

Report for Congress

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The Child Care and Development Block Grant: Background and Funding

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Summary

Several federal programs support child care for low-income families, the principal being a federal block grant program: The Child Care and Development Block Grant (CCDBG). The CCDBG is administered by the Department of Health and Human Services (HHS) and provides allotments to states, according to a formula, which are used to subsidize the child care expenses of low-income families with children under age 13.

The CCDBG was first enacted under the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) and authorized through FY1995. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193) amended and reauthorized the CCDBG through FY2002, and repealed the legislative authority for previous child care programs for low-income working and welfare families under the program formerly known as Aid to Families with Dependent Children (AFDC). The CCDBG provides funding for child care services for low-income families, as well as for activities intended to improve the overall quality and supply of child care for families in general. The child care provisions in the 1996 law were developed to achieve several purposes. As a component of welfare reform, the child care provisions are intended to support the overall goal of promoting self-sufficiency through work. However, separate from the context of welfare reform, the legislation attempts to address concerns about the effectiveness and efficiency of child care programs. The child care provisions in P.L. 104-193 are also intended to streamline the federal role, reduce the number of federal programs and conflicting rules, and increase the flexibility provided to states.

The CCDBG is funded through a combination of discretionary and capped entitlement funding, referred to by HHS as the Child Care and Development Fund (CCDF). Discretionary funds are subject to the annual appropriations process (\$2.086 billion were appropriated for FY2003), while the capped entitlement (i.e., mandatory) funding is provided at amounts set in the welfare law (through FY2002). Welfare reauthorization legislation making appropriations for beyond FY2002 has yet to be enacted, however the mandatory child care funding (and the TANF welfare block grant) has been extended on a temporary basis (at the FY2002 rate) through June 30, 2003 (P.L. 108-7).

The Administration's budget for FY2004 requests the same *rounded* level of CCDF funding as was appropriated for FY2003 (and FY2002): \$4.8 billion (\$2.1 billion in discretionary funding, and \$2.7 billion in mandatory funding.)

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The Child Care and Development Block Grant: Background and Funding

Introduction

The Child Care and Development Block Grant (CCDBG) is the primary source of federal funding dedicated solely for child care subsidies for low-income working and welfare families.¹ The program is administered by the Department of Health and Human Services (HHS), and provides block grants to states, according to a formula, which are used to subsidize the child care expenses of families with children under age 13. In addition to providing funding for child care services, funds are also used for activities intended to improve the overall quality and supply of child care for families in general.

The CCDBG was originally authorized as a component of the Omnibus Budget Reconciliation Act of 1990, and in 1996 was reauthorized (through 2002) and substantially amended by the Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193), commonly referred to as welfare reform legislation. The CCDBG, as amended by the new law, also consolidated three federal child care programs previously serving low-income working and welfare families under the former federal welfare program known as Aid to Families with Dependent Children (AFDC). The 1996 law significantly changed federal child care policy by giving states more flexibility to design child care policies for low-income families.

The child care provisions in the 1996 law were developed to achieve several purposes. As a component of welfare reform, the child care provisions are intended to support the overall goal of promoting self-sufficiency through work. However, separate from the context of welfare reform, the legislation attempts to address concerns about the effectiveness and efficiency of child care programs. The previous four separate child care programs (the original CCDBG and the three AFDC programs) had different rules regarding eligibility, time limits on the receipt of assistance, and work requirements. Consistent with other block grant proposals considered in the 104th Congress, the child care provisions in P.L. 104-193 are intended to streamline the federal role, reduce the number of federal programs and conflicting rules, and increase the flexibility provided to states.

Public Law 104-193 also created a cash welfare block grant called Temporary Assistance for Needy Families (TANF) to replace AFDC. In addition to amounts

¹ The second largest source of federal support for child care is the Dependent Care Tax Credit, which is a non-refundable tax credit to offset some of the child care expenses of working families with children under 13.

provided to states for child care under the CCDBG, states are allowed to transfer up to 30% of their TANF block grant² into their CCDBG program.

