

## GUIDANCE

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Examples in this guidance	The examples used in this guidance are illustrative only. They are not intended to prescribe approaches or limit Lead Agency flexibility.
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Completing the Plan when other entities are involved	<p data-bbox="558 428 1411 680">Section 658D(b)(1)(A) of the Child Care and Development Block Grant Act of 1990, as amended (the “Act”) requires the Lead Agency to “administer, directly or through other governmental or non-governmental agencies” the funds received. The regulations at 45 CFR 98.11 provide that, in addition to retaining “overall responsibility” for the administration of the program, the Lead Agency must also (among other things):</p> <ul data-bbox="558 701 1411 1108" style="list-style-type: none"><li data-bbox="558 701 1411 768">▪ Promulgate all rules and regulations governing the overall administration of the CCDF program;</li><li data-bbox="558 789 1411 856">▪ Ensure compliance with the approved Plan and all Federal requirements;</li><li data-bbox="558 877 1411 945">▪ Oversee the expenditure of funds by sub-grantees and contractors;</li><li data-bbox="558 966 1411 1108">▪ Ensure that any State, local or non-governmental agencies through which the State administers the program – including agencies and contractors that determine individual eligibility – operate according to the rules established for the CCDF.</li></ul> <p data-bbox="558 1129 1411 1381">Some States permit other non-CCDF administrative entities, for example, county governments or multi-area entities, to set additional eligibility criteria, establish sliding fee scales, or select the quality activities to be undertaken, within broad parameters established by the Lead Agency. Section 1.5 of the Plan asks the Lead Agency how the Lead Agency maintains overall control when other non-CCDF administrative entities are involved.</p> <p data-bbox="558 1402 1411 1688">Two sections in the Plan (Section 3.1.4 on care services provided through certificates, grants and/or contracts and Section 3.5.2 on sliding fee scales) specifically ask about the application of policy across the entire State or Territory. However, there may be other areas where local variations exist, but are not specifically addressed by the section. Where local variations exist, the Lead Agency should so indicate. The following sections may require Lead Agencies to note the existence of local variations:</p> <ul data-bbox="558 1709 1411 1843" style="list-style-type: none"><li data-bbox="558 1709 1411 1745">▪ 3.1.1 – Certificate Payment System</li><li data-bbox="558 1766 1411 1801">▪ 3.3 – Eligibility Criteria for Child Care</li><li data-bbox="558 1822 1411 1843">▪ 3.4 – Priorities for Children</li></ul>
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<p>Completing the Plan when other entities are involved (continued)</p>	<ul style="list-style-type: none"> <li>▪ 3.5.3 – Fee waiver policy</li> <li>▪ Part 4 – Parental Rights and Responsibilities</li> <li>▪ Part 5 – Quality Activities/Services</li> </ul> <p>The Lead Agency need not specify the details of each local variation unless the Lead Agency chooses to provide such detail. For example, in response to Section 3.4, the Lead Agency could list the State-level priorities, but note that local counties have the flexibility to change the order of the priorities. It would not be necessary to list the priorities in each county. An acceptable response would be: “<i>Counties must submit their priorities to the State Lead Agency office for approval.</i>” Responses merely indicating that counties set their own priorities may not be acceptable unless it is made clear that the Lead Agency maintains its required “overall responsibility.”</p>
<p>Describing State or Territory Activities</p>	<p>Whenever a State or Territory describes an activity, project or partnership they are undertaking to accomplish the goals of CCDF, specific details about the activities should be provided, including the name of the project, its purpose and products provided or services rendered, and any partners that also are participating.</p>
<p>Amendment Log</p>	<p>An approved plan needs to be amended whenever a substantial change is made to the program. The amendment is to be submitted within 60 days of the effective date of the change. A decision on the approval of the amendment will be made within 90 days from the date the amendment is received. (An extension of the time period may be made by a written agreement.) (98.18(b))</p>
<p>Check Boxes</p>	<p>Some responses require Lead Agencies to “check” a box. To check the appropriate box, double-click on the box next to the response that best answers the question posed. A screen should appear that gives the respondent the option of checking or not checking the selected box. If for any reason, the respondent is not given this option, note a response by replacing the appropriate box with a capital “X.”</p>
<p>1.1 Lead Agency Information</p>	<p>Identify the Lead Agency and Lead Agency’s Chief Executive Officer as designated by the State Chief Executive Officer. ACF will send grant awards, grant adjustments, plan approvals and disallowance notifications to the address shown here.</p>
<p>1.2 State Child Care</p>	<p>Identify the contact with day-to-day responsibilities and</p>

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(CCDF) Contact  
Information

1.2 (continued)

knowledge of the operations of the State's CCDF-funded child care program. Typically, the Lead Agency information will identify a State cabinet-level incumbent, while the State Child Care (CCDF) Contact information will identify the State child care program administrator.

Responses to questions 1.1 and 1.2 serve as the Lead Agency's official and formal notification to ACF of any changes in the administration and location of the Lead Agency and contact for the State child care (CCDF) program. If the Lead Agency uses an internet website or phone line to communicate with and disseminate information to the public, the website address or phone number should be noted here.

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1.3 Estimated Funding

1.4 Estimated  
Administration Cost

The purpose of questions 1.3 and 1.4 is to provide the public with an indication of the amount of funds available for child care and related activities. The amounts provided in response to these questions are informational only and will not be subject to compliance actions, nor will ACF distribute funds based on these estimates. Estimates are for the one-year period 10/1/07 – 9/30/08 even though the Plan covers a two-year period.

Quarterly requests for funds and information on the actual use of funds must be provided to ACF on other designated financial management forms (e.g., ACF-696) and reports.

For purposes of this question, the Federal CCDF amount is the total of the Discretionary, Mandatory, and Matching Funds of the CCDF. On separate lines, Lead Agencies indicate the funds expected to be transferred from the Federal Temporary Assistance for Needy Families (TANF) Program and anticipated Direct Federal TANF spending on child care (if known).

Lines are also provided for the estimate of State (i.e., non-Federal) funds available to meet the maintenance of effort (MOE) requirement and State's share of the Matching Fund of the CCDF. States have the option to include other State-only funds that exceed the amounts required to meet the MOE and Match provisions, if they choose.

Territories may indicate "Not Applicable" ("NA") in the State amount line or indicate any Territory-only funds used for the CCDF.

