

Legislation to Reauthorize the Child Care and Development Fund (CCDF)

	Current Law	HR 4	Senate HELP bill – Caring for Children Act of 2003 (S. 880)
Status		Passed by the House on 2/13/03	Passed by the Senate HELP Committee on 4/2/03
Funding	\$2.1 B in discretionary (decreased by .65%) \$2.7 B in mandatory	Increases discretionary funding by \$1 B over five years Increases mandatory funding by \$1 B over five years	Increases discretionary funding by \$1 B over five years (Senate Finance Committee has jurisdiction over mandatory \$)
Goals	<ul style="list-style-type: none"> • Allow each State maximum flexibility in developing child care programs • Promote parental choice • Encourage States to provide consumer education • Assist States to provide child care to parents trying to achieve independence from public assistance • Assist States in implementing health, safety, licensing and registration standards established in State regulations 	Amends the goals to include: <ul style="list-style-type: none"> • Assist (versus encourage) States to provide consumer education • Assist States to provide child care to low income parents (versus parents trying to achieve independence from public assistance) • Encourage States to improve the quality of child care available to families • Promote school readiness by encouraging the exposure of young children in child care to nurturing environments and developmentally appropriate activities including activities to foster early cognitive and literacy development 	Amends the goals to include: <ul style="list-style-type: none"> • Assist States to provide child care to low-income working parents (adds working via Jeffords Amendment) • Assist States in improving the quality of child care available to families • Promote school preparedness by encouraging children, families and caregivers to engage in developmentally appropriate and age appropriate activities in child care settings that will: <ol style="list-style-type: none"> (a) improve the children’s social, emotional, and behavioral skills; (b) foster their early cognitive, pre-reading and language development; and (c) promote parental and family involvement in the education of young children
Lead agency	The chief executive officer of a State shall designate an appropriate State agency to act as the lead agency		The chief executive officer of a State shall designate an agency (which may be an appropriate collaborative agency), or establish a joint interagency office to serve as the lead agency

	Current Law	HR 4	Senate HELP bill
Consumer Education (State Plan)	Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.	Amends certification to include that the State will collect and disseminate through resource and referral services and other means as determined by the State information regarding: <ul style="list-style-type: none"> • the promotion of informed child care choices, including information about the quality and availability of child care services • research and best practices on children’s development • availability of assistance to obtain child care services • other programs for which families that receive child care services for which financial assistance is provided under this subchapter may be eligible 	Same as HR 4 plus moves requirement that states report annually on “the manner in which consumer education was provided to parents and the number of parents to whom such information was provided” from the annual aggregate data report to the state plan.
Recertification (State Plan)			<p>Adds new section to state plan requesting description of procedures and policies in place to ensure that working parents are not unduly disrupted from employment in order to comply with State’s redetermination procedures</p> <p>Provides that a child must receive assistance for at least six months before redetermination takes place</p> <p>Provides State option to demonstrate that State will not terminate assistance based on a parent’s loss of work or cessation of attendance at a job training or education program without continuing assistance for at least one month</p>

	Current Law	HR 4	Senate HELP bill
Coordinating with Other Programs (State Plan)		Adds new section in the state plan for description of how the State will coordinate early childhood education activities with Head Start, Early Reading First, Even Start, Ready to Learn Television, state pre-kindergarten programs, and other early childhood education programs. (contains Ready to Learn Television but not IDEA)	Adds new section in the state plan for description of how the State will coordinate early childhood education activities with Head Start, Early Reading First, Even Start, part C of IDEA, state pre-kindergarten programs, and other early childhood education programs. (contains IDEA but not Ready to Learn Television)
State plan		Amends state plan for states to demonstrate: <ul style="list-style-type: none"> • How the state is encouraging partnerships with private and other public entities to leverage services and increase supply and quality. • Access to care for children with special needs, infants and toddlers, and those requiring care during nontraditional hours 	HR 4 plus: <ul style="list-style-type: none"> • Any early learning and childhood development training requirement in effect • Description of how the State will inform parents receiving TANF and low income parents about eligibility for child care assistance
Resource and Referral System			Provides that a State may use CCDF funds to establish or support a system of local child care resource and referral (R and R) organizations coordinated by a statewide private, nonprofit, community-based lead child care R and R. The local R and R shall: <ul style="list-style-type: none"> • Provide parents with information and consumer education • Collect and analyze data on supply of and demand for child care and submit reports to the State • Work to establish private partnerships with public agencies and private entities to increase the supply and quality of child care services
Direct Services			Provides direct service set aside of 70% of the funds remaining after deducting 6% for quality and 5% for administration Direct services defined by the States