Although both the CCDBG and TANF were due to be reauthorized by the 107th Congress in FY2002, neither a welfare nor child care reauthorization bill made it beyond committee approval. However, funding (\$2.086 billion) for the discretionary portion of the CCDBG was appropriated (P.L. 108-7) for FY2003 without an authorization, and the mandatory portion of child care funding, as well as TANF funding, has been extended (at the FY2002 rates) through June 30, 2003 (also as part of the Consolidated Appropriations Resolution, 2003/P.L. 108-7). Further action will need to be taken to fund the mandatory portion for the final quarter of FY2003. Likewise, the tasks of reauthorizing child care and welfare legislation lie ahead for the 108th Congress.³

Goals

The 1996 law established five goals for the CCDBG. They include allowing states maximum flexibility in developing their child care programs; promoting parental choice; encouraging states to provide consumer education information to parents; helping states provide child care to parents trying to become independent of public assistance; and helping states implement health, safety, licensing and registration standards established in state regulations.

Administration

At the federal level, the CCDBG is administered by the Administration for Children and Families (ACF) within HHS. Regulations implementing the 1996 amendments to the CCDBG were published on July 24, 1998. States are required to designate a lead agency to administer the CCDBG, and may use no more than 5% of their federal allotment for administrative costs. States have tremendous flexibility in the design and operation of their child care policies, but federal law establishes a set of requirements that states must meet in order to receive CCDBG funds. The responsibilities of the lead agency are to administer federal funds, develop a state plan, and coordinate services with other federal, state or local child care and early childhood development programs.

Funding ⁴

The CCDBG is funded by a combination of discretionary and entitlement funding. The combined total of funds is referred to by HHS as the Child Care and Development Fund (CCDF).

² For a discussion of the TANF program, see CRS Issue Brief IB93034, *Welfare Reform: an Issue Overview*, by Vee Burke.

³ For the most recent legislative activity with respect to child care reauthorization and other child care-related issues, see CRS Report RL31817, *Child Care Issues in the 108th Congress*.

⁴ For a detailed discussion of child care funding and the financing of the CCDBG, see CRS Report 31274, *Child Care: Funding and Spending under Federal Block Grants*.

Discretionary Funds. Discretionary funds are subject to the annual appropriations process, and the amended CCDBG of 1996 authorized them through FY2002 at an annual authorization level of \$1 billion. Actual appropriations have surpassed the authorized level, reaching \$2.1 billion in FY2002 (see **Table 1**). In FY2003, appropriations were made without an authorization level. These funds are allocated among states according to a formula which is based on each state's share of children under age 5, the state's share of children receiving free or reduced-price lunches, and state per capita income. Half of 1% of appropriated funds is reserved for the territories, and between 1% and 2% is reserved for payments to Indian tribes and tribal organizations. States are not required to match these discretionary funds. Funds must be obligated in the year they are received or in the subsequent fiscal year, and the law authorizes the Secretary to reallocate unused funds.

FY2003 Appropriation. The Consolidated Appropriations Resolution, 2003 (H.J.Res. 2) was signed into law on February 20, 2003 (P.L. 108-7), with a provision for \$2.1 billion in discretionary CCDBG funding. This is the same level requested by the President in his FY2003 budget. However, the law also includes a provision (Division N, Title VI) to cut a percentage (0.65%) of discretionary funding provided in specified sections of the law (including Division G, which provides for discretionary CCDBG funding), as an offset to increased spending in the law. When HHS accounted for this offset, the Department determined that a rescission of \$13.6 million would be applied to the CCDBG. Therefore the final appropriation for CCDBG discretionary funding in FY2003, after applying the across-the-board cut, is \$2.086 billion.

As in FY2002, the FY2003 appropriation reserves \$19 million for funding for school-age care and resource and referral, \$1 million for the Child Care Aware toll-free hotline, \$100 million for infant and toddler care, \$173 million for quality initiatives, and \$10 million for research.

Entitlement Funds. The welfare reform law also provided entitlement (or "mandatory") funding to states for child care under the CCDBG. The annual amounts of entitlement funding were \$1.967 billion in FY1997; \$2.067 billion in FY1998; \$2.167 billion in FY1999; \$2.367 in FY2000; \$2.567 billion in FY2001; and \$2.717 billion in FY2002. These amounts were directly appropriated by the welfare reform law. Funding for FY2003 was initially extended on a quarterly basis via a series of continuing resolutions, and most recently was extended through June 30, 2003 by P.L. 107-8. Funding for the final quarter of FY2003, and more broadly, the reauthorization of child care and welfare remain legislative agenda items for this year.