In question 1.4, estimate the amount and percentage of the total CCDF grant (including the State's share of Matching Funds) that will be used to administer all services and activities under CCDF. Show only the amount of Federal funds and required State CCDF expenditures, i.e., do not include the cost of administering other

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State programs. The Lead Agency is reminded that not more than five percent of the total CCDF (including the State's share of Matching Funds) may be used for administration. The regulations at 45 CFR 98.52 discuss what constitutes an administrative cost.

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1.5 Administration of the Program

This question addresses the child care services that are provided under §98.50 and §98.51.

When more than one entity performs the same task, indicate all entities. For example, when a child care resource and referral agency (CCR&R) provides payments in one part of the State and the TANF agency performs this function in another part of the State, identify both and note what each is responsible for accomplishing.

It is only necessary to identify the highest level of the other entity involved. For example, if the Lead Agency has an interagency agreement with county TANF agencies to determine eligibility, but the county TANF agencies have the authority to further contract those services through a competitive bid process, it is only necessary to indicate "County TANF agencies." It would be helpful if the Lead Agency would explain that further contracting may occur in an example such as this one.

To facilitate comparisons across States and Territories, Lead Agencies are encouraged to indicate the type of entity performing the task by using one of the following identifiers:

- The State/County TANF agency;
- A non-TANF State/County agency (examples: State Employment Services; food stamp agency);
- A non-governmental community or faith-based organization (examples: United Way; Council of Churches);
- Child Care Resource & Referral Service;
- School/school district;
- Child care provider;
- Other – if the entity does not fall into one of the above types, please describe.

A non-governmental entity is one that is controlled entirely by sources completely unrelated to any Federal, State, or local government. A public-private partnership would be considered a governmental entity. Private organizations and non-profit organizations would be considered non-governmental entities.

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1.5 (continued)

Examples of how the Lead Agency can demonstrate that it maintains overall control when services and activities are provided through other agencies include:

- A discussion of how frequently and in what manner the Lead Agency monitors the other agencies;
- Whether other agencies must certify that Lead Agency guidelines are followed;
- The benchmarks, performance indicators, or standards that are applied to the other agency;
- When administration has devolved to localities, whether those localities/agencies must submit plans to the Lead Agency or otherwise seek Lead Agency approval;
- A discussion of the contract/grant process, including an indication of how often a contract/grant is opened to new competition;
- Requirements specified in interagency agreements, memoranda of understanding, State statute, etc.

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1.6 Use of Private Donated Funds

Lead Agencies may receive private donated funds for the purpose of meeting their CCDF State match requirement pursuant to 98.53(e). There is no need to designate the Lead Agency itself or any other entity to receive private donated funds, provided the private donated funds are actually transferred to and under the administrative control of the Lead Agency. If a Lead Agency wants to use private donated funds that are not transferred to and under its administrative control for the purpose of meeting their CCDF State match requirement pursuant to 98.53(e), the Lead Agency must designate an entity to receive such funds pursuant to 98.53(f). The regulations provide for the designation of only one entity in the State to receive donated funds, and only private donations received by that agency or by the Lead Agency may be counted for match purposes.

To facilitate comparisons across States and Territories, Lead Agencies are encouraged to indicate the type of entity being designated by using one of the following identifiers:

- The State/County TANF agency;
  - A non-TANF State/County agency. (Examples: State Employment Services; food stamp agency);
  - A non-governmental community or faith-based organization. (Examples: United Way; Council of Churches);
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- Child Care Resource & Referral Service;
  - School/school district;
  - Child care provider;
  - Other – if the entity does not fall into one of the above types, please describe.
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1.7 Use of State Pre-Kindergarten (Pre-K) Expenditures for CCDF-Eligible Children

The regulations at §98.53(h)(3) stipulate that a State may use public pre-K funds for up to 20 percent of its MOE funds and other public pre-K funds for up to 20 percent of its matching funds.

Examples of how the Lead Agency can coordinate its pre-K and child care services to expand the availability of child care include:

- Child care programs are eligible to receive pre-K funding;
  - The distribution of pre-K funding in the State takes into account the local availability of child care;
  - School-based transportation is made available to child care programs;
  - Child care programs and schools collaborate to make better use of school facilities, especially in the summer or when schools are not used.
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1.8 Improper Payments

This information is being requested as part of the ACF/Child Care Bureau’s *Measuring Improper Payments in the Child Care Program* effort, a response to the Improper Payments Information Act (IPIA) of 2002, related OMB guidance, and the “Improved Financial Performance” section of the President’s Management Agenda.

The IPIA defines improper payments as:

“... any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative or other legally applicable requirement. Incorrect amounts are overpayments and underpayments (including inappropriate denials of payment or service).”

States and Territories have the flexibility to develop their own definitions of improper payments, as well as their own strategies and mechanisms for addressing improper payments in the child care program, such as improving verification processes and investing in information technology to assist in eligibility

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determination.

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2.1.1 Consultation and  
Coordination

The statute and the regulations stipulate that, in developing its Plan, the Lead Agency shall:

2.1.1 (continued)

- Consult with appropriate representatives of general purpose local government. For purposes of this requirement, a general purpose local government is a political subdivision of a State whose authority is general and not limited to only one function or combination of related functions. (658D(b)(2); §98.12(b); 98.14(b))
- Coordinate the provision of services with other Federal, State, and local child care and early childhood development programs, including such programs for the benefit of Indian children. (§98.12(c); 98.14(a)(1))
- Coordinate with the State/Tribal agency responsible for public health, employment services, public education, and TANF. (§98.12(a); 98.14(a)(1))
- Coordinate, to the maximum extent feasible, with any Indian Tribes in the State receiving CCDF funds. (§98.12(c))

**Note:** 16 States and the District of Columbia have no Federally recognized Tribes within their boundaries. These are: AR, DE, DC, GA, IL, IN, KY, MD, MO, NH, NJ, OH, PA, TN, VT, VA, WV.