	Current Law	HR 4	Senate HELP bill
Payment Rates	<p>Certify that payment rates are sufficient to ensure equal access for eligible children to comparable child care services in the State or substate area that are provided to children whose parents are not eligible to receive assistance under this subchapter or for child care assistance under any other Federal or State programs and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access.</p>		<p>Directs states to conduct market rate survey every 2 years and provide details of the results.</p> <p>Description of how the State will provide for timely payment for child care services and set payment rates for CCDF funded services in accordance with the results of the market rates survey without reducing the number of families in the State receiving assistance</p> <p>Description of how the State will make the survey results publicly accessible and posted on the Internet within 30 days of completing the survey</p> <p>Extends stipulation on no private right of action by stating that nothing in the legislation be construed to prevent a State from differentiating payment rates on the basis of geographic location, age or special needs, or provision of care during weekend and other nontraditional hours.</p>
Quality Set Aside	4%	6%	6%

	Current Law	HR 4	Senate HELP bill
Quality Set Aside Activities		<p>Set aside limited to activities designed to improve the quality of child care services in the State available to low-income parents from eligible child care providers.</p> <p>Activities include:</p> <ul style="list-style-type: none"> • Programs that provide training, education and other professional development • Activities to enhance early learning, promote early literacy and school readiness • Provider wage and retention initiatives • Other activities deemed by the State to improve the quality of child care services 	<p>Quality funds can only be used, either directly or through contracts with R and Rs to:</p> <ul style="list-style-type: none"> • Develop and implement voluntary guidelines on pre-reading and language skills • Support activities which enhance early learning for young children, promote literacy and foster school preparedness • Offer training, professional development and educational opportunities for child care providers • Engage in programs designed to increase provider wages and retention • Evaluate and assess the quality and effectiveness of child care programs offered on improving school preparedness • Other activities determined by the State to improve quality for which measurement outcomes relating to improved child safety, child well-being, or school preparedness are possible
Quality Set Aside Certification		<p>Adds section to the state plan certifying compliance with the quality set-aside provisions the preceding fiscal year</p>	<p>The State shall annually submit to the Secretary certification of compliance with the quality set-aside provisions the preceding fiscal year.</p>

	Current Law	HR 4	Senate HELP bill
Strategy		<p>The State shall annually submit to the Secretary:</p> <ul style="list-style-type: none"> • Statement specifying how the State will address the activities carried out under the quality set-aside • Description of quantifiable, objective measures that the State will use to evaluate progress in improving quality, evaluating separately the impact of the activities listed under the quality set-aside • A list of State-developed quality targets • A report on progress to achieve the targets the preceding fiscal year would be required of states. 	<p>HR 4 plus:</p> <p>If the Secretary determines that a State failed to make progress, the Secretary shall require the State to submit an improvement plan that describes the measures the State will take to make that progress.</p>
Optional priority uses			<p>The State shall consider using a portion of excess funds to:</p> <ul style="list-style-type: none"> • support rate increases • tiered reimbursement • rate increases for children in communities served by local agencies identified for improvement under the ESEA <p>Clarification that nothing in this section shall be construed to require a State to take action that would result in a reduction of child care services to eligible children</p>

