</p>
<p>Requires states to spend quality funds on at least one of ten specified quality activities, which include developing tiered quality rating systems and supporting statewide resource and referral services.</p>	<p>Vermont currently invests in a number of the specified quality activities identified in the new law and supports statewide resource and referral services. We believe Vermont is well situated for compliance in this area.</p>
<p>Requires establishment of professional development and training requirements with ongoing annual training and progression to improve knowledge and skills of providers receiving CCDF funds.</p>	<p>Vermont has established professional development and training requirements with ongoing annual training and progression to improve knowledge and skills of child care providers. These are expanded, clarified, and aligned with Vermont's early care and afterschool professional development system in the proposed revision to the Child Care Licensing Regulations.</p>

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<p>Requires states to implement early learning and development guidelines describing what children should know and be able to do, appropriate from birth to kindergarten entry.</p>	<p>Vermont Early Learning Standards, are currently under revision as part of Vermont’s Early Learning Challenge Grant, describe what children should know and be able to do, appropriate from birth to grade 3.</p>
<p>Ensure the state provides provisions on social-emotional health of children, including providing consumer and provider education about policies regarding expulsions of children from early care and education programs and developmental screenings for children at risk of cognitive or developmental delays.</p>	<p>The proposed revision to the Child Care Licensing Regulations, includes provisions for the social-emotional development of children and requires programs to develop a policy and process regarding expulsion of children that is shared with parents. In the revision of CCFAP regulations we plan to include policies related to expulsion of subsidized children from child care settings. Children’s Integrated Services (CIS) in the CDD provides technical assistance and support to child care programs providing care to children with challenging behaviors as part of Early Childhood and Family Mental Health Services.</p> <p>The new “Help Me Grow” initiative at Vermont 211, implemented as part of Vermont’s Early Learning Challenge Grant, will be providing parent and consumer education on a number of topics including social-emotional development of children and expulsion from early care and education settings. Help Me Grow includes a focus on universal developmental screening and appropriate referrals for young children.</p>
Other Provisions	
<p><i>Equal Access:</i> 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.</p>	<p>Vermont currently conducts a market rate study every two years, releases the results to the public, and establishes and evaluates CCFAP rates according to those results. The CCFAP uses tiered reimbursement rates to allow and encourage access to higher quality services for subsidized families. The Blue Ribbon Commission</p>

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	authorized in the SFY 2016 state budget may examine the advisability of alternative rate setting methodologies.
<i>Supply-building:</i> 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.	The CDD is working with other stakeholders in Vermont, including the Building Bright Futures statewide and local council network and privately funded projects, to use data to assess the supply and quality of services for children, including those identified in the law as underserved. The CDD is using this process to identify and propose strategies to build supply that meets any identified demands.
<i>Provider payment practices:</i> 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.	Vermont has established provider payment policies that reflect generally accepted payment practices for child care providers, including paying for absence days and holidays and timely automated reimbursement for child care services.
<i>Asset test for eligibility:</i> the new law establishes an asset test – “family assets do not exceed \$1,000,000 (as certified by a member of such family)” that CCDF has not required previously.	The asset test will require a change to the CCFAP application (both paper & on-line) and regulations. It could affect some of the families as well.