States and Territories are also encouraged to consult and coordinate with other interested parties including:

- Advocacy Organizations
- Business / Private Sector Entities
- Child Care Resource and Referral Agencies
- Community Organizations
- Economic Development Entities
- Emergency Preparedness Officials or Experts
- Faith-Based Programs
- Foundations / Trusts
- Head Start Associations
- Local School Districts
- Medical Groups
- Non-Profits / Charitable Organizations / United Way

2.1.1 (continued)

- Parent Organizations
- Representatives of Federal Programs, such as Child and Adult Care Food Program (Food and Nutrition Service, Department of Agriculture), Head Start Programs and/or Collaboration Offices (Head Start Bureau, Department of Health and Human Services), and Healthy Child Care America (Department of Health and Human Services)
- Representatives of other State Programs and Offices, such as higher education programs and institutions, infant / toddler programs, juvenile justice programs, the Office of the Governor, school-age programs, child support enforcement agencies, TANF, child welfare

To facilitate comparisons across States and Territories, Lead Agencies are encouraged to use the terms listed above, if applicable, in describing the type of entity with which the Lead Agency consulted or coordinated.

2.1.2 State Plan for Early Childhood Program Coordination

Coordination across early childhood programs is a component of the President's *Good Start, Grow Smart* initiative. For more information on *Good Start, Grow Smart*, see the guidance provided for section 5.2 of the CCDF State Plan below.

Consistent with §98.14(a)(2) of the regulations, and to evaluate and assess the progress of State and Territory efforts to coordinate Federal, State, and local early childhood programs, Lead Agencies are asked to describe their plans for coordination across early childhood programs (if any), including how such plans will continue to support coordination across early childhood programs, and the results or expected results of their coordination efforts. This section provides an opportunity for a Lead Agency to describe the progress of its State or Territory toward developing plans for coordination, from preliminary planning to full development and implementation, and in particular describe the progress made by the State or Territory since the submission of the 2006-2007 State Plan.

If any coordination activities described in Section 2.1.1 also apply to Section 2.1.2, Lead Agencies may refer back to a complete explanation of such activities in Section 2.1.1.

The *Good Start, Grow Smart* initiative requires each State to coordinate at least four early childhood programs and/or funding streams. Examples of programs that might operate in coordination are: CCDF, Head Start, TANF, Pre-K, public school programs and early intervention services.



In the past, States' efforts around program coordination have assumed many forms, including:

- (1) Braiding resources to maximize program budgets and facilitate smooth program operation;
- (2) Sharing information to facilitate more effective delivery of services;
- (3) Creating opportunities for "one-stop shopping" by bringing together various programs at one location and facilitating communication between programs;
- (4) Forming interagency councils or workgroups to design strategies for improving the quality, availability and affordability of child care;
- (5) Enabling staff of different agencies to receive training together to build a common base of knowledge across programs.

2.1.2 (continued)

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2.2 Public Hearing Process

Lead Agencies are reminded that at least one hearing must be held to allow the public the opportunity to comment on the provision of child care services under the Plan. At least 20 days of statewide public notice must be provided in advance of the hearing. The hearing shall be held before the Plan is submitted to ACF but no earlier than nine months before the effective date of the Plan, i.e., no earlier than January 1, 2007. The content of the proposed Plan shall be made available to the public in advance of the hearing.

The hearing must be an actual meeting, open to the public. While States are encouraged to receive comments to the proposed Plan through means other than the hearing, such receipt of written comments alone does not meet the requirement to conduct a public hearing.

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2.3 Public-Private Partnerships

This section asks the Lead Agency to describe activities, including planned activities, to encourage public-private partnerships in meeting child care needs. In this section, Lead Agencies should not include descriptions of public-public partnerships, i.e., partnerships with other governmental entities.

If any public-private partnerships described in Section 2.1.1 or 2.1.2 also apply to Section 2.3, Lead Agencies may refer back to a complete explanation of such partnerships in Section 2.1.1 or 2.1.2.

Activities might include initiatives focused on public awareness, business involvement, professional development, quality

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improvement, resource and referral services, literacy initiatives, inclusion of children with disabilities, health initiatives, facility start-up and enhancement, collaborative system building, local community leadership, provider recruitment, and welfare-to-work. Lead Agencies are encouraged to use the terms listed in the preceding sentence to describe their public-private partnerships.

Consistent with §98.14(a)(2) of the regulations, Lead Agencies are required to discuss the results or expected results of these activities.

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3.1.1 Certificate  
Payment System

**REMINDER: The Lead Agency must offer certificates for services funded under 45 CFR 98.50.** (98.30) Certificates must permit parents to choose from a variety of child care categories, including center-based care, group home care, family child care and in-home care. (§98.30(e))

3.1.1 (continued)

A child care certificate is a certificate, check, voucher, letter or other disbursement that is issued by the Lead Agency directly to a parent who may use it only to pay for child care services from a variety of providers including community and faith-based providers (center-based, group home, family and in-home child care), or, if required, as a deposit for services. (658E(c)(2)(A)), 658P(2), §§98.2, 98.16(k), 98.30(c)(3) & (e)(1))

The Lead Agency is encouraged to provide a copy of the certificate in addition to its description.

The explanation should include an estimate of the proportion of §98.50 services available through certificates versus grants/contracts. This may be expressed in terms of dollars, number of slots, or percentages of services.

Eligibility worker’s manuals, policy handbooks, or other printed guidelines for administering a child care subsidy program will be used for reference purposes only. Documents provided by Lead Agencies pursuant to this section will not be uniformly or comprehensively reviewed and will not be considered part of the Plan. All information required to be part of the Plan must continue to be set forth in the Plan.

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3.1.2 Grants and  
Contracts

This question addresses contracts or grants to child care programs or providers for the direct purchase of a specified number of slots. Do not check “Yes” if every provider is simply required to sign a “contract” in order to be paid through your certificate program.

