

**To:** Jordan Cohen  
Office of Information and Regulatory Affairs (OIRA)  
Office of Management and Budget (OMB)

**From:** Ruth Friedman, PhD  
Director, Office of Child Care  
Administration for Children and Families (ACF)

**Date:** August 3, 2021

**Subject:** NonSubstantive Change Request – Child Care and Development Fund (CCDF) ACF-696 Financial Report for States and Territories (OMB #0970-0510)

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This memo requests approval of NonSubstantive changes to the approved generic information collection (GenIC), Child Care and Development Fund (CCDF) ACF-696 Financial Report for States and Territories (OMB #0970-0510; Generic Clearance for Financial Reports).

### ***Background***

On March 11, 2021 the American Rescue Plan (ARP) Act of 2021, (Public Law 117-2) was signed into law. The ARP Act appropriated funding for child care through three funding streams. These include:

- Section 2201. \$14,990,000,000 for CCDF Supplemental Discretionary Funds, available until September 30, 2024.
- Section 2202. \$23,975,000,000 for child care stabilization grants, available until September 30, 2023.
- Section 9801. \$3,550,000,000 in Mandatory and Matching funding for CCDF, an increase to the existing, permanent annual appropriation.

The ACF-696 is currently approved under OMB Control Number 0970-0510 through May 31, 2024. At this time, ACF is seeking approval for NonSubstantive changes to the form and form completion instructions.

Currently, States, the District of Columbia, and five U.S. Territories that receive CCDF funding (American Samoa, Commonwealth of Northern Mariana Islands, Guam, Puerto Rico, and Virgin Islands) submit quarterly ACF-696 Financial Reports. The frequency will remain the same with additional reporting capabilities for ARP Act, since there is no financial reporting mechanism for the ARP Act supplemental Discretionary and Stabilization funds at this time.

### ***Overview of Requested Changes***

ACF proposes the following updates to the current form and instructions:

- (1) Inclusion of reporting on ARP Act supplemental Discretionary and Stabilization funds made available by the ARP Act of 2021, Public Law 117-2. This includes adding addi-

tional reporting columns on the ACF-696 for ARP Act Discretionary and Stabilization Funds.

- (2) Addition of cost categories, 'ARP Act Stabilization Subgrants to Providers' and 'ARP Act Stabilization Set Aside (Admin &TA)' to capture the allowable uses of ARP Act Stabilization funds.
- (3) Addition of descriptive language in the form completion instructions concerning requirements and allowable uses of all three funding streams of ARP Act funds.
- (4) Minor updates and revisions to the form completion instructions necessary to improve clarity in areas where the grantee population has provided feedback.

We consider the above changes to be NonSubstantive in nature while providing improved simplicity and clarity for users of the ACF-696. The estimated average burden per response will remain at 6 hours.

### ***Time Sensitivities***

The next ACF-696 Financial Report, quarter-end 9/30/21, has a due date of October 30, 2021. Since ARP Act funds were awarded during the current federal fiscal year (FFY), it is important that grant recipients have a mechanism to report ARP Act expenditures on the quarter-ending 9/30/21 report, so that ACF can monitor grant obligations and liquidations made during the FFY. Further, it takes a significant amount of staff hours to program updates to financial reporting forms in ACF's grant reporting system. Therefore, a prompt approval is desired to ensure timely reporting can be achieved by the state and territory CCDF grantee population.