	Current Law	HR 4	Senate HELP bill
Reporting requirements	<p>Case level data reports including:</p> <ul style="list-style-type: none"> • family income; • county of residence; • the gender, race, and age of children receiving such assistance; • whether the head of the family unit is a single parent; • the sources of family income, including: employment, cash or other assistance under the temporary assistance for needy families program and a State program for which State spending is counted toward the maintenance of effort requirement under section 409(a)(7) of the Social Security Act; housing assistance; assistance under the Food Stamp Act and other assistance programs; • the number of months the family has received benefits; • the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care); • whether the child care provider involved was a relative; • the cost of child care for such families; 		<ul style="list-style-type: none"> • Deletes receipt of housing subsidy, food stamps, and other assistance programs along with length of subsidy receipt from disaggregated data report • Combines current reporting on whether a family receives assistance under TANF or separate state programs into a single data element • Adds data element on household size • Adds data element on child disabilities • Adds a requirement to collect case closure codes • Amends element on the cost of child care to include information on the amount of the state’s subsidy payment and the amount of the family’s co-payment • Eliminates the requirement to report annual unduplicated numbers of children and families receiving assistance • Eliminates the requirement on number of families receiving assistance through disregards in public benefits programs • Requires states to collect and report the number of children and families receiving child care assistance each month and post information on a website • Allows states two fiscal years after date of enactment to come into compliance with changes to data elements • Secretary may issue waivers to states with plans to procure data systems

	Current Law	HR 4	Senate HELP bill
Reporting Requirements (continued)	<p>Annual reports includes aggregate data concerning –</p> <ul style="list-style-type: none"> • the number of child care providers that received funding under this subchapter as separately identified based on the types of providers • the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided; • the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided; • the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; • the total number (without duplication) of children and families served 		

	Current Law	HR 4	Senate HELP bill
Reporting by the Secretary	Not later than July 31, 1998, and biennially thereafter, the Secretary shall prepare and submit to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report that contains a summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 9858i of this title. Such report shall include an assessment, and where appropriate, recommendations for the Congress concerning efforts that should be undertaken to improve the access of the public to quality and affordable child care in the United States	Amends report by Secretary by changing the date to October 1, 2005 and biennially thereafter Report must contain: <ul style="list-style-type: none"> • Summary and analysis of data reported by states • aggregated statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs • assessment and recommendations for Congress concerning efforts that should be undertaken to improve access to quality and affordable child care Secretary may use the national child care data system available through the local, state and national resource and referral organizations to collect the aggregated statistics.	Changes date of the report by the Secretary to Congress to April 30, 2004 and annually thereafter. Report must contain elements in HR 4 plus: <ul style="list-style-type: none"> • report on the progress of States in streamlining data reporting, the Secretary's technical assistance plans and activities • update on the progress of data changes and barriers states face Secretary may use the national child care data system available through the local, state and national resource and referral organizations to collect the aggregated statistics.
Grants	Grants currently included in discretionary allocation		The Secretary shall award: <ul style="list-style-type: none"> • Grants to states to improve infant and toddler care not to exceed \$100 million • Toll free hotline not to exceed \$1 million

	Current Law	HR 4	Senate HELP bill
Definition of an eligible child	<p>The term "eligible child" means an individual:</p> <ul style="list-style-type: none"> • who is less than 13 years of age; • whose family income does not exceed 85 percent of the State median income for a family of the same size; and • who – (i) resides with a parent or parents who are working or attending a job training or educational program; or (ii) is receiving, or needs to receive, protective services and resides with a parent or parents not described in clause (i). 	Replaces state median income criteria with income level established by the State, prioritized by need	Replaces state median income criteria with income level determined by the State involved, with priority based on need as defined by the State
Definition of child with special needs			<p>Child with special needs means:</p> <ul style="list-style-type: none"> • child with a disability as defined by Sec. 602 of IDEA; and • a child who is eligible for early intervention services under part C of IDEA
Rules of construction			Provides that nothing be construed to require a State to impose State child care licensing requirements on a provider, including providers exempt from State licensing requirements on the date of enactment