3.1.3 Limits on In-Home Care	In this section, the Lead Agency should describe how it limits in-home care, e.g., by specifying the minimum number of children who must be served, requiring parents to pay the difference between the maximum rate and the minimum wage, requiring caregiver background checks, or mandating training.
3.1.4 Services Offered Statewide	The Lead Agency is not required to offer services statewide nor must the same services be offered statewide. If all services are not offered statewide, however, indicate the services that are not available and identify the area where the services are not offered.
3.2 Payment Rates for the Provision of Child Care	<p>The regulations provide that the local market survey must have been conducted “no earlier than two years prior to the effective date of the currently approved Plan.” Plans will not be approved unless a local market survey has been completed within the allowable time period (10/1/05 – 9/30/07). Lead Agencies are required to indicate the month and year when their local market rate survey was completed and to include a copy of the survey instrument and a summary of the results. ACF does not expect that raw data will be submitted with the plan, but rather an analysis or summary of the results.</p> <p>Summary of results should include a description of the sample population (which providers were sampled and surveyed), data source (e.g., child care resource and referral data, licensing data, etc); the type of methodology used (survey of providers, analysis of administrative data –including child care resource and referral data); response rate (if using administrative data, what percentage of provider sample, e.g., licensed providers, in the administrative data were included in analyses); and summary of key findings.</p> <p>To facilitate comparisons across States and Territories, Lead Agencies are asked to provide the percentile of the current Market Rate Survey at which their rate ceilings are set. If the State or Territory does not use the current Market Rate Survey to set its payment rate ceilings, then report the range of percentiles from the current Market Rate Survey that your payment rates reflect. Similarly, please provide the range of percentiles from the current Market Rate Survey if rate ceilings vary by such characteristics as type of setting, age of children, or geographic regions.</p> <p>For example: <i>“Our rates, which were set using the 2005 Market Rate Survey and have not been adjusted since, now equal the 50<sup>th</sup> to the 65<sup>th</sup> percentile for centers and 45<sup>th</sup> to 60<sup>th</sup> percentile for regulated family child based on our current Market Rate Survey.”</i></p>
3.2 (continued)	

3.2 (continued)

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In addition, a copy of the payment rates for all categories of care including in-home providers should be attached. In States where administration of child care subsidy programs has been delegated to local entities who set their own individualized payment rates, the Lead Agency may submit copies of the payment rates relating to all major metropolitan areas in the State for all categories of care including in-home providers.

If the Lead Agency provides tiered reimbursements, a copy of those payment rates should be included as well. Tiered reimbursements include higher payments for providers who demonstrate that they provide better quality child care and payment rates that vary for children with disabilities and other special needs, non-standard-hour and other specialized types of care.

The explanation of how rates ensure equal access should include a description of how the rates correspond to market charges as evidenced by the survey. For example, the explanation might include: *“Rates for center-based and regulated family child care are set at the 75<sup>th</sup> percentile of market charges as demonstrated by our local market survey. Rates for unregulated providers are set at 50 percent of family child care home rates as a sufficient number of unregulated providers could not be identified and surveyed. Additionally, unregulated providers are not currently required to undertake the same high level of ongoing training as are the regulated providers. Rates for unregulated providers were set at a lower amount in the past and we experienced no reluctance to provide care at that rate.”*

Where the Lead Agency’s payment rates do not show the same categories of care described in the parental choice requirement at §98.30(e)(1) (i.e., centers, group homes, family, and in-home care), include a definition of the categories that the Lead Agency uses. For example, if the Lead Agency’s rates include only centers, family homes, and in-home care: *“Centers are facilities caring for groups of children in a non-residential setting. A family child care home is a licensed provider in a private residence caring for up to 12 unrelated children depending on the ages of the children and availability of an assistant. An in-home provider cares for the children of only one family in that family’s home. The State does not distinguish between group and family child care homes, therefore rates for only three categories are shown.”*

Lead Agencies are reminded that §98.30(e)(1) stipulates that under each of the categories of care, care by a sectarian provider

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may not be limited or excluded. In addition, we note that timeliness of payments and rules governing child absences that reflect usual and customary market practice can also affect access.

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### 3.3 Eligibility Criteria for Child Care

By statute, all eligible children must:

- (1) be under the age of 13, or under age 19 if physically or mentally incapable of self-care, or under court supervision;
- (2) reside with a family whose income does not exceed 85% of the State Median Income (SMI) for a family of the same size; and
- (3) have parent(s) who are working or attending a job training or educational program or receive or need to receive protective services.

(658E(c)(3)(B), 658P(3), §98.20(a))

Typically when children reach age 13, they are no longer eligible for CCDF-funded child care. However, a Lead Agency has the option to provide child care to children age 13 or over if they are physically or mentally incapable of self-care, or under court supervision. When such children reach age 19, they cease to be eligible for CCDF-funded child care.

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#### 3.3.1 Age Eligibility

The upper age limit may not be age 19 or over (e.g., not “19 years, 1 month”; or “up to age 20”).

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#### 3.3.2 Income Eligibility

Eligibility for CCDF services is limited to families with income at or below 85 percent of the State Median Income (SMI) for a family of the same size. Whether or not the Lead Agency offers services to families with income up to 85 percent of SMI, this upper eligibility level must be recorded in column (b).

Column (c) is completed only if the Lead Agency uses an income level lower than 85 percent of SMI to limit eligibility. When the income level is lower than 85 percent, the percent of the SMI that an income level represents must be noted.

When there are multiple geographic areas with differing eligibility levels, a Lead Agency can satisfy the requirement of this section by providing a table that shows the areas and applicable maximum eligibility limits. If, for administrative purposes, a Lead Agency uses the Federal poverty level rather than the SMI to determine eligibility, ACF needs to know the corresponding SMI in order to ensure compliance with CCDF rules.

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Note that the Lead Agency must indicate the year of the SMI on which it bases its eligibility level.

Neither the statute nor the regulations specify a source or basis for SMI, and the Lead Agency has flexibility in determining its SMI. Lead Agencies are, however, encouraged to use the most recent fiscal year information provided by the Bureau of Census in completing column (b). The Bureau of the Census publishes estimates of SMI on its web site at:

[www.census.gov/hhes/income/4person.html](http://www.census.gov/hhes/income/4person.html). SMI estimates for FY 2008 (starting October 1, 2007) are also expected to be published in the Federal Register in March 2007 for use in the LIHEAP program. When published, the estimates will be available at: [www.access.gpo.gov](http://www.access.gpo.gov).

This section also requires that Lead Agencies describe and/or attach information about how income is defined for CCDF eligibility purposes.

If there are different/multiple income levels (e.g., 3.3.2 column “c”) in use in the State or Territory, explain the variations here and include a copy of the income levels as Attachment 3.3.2. For example, a Lead Agency may have entrance and exit eligibility thresholds that differ, allow local counties to set eligibility levels, or have eligibility that differs for families that include a child with special needs.

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3.3.3 Eligibility Based Upon Working or Attending a Job Training or Educational Program / Receiving or Needing to Receive Protective Services

Waiving fees for children receiving (or in need of) protective services may only be done on a case-by-case basis. There is no provision for automatically waiving fees in every protective service case.

The Lead Agency is reminded that respite care is allowable only for brief, occasional periods in excess of the normal “less than 24 hour period.”

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3.3.4 Additional Eligibility Conditions

CCDF regulations provide that Lead Agencies are to include in their Plans any additional eligibility criteria and definitions that have been established.

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3.4.2 Priorities for Serving Children and Families

The Lead Agency must give priority for child care services to children:

- With special needs (as defined in Appendix 2);
- In families with very low incomes (as defined in Appendix 2).

However, the statute and the regulations do not prescribe how to “give priority.” For example, priority can be achieved by setting

	<p>aside specific funds or slots for special needs or very low income children. “Special needs” in this context may be broadly defined. It is not limited to children with physical or mental disabilities.</p>
3.4.4 Additional Priority Rules	<p>CCDF regulations provide that Lead Agencies are to include in their Plans any additional priority rules and definitions that have been established.</p>
3.4.6 Serving All Eligible Families	<p>Given the policy choices States and Territories have made in terms of eligibility limits, priorities, parent co-payments and provider reimbursement rates, many States and Territories are unable to serve all families that are technically eligible for child care assistance under CCDF. The Plan asks the Lead Agency whether the State or Territory maintains a waiting list. States and Territories should answer “yes” if they have policies and procedures in place to maintain a waiting list, even if all CCDF-eligible families are currently being served.</p>
3.5.1 and 3.5.2 Sliding Fee Scale for Child Care Services	<p>The attachment must include an explanation – e.g., an excerpt from an eligibility worker’s manual – of how the sliding fee scale works; whether, for example, it varies by number of children in care or the cost of care.</p> <p>Other factors that may determine a family’s contribution may include number of children in care, cost of care, and/or whether care is full or part-time. Lead Agencies are also asked to note whether they set a maximum amount (family cap).</p>
3.5.3 Waiving Parental Contributions	<p>The 2007 HHS Poverty Guideline is \$17,170 for a family of three. For other family sizes apply \$3,480 per person, except in Alaska and Hawaii. For Alaska, the 2007 HHS Poverty Guideline for a family of three is \$21,470 (apply \$4,350 per person for other family sizes). For Hawaii, the 2007 HHS Poverty Guideline for a family of three is \$19,750 (apply \$4,000 per person for other family sizes). The HHS Poverty Guidelines for 2007 were published on January 24, 2007. (72 FR 3147-3148) They are available on the U.S. Government Printing Office website at: <a href="http://www.access.gpo.gov">www.access.gpo.gov</a>.</p> <p>The Lead Agency is not required to use the HHS Poverty Guidelines for 2007, but must indicate the poverty level it is using if it elects to waive the required fee.</p>
3.5.4 Allowing Providers to Charge Additional Fees	<p>Allowing providers to charge parent fees in addition to those included under the sliding fee scale may have serious implications for access and affordability of child care by low-</p>

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income families.

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3.5.5 Affordability of Parental Co-payments

The preamble to the regulations suggests that co-payments that are no more than 10 percent of family income would be “affordable.” It should be noted, however, that the regulations do not establish this or any other standard or criteria that co-payments must meet. The suggested percentage may be too high for some very low-income families and not high enough to prevent “cliffs” for families nearing their State’s eligibility limit. The explanation, at a minimum, should indicate the percent of its income that a typical family would use to meet its co-payment. Lead Agencies are reminded that co-payments may not vary based on a family’s eligibility status or circumstances, or on the category of care or type of provider.

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4.1 Application Process / Parental Choice

A description of the eligibility process for families should be provided. The description should include any variations in the eligibility process based on eligibility category as well as information about how parents who receive TANF benefits are informed about the exception to individual penalties as described in Section 4.4.

4.1 (continued)

The description should also address the length of the CCDF eligibility determination period including any extension to the eligibility period in support of collaborative arrangements between child care and Head Start or pre-K programs. (See ACYF-PIQ-CC-99-02, February 8, 1999.) For example: *“Generally, eligibility is redetermined every six months via a mailed certification. Where the child is receiving child care service in a collaborative arrangement with another program, the CCDF eligibility period will be the same as the eligibility period or service delivery criteria of the collaborative program. For Head Start/child care collaborative programs, the CCDF eligibility period is two years; for pre-K programs, the CCDF eligibility period coincides with the school year (e.g., nine months).”*

The Lead Agency can forestall audit questions by documenting in its Plan CCDF eligibility periods when different eligibility determination periods apply depending on the nature of the services provided.

Several child care studies indicate that barriers to initial and continuing eligibility for child care subsidies can deter low-income families from receiving subsidies and result in discontinuity of care for children. Some States have instituted on-line eligibility determination, extended the hours eligibility

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	offices are open, and increased eligibility periods to minimize barriers to subsidy receipt.
4.2 Records of Parental Complaints	The Lead Agency itself need not maintain the records of substantiated parent complaints. That function may be undertaken by another State or Territorial agency. Regardless of who maintains the records, the Lead Agency must provide the required detailed description about how the information is made available to the public on request. The description should include the contact for obtaining information about parental complaints.
4.3 Unlimited Access to Children in Child Care Settings	Examples of procedures include: 1) <i>“All provider contracts include a certification that the provider affords unlimited parental access, and all providers must sign a contract in order to be paid.”</i> 2) <i>“This is a requirement of the State licensing and registration process.”</i> 3) <i>“The Lead Agency sends periodic reminders to all providers about this policy.”</i>
4.4 Criteria or Definitions Applied by TANF Agency to Determine Inability to Obtain Child Care	<p>The regulations do not establish any criteria or standard against which the requested TANF definitions are to be judged. This information is requested as a means of providing information to the public. ACF recognizes that the TANF definitions are not the responsibility of the CCDF Lead Agency. Therefore, the question also asks that the TANF agency be identified.</p> <p>Attaching a copy of the applicable TANF Plan pages is sufficient. However, merely referring to a State or Territorial TANF document (e.g., “as described in the TANF Plan submitted to ACF”) would not fulfill the public information purpose of this question.</p>
5.1.1 Quality Earmarks	<p>Since Congress has earmarked funds for specific quality and access activities, the Plan requests separate descriptions of Lead Agency activities and services to improve the quality of care for infants and toddlers, as well as its resource and referral services and school-age activities. (See ACYF-IM-CC-99-01, January 22, 1999.)</p> <p>The maximum age of a toddler for purposes of the infant and toddler earmark is 36 months.</p> <p>In identifying the entity performing a specific task, Lead Agencies are encouraged to use one of the indicators listed in the guidance for Section 1.6 (above).</p> <p>In the past, quality and access activities have included funding for:</p>

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- College course development
  - Compensation incentives
  - Evaluation initiatives
  - Grants and grants expansion
  - Healthy Child Care America
  - Inclusion activities that promote access to child care for children with special needs
  - Lending libraries
  - Licensing compliance activities
  - Mental health consultants
  - Mentoring
  - Nurse consultants
  - Other provider incentives
  - Program staff training
  - Provider training
  - Quality ratings
  - Scholarships
  - T.E.A.C.H.® (Teacher Education And Compensation Helps)
  - Technical assistance
  - Tiered reimbursement
  - Services to children of families with limited English proficiency

To facilitate comparisons across States and Territories, Lead Agencies are encouraged to use the terms listed above, if applicable, in describing their quality and access activities.

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#### 5.1.2 Quality Set-Asides

Estimate the amount and percentage of the total CCDF that will be used for activities and services to improve the quality and availability of child care, provide comprehensive consumer education, and/or increase parental choice. Show only the amount of the Federal CCDF funds – including earmarked amounts – and required State CCDF matching expenditures (i.e., do not include the cost of services and activities paid for with State MOE funds). The Lead Agency is reminded that no less than four percent of the total CCDF (which includes the State’s

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share of the Matching fund and earmarked funds) must be used for quality activities. (While the earmarked funds are included in calculating the “not less than four percent expenditure requirement,” they do not count toward meeting the four percent expenditure requirement.)

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5.1.3 - 5.1.4 Quality Earmarks and Set-Asides

The list provided reflects options many Lead Agencies have selected in the past. It is not intended to be inclusive, nor is it intended to exclude other services or activities that meet the intent of the Act. The Lead Agency may include other services or activities not on the list by indicating “Yes” in the last selection. The expected results of all activities and services marked “Yes” must be described in 5.1.4.

In identifying the entity performing a specific task, Lead Agencies are encouraged to use one of the indicators listed in the guidance for Section 1.6 (above).

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5.2 Good Start, Grow Smart Planning and Development

As part of the President’s *Good Start, Grow Smart* initiative and consistent with the intent of Congress as expressed in the No Child Left Behind (NCLB) Act of 2001 (Pub. L 107-110), the Administration has proposed a stronger Federal-State partnership in the delivery of quality early childhood services. Statutorily, this initiative is supported by Sections 658D(b)(1)(D), 658E(c)(3) (B), and 658G of the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended. These sections require States and Territories to coordinate the provision of child care services with other Federal, State, and local child care and early childhood development programs and to use a portion of the funding they receive to improve the quality of child care services.

5.2 (continued)

ACF’s authority rests on its inherent and legal right to information about how funds are being spent. Further, Section 658G requires States and Territories to expend at least 4 percent of their funding for certain activities, including quality improvement activities, and the voluntary guidelines are an appropriate quality improvement activity. The regulations at 45 CFR 98.16(r) provide that a State plan “shall contain...(r) Such other information as specified by the Secretary.” These provisions provide the basis for requesting information from the States and Territories.

The coordination provisions of Section 658D(B)(1)(D) can be read in conjunction with the requirements of the NCLB Act – in particular the “Reading First” program found at 20 SC 6301(11) of the NCLB Act, the “Early Reading First” program found at 20 USC 6371, et seq., the William F. Goodling Even Start Family

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Literacy Programs found at 20 USC 6381, et seq., and the Ready-to-Learn Television provisions. Given the provisions of the NCLB Act and the quality and coordination requirements of CCDF, it will be to a State's or Territory's benefit to work in a coordinated way to develop voluntary guidelines for early learning that align with the State's or Territory's standards for K-12.

Lead Agencies are asked to describe the progress of its State or Territory in developing: 1) voluntary State guidelines on literacy, language, pre-reading, and early math concepts for children ages 3 to 5 that are in alignment with State K-12 standards (Section 5.2.1); 2) a plan for the professional development and training of child care teachers, providers and administrators to enable them to support the school readiness of young children (Section 5.2.5); and 3) a plan for coordination across early childhood programs and funding streams (Section 2.1.2). The intent of these questions is to determine what States and Territories are doing to further the early learning and school readiness of young children. In this context, "What States are doing" is broadly construed to include relevant activities being carried out with leadership from the CCDF Lead Agency as well as other entities within the State or Territory. For instance, the development of guidelines may be under the auspices of the State Education agency. In this example, the CCDF Lead Agency would describe those efforts, including the Lead Agency's involvement to ensure that the guidelines are appropriate to children served in a variety of child care settings.

For purposes of *Good Start, Grow Smart* and Section 5.2 of the preprint, the following definitions apply:

- *Benchmarks or indicators*: examples of behaviors that indicate progress toward, or attainment of, knowledge and competencies in a particular knowledge domain; for example, ability to follow simple directions is an indicator of the child's progress towards achieving competence in the listening/receptive area of the language domain.
- *Early learning guidelines*: research-based, measurable expectations about what children should know (understand) and do (competencies and skills) in different domains of learning. While these guidelines may be voluntary in their implementation, they should be relevant without regard to child care setting or whether or not a child has spent his or her preschool years in the care of a parent. Early learning guidelines differ from instructional guidelines, i.e., guidelines

5.2 (continued)

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that identify the processes or practices that support development of knowledge, competencies and skills in children.

- *Guiding principles*: broad statements of the goals that provide a framework for the development, implementation, and assessment of early learning guidelines at the State or Territory level. The guiding principles underlying the development of early learning guidelines may include statements such as: “*The need to improve outcomes for young children and their families and to assure that every child enters school with the skills and competencies necessary to succeed.*”
- *Knowledge domain*: a set of elements that defines the content of a particular knowledge area. For example, in early childhood, the language domain includes spoken/expressive language and listening/receptive language; the literacy domain includes phonological awareness, book knowledge, print awareness, early writing and alphabet knowledge. Other knowledge domains include: social, emotional, physical, cognitive, science, mathematics, creative arts, and approaches to learning.

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5.2.1 – 5.2.4

Voluntary Early Learning Guidelines

**Current Status.** States and Territories are at various stages in developing early learning guidelines, and this has important implications for the work they will do in connection with *Good Start, Grow Smart*. This section provides an opportunity for a Lead Agency to describe the progress of its State or Territory toward developing early learning guidelines, and in particular describe the progress made by the State and Territories since the submission of the 2006-2007 State Plan.

**Process.** Some States and Territories may have guidelines that were developed for pre-kindergarten programs without the involvement of the child care community. If these guidelines are research-based, and consistent with the definition of early learning guidelines described above, the Lead Agency may indicate that they will work with their State Education Agency to develop a plan for engaging the child care community in the review, dissemination, and implementation of the guidelines.

5.2.1 – 5.2.4 (continued)

Early learning guidelines should align with guidelines/standards for children in kindergarten through later grades. To this end, a number of States have assessed the types of knowledge, competencies, and skills that children are expected to develop once they enter school and have designed broad guidelines covering the desirable and general competencies and skills

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needed to support effective learning upon entering school.

Note: If other departments in State or Territorial government have not yet designated the entity/person that will be involved in developing guidelines, a Lead Agency can indicate in the plan that it will take steps to work with the entity/person when designated.

**Domains.** Early learning guidelines reflect expectations for children’s development of knowledge, skills and competencies in various domains, such as language, cognition, early literacy, early math concepts, and social and emotional competence. These competencies differ for children of different ages, e.g., infants, toddlers, and preschoolers. The *Good Start, Grow Smart* presidential initiative addresses knowledge and competencies for children ages three to five years, in the domains of early language, literacy, pre-reading, and early math concepts. However, many States and communities have developed, or are in the process of developing, early learning guidelines that address other domains of learning, as well as children younger than three.

**Implementation.** In order for guidelines to be implemented across diverse early care and education settings, information about the purpose, benefits, and appropriate implementation of the guidelines needs to be disseminated among all early childhood stakeholder groups. In some instances, dissemination and implementation has been facilitated by piloting the guidelines in selected groups of settings and providing training on best practices to mentors, technical assistance specialists and parents. In addition, some States and communities tie implementation of early learning guidelines to systems of licensing and certification; require implementation in targeted settings in exchange for public funding; or support implementation through different types of incentives.

**Assessment.** The principal goal of *Good Start, Grow Smart* is to support research-based early childhood education strategies that will result in young children having the knowledge, competencies, skills, and dispositions they need to progress and succeed in school. In developing the component parts of *Good Start, Grow Start*, States and Territories are encouraged to actively consider what types of research and evaluation may be helpful in demonstrating the effects associated with development and implementation of early learning guidelines, provider training and education, and increased coordination among early childhood programs. In addition, some States and communities

5.2.1 – 5.2.4 (continued)

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are implementing diagnostic assessments designed to screen children for risk factors and classroom-based instructional assessments designed to inform teaching and services throughout the school-year.

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5.2.5  
State Plans for  
Professional Development

Early learning guidelines that offer a clear and specific vision for what young children should know and be able to do when they enter school provide States and Territories with a solid basis for their professional development plans. A professional development plan should address the competencies providers in different child care settings need to ensure that young children acquire the knowledge, skills and abilities suggested by the State's early learning guidelines. This, in turn, guides the implementation of specific provider education and training strategies and provides the basis for evaluating the effectiveness of the strategies in achieving desired outcomes.

This section provides an opportunity for Lead Agencies to describe: their progress toward developing plans, their plans as currently implemented, and revisions to their current plans. In particular, Lead Agencies are asked to describe the progress and changes made since the submission of the 2006-2007 State Plan.

If a Lead Agency has addressed its plans for professional development under Section 5.1.3, it can reference those sections in Section 5.2.5.

**Plans.** Research emphasizes the need for a systematic approach to professional development that addresses the individual needs of learners. In this section, professional development is defined as systems of training and instruction developed for the purpose of improving the preparation and ongoing development of child care providers. States and Territories are encouraged to develop systems of professional development in partnerships with key stakeholders that are: comprehensive and aligned with other efforts to support early learning in children; built on a clearly articulated philosophical framework and core body of knowledge; tied in content and approach to the needs of the population served; oriented to providing a continuum of training opportunities, including a variety of formats and service delivery models (such as coaching and mentoring); and linked to a system of licensing, credentials, and/or certification.

**Goals:**

5.2.5 (continued)

Articulated goals identify desired outcomes, providing a foundation for plan development, implementation, and revisions. They can contribute to decision-making, help determine the type

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and level of stakeholder involvement, and inform the standards for assessing effectiveness.

**Incentives.** Examples of provider-level incentives that might encourage participation in professional development include: training scholarships; loan forgiveness programs; merit awards or completion bonuses; wage enhancement initiatives; and credits for continuing education.

Examples of program-level incentives that might encourage provider participation in professional development include: tiered reimbursement; quality rating systems; support for substitute pools; and providing supplies and/or equipment.

**Outcomes.** Professional development plans may include approaches or processes to assess achievement of articulated goals and/or desired outcomes of the overall plan, and to gauge effectiveness of outcomes of components of the plan. A State might conduct or commission a study to determine how well a plan is being implemented, if the desired outcomes have been achieved, or if one component of the plan is more effective than another. Reports generated by automated tracking systems or developed by local training entities are sometimes used to gauge participation levels, movement in professional achievement, retention rates, or increased wages. Consideration should be given to assessment plans that take into account the past experiences, strengths, knowledge and needs of participants; acknowledge cultural and linguistic diversity; and assist participants in advancing to higher levels of professional development.

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6.1 Health and Safety Requirements for Providers

**NOTE:** Part 6 is completed by the 50 States and the District of Columbia only. Territories complete Part 7.

Section 658E(c)(2)(E) of the CCDBG Act requires the Lead Agency to provide “a detailed description” of its licensing requirements. The National Resource Center for Health and Safety in Child Care (NRCHSCC) provides a comprehensive, current, on-line listing of the licensing and regulatory requirements for child care in the 50 States and the District of Columbia. The listing, which is maintained by the University of Colorado Health Sciences Center School of Nursing, is readily available to the public on the World Wide Web at: <http://nrc.uchsc.edu>.

6.1 (continued)

ACF accepts the NRCHSCC compilation as fulfilling the statutory requirement. Nevertheless, the Lead Agency should verify that the NRCHSCC listing accurately reflects the State



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requirements. If the NRCHSCC listing is inaccurate, contact them at 800.598.5437 or e-mail: [Natl.child.res.ctr.@UCHSC.edu](mailto:Natl.child.res.ctr.@UCHSC.edu).

The first question in each section of Part 6 (6.1.1, 6.2.1, 6.3.1 and 6.4.1) is designed to show if all care in the stated category is licensed. As indicated, if all care is licensed, the Lead Agency answers “Yes” to the first question, responds to the second question related to changes in licensing requirements, and skips the third question. If any care in the stated category is not licensed, the Lead Agency must describe which providers are exempt from licensing under State law and complete the questions on health and safety requirements that apply only to that unlicensed care (6.1.3, 6.2.3, 6.3.3, and/or 6.4.3).

Example: All center-based care in the State is licensed except that provided in school-based programs. The Lead Agency checks “NO” in the response to 6.1.1, lists school-based programs as an exempt category of care, and describes in 6.1.3 the health and safety requirements that apply to school-based centers.

Legal care that is not licensed by the State is not included in the NRCHSCC listing and must be described in the appropriate section of Part 6.

Example: A caregiver caring for fewer than three unrelated children is registered by the Lead Agency, but is not licensed. Because such caregivers are not licensed they are not included in the State NRCHSCC listing. The health and safety requirements for these providers must be described.

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#### 6.5 Exemptions to Health and Safety Requirements

The Lead Agency has the option to exempt from its health and safety requirements only those relatives specifically mentioned in the Act; it is not required to exempt them. The Lead Agency should indicate its policy regarding relative providers. If relative providers are subject to different requirements than licensed providers, the requirements that apply to relatives must be described.

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#### 6.6 Enforcement of Health and Safety Requirements

Under the statute and regulations that govern CCDF, each Lead Agency is required to certify the procedures that are in effect to ensure that providers serving children whose care is subsidized through CCDF comply with applicable health and safety standards.

Lead Agencies are to indicate whether or not they conduct routine unannounced visits on child care providers, perform

6.6 (continued)	<p>background checks on providers (or their family members), and/or require that providers report serious injuries that occur while a child is in care. In addition, Lead Agencies are asked to describe other methods used to ensure that health and safety requirements are enforced. This might include information about the percent of providers inspected annually, the number of inspections conducted annually, the length of time between inspections, etc.</p> <p>For purposes of this section, “routine” unannounced visits are those that are conducted as a matter of policy, not for purposes of licensing or formal complaint investigation. “Serious injuries” are defined as injuries to a child in care that require medical treatment by a doctor, nurse, dentist, or other medical professional.</p>
<p>Part 7 7.1 - 7.4 Health and Safety Requirements for Providers in the Territories</p>	<p>Only Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands and American Samoa complete Part 7.</p> <p>Because the Territories are not included in the NRCHSCC compilation, the health and safety requirements must be described for all four categories of care. The health and safety requirements for all care, whether licensed, regulated, or otherwise legal, that is paid for with CCDF funds must be described.</p>
7.5 Exemptions to Territorial Health and Safety Requirements	<p>The Lead Agency has the option to exempt from its health and safety requirements only those relatives specifically mentioned in the Act; it is not required to exempt them. The Lead Agency should indicate its policy regarding relative providers. If relative providers are subject to different requirements than licensed providers, the requirements that apply to relatives must be described.</p>
7.6 Enforcement of Territorial Health and Safety Requirements	<p>Under the statute and regulations that govern CCDF, each Lead Agency is required to certify the procedures that are in effect to ensure that providers serving children whose care is subsidized through CCDF comply with applicable health and safety standards.</p> <p>Lead Agencies are to indicate whether or not they conduct routine unannounced visits, perform background checks on providers (or their family members), and/or require that providers report serious injuries that occur while a child is in care. In addition, Lead Agencies are asked to describe other methods used to ensure that health and safety requirements are enforced. This</p>

	<p>might include information about the percent of providers inspected annually, the number of inspections conducted annually, the length of time between inspections, etc.</p> <p>For purposes of this section, “routine” unannounced inspections are those that are conducted as a matter of policy, not for purposes of licensing or complaint investigation. “Serious injuries” are defined as injuries to a child in care that require medical treatment by a doctor, nurse, dentist, or other medical professional.</p>
Appendix 1 – Program Assurances and Certifications	Note that the Plan does not include the additional certifications listed at 45 CFR 98.13(b)(2)-(6), i.e., lobbying, drug-free workplace, debarment, nondiscrimination and smoking prohibitions. These certifications were obtained in the 1997 Plan and need not be collected again. Even if the Lead Agency has changed, these certifications apply to the successor agency.
Appendix 2 – Eligibility and Priority Terminology	
“in loco parentis”	Those who may serve “in the parent’s place” for purposes of the CCDF must be identified. For example: “ <i>any blood relative with custody (whether or not court-ordered) or any person with court-ordered custody.</i> ” A definition such as “a person acting in the parent’s place” is not adequate.
“Protective Services”	<p>A Lead Agency that chooses to provide respite care to children in protective services (as indicated in questions 3.3.7 and 3.3.8) must explain the circumstances under which respite care is offered. As explained in the preamble at 63 FR 39949, respite care can only be used in cases where a child receives or needs to receive protective services.</p> <p>Because the use of respite child care may differ from how it is used/defined for other purposes (such as child welfare), the definition should address who makes the determination that a child “needs to receive” protective services.</p>
“Special Needs”	The Lead Agency should distinguish between “special needs” for purposes of payment rates (i.e., children with disabilities), if applicable, and “special needs” for purposes of prioritizing services.
“Very low income”	As indicated in Section 3.3.1, the Act governing the CCDF requires States and Territories to give priority to families with

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“very low income.”

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Appendix 3 – Additional  
Certifications

The Additional Certifications required by CCDF Regulations have already been completed and are on file with ACF. No additional action is required unless a State transfers authority over CCDF to another Lead Agency.

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Required Attachments  
Required Attachments.  
(continued)

States and Territories should list the name and number of each attachment to their CCDF Plan in the table of contents. If States wish to include additional attachments that are not required, those additional attachments should be labeled with a description and a cross reference to the section to which the attachment relates (e.g., Attachment 2.2a – Copy of Flyer Announcing Public Hearing).

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