The Secretary must reserve between 1% and 2% of entitlement funds for payments to Indian tribes and tribal organizations. After this amount is reserved, remaining entitlement funds are allocated to states in two components. First, each state receives a fixed amount each year, equal to the funding received by the state under the child care programs previously authorized under AFDC in FY1994 or FY1995, or the average of FY1992-FY1994, whichever is greater. This amount equals \$1.2 billion each year, and is sometimes referred to as "guaranteed mandatory" funds. No state match is required for these funds, which may remain available for expenditure by states with no fiscal year limitation.

Second, remaining entitlement funds (following distribution of the “guaranteed” portion, and up to the total amounts listed above) are allocated to states according to each state’s share of children under age 13. States must meet maintenance-of-effort and matching requirements to receive these funds. Specifically, states must spend all of their “guaranteed” federal entitlement funds for child care described above, plus 100% of the amount they spent of their own state funds in FY1994 or FY1995, whichever is higher, under the previous AFDC-related child care programs. Further, states must provide matching funds at the FY1995 Medicaid matching rate to receive these additional entitlement funds for child care. If the Secretary determines that a state will not spend its entire allotment for a given fiscal year, then the unused amounts may be redistributed among other states according to those states’ share of children under age 13.

Beginning in FY1997, the treatment of CCDBG funding in the appropriations process was changed to reflect states’ actual obligation of money for the program. Prior to FY1997, the funds appropriated for the CCDBG only became available for obligation by the states in the last month of the year in which they were appropriated. As a result, most of a given year’s appropriation was actually obligated during the next fiscal year. With the enactment of the FY1997 appropriations law, that practice was changed so that the CCDBG is now officially advance funded by an entire year. In other words, the FY1997 appropriation became available for obligation at the beginning of FY1998 (rather than the end of FY1997). As a result of this change, only \$19 million was appropriated *in* FY1997 specifically *for* FY1997; this amount was added to funds previously appropriated and available for obligation at the end of FY1996. The bulk of the FY1997 appropriation - \$937 million- was to become available in FY1998. This practice of advance funding continued in fiscal years 1999-2001, and is shown in **Table 1**, on the following page.

Table 1. Funding Trends in the CCDBG, FY1997-FY2003
(\$ in millions)

Fiscal year	Discretionary Funding				Total
	Advance appropriation from prior year	Same year's appropriation	All available funds for FY	Entitlement funding	
1997	0 ^a	19 ^a	19 ^a	1,967	1,986^a
1998	937	66	1,002	2,067	3,069
1999	1,000	0	1,000	2,167	3,167
2000	1,183	0	1,183	2,367	3,550
2001	1,183	817	2,000	2,567	4,567
2002	0	2,100	2,100	2,717	4,817
2003	0	2,086 ^b	2,086 ^b	2,717 ^c	4,803^b

Source: Table prepared by the Congressional Research Service (CRS) using annual Health and Human Services, Administration for Children and Families budget justifications and FY2002 appropriations legislation.

^a What appears in the table to be limited discretionary CCDBG funding in FY1997, and consequently, in total funding, actually reflects a shift to advance appropriating of funds for the following fiscal year. The FY1997 appropriation law provided \$956 million for CCDBG, with only \$19 million available immediately during FY1997, and the remainder available on October 1, 1997 (the first day of FY1998). In earlier years the funds appropriated for CCDBG became available for obligation only in the last month of the given fiscal year, and therefore most of the appropriation for a given year (\$935 million in FY1996) was actually obligated in the following fiscal year.

^b The figure shown reflects the 0.65% “across-the-board” cut included in the Consolidated Appropriations Resolution, 2003 (P.L. 108-7).

^c P.L. 108-7 extends mandatory funding for CCDBG through June 30, 2003, at the FY2002 rate.

Transfer of Funds from TANF. As previously stated, in addition to amounts provided to states specifically for child care (shown in **Table 1**), states may also transfer up to 30% of their TANF block grant allotment into their CCDBG. Funds transferred into child care must be spent according to the CCDBG rules. According to the HHS 2002 TANF Annual Report to Congress, in FY2001, states transferred \$1.88 billion (or 8%) of their FY2001 TANF allotments to the CCDBG. However, nothing in the Act precludes a state from using TANF funds for child care services without formally transferring them to the CCDBG, in which case, CCDBG rules do not necessarily apply.

President's FY2004 Budget Request. The Administration's FY2004 budget was released on February 3, 2003, and includes a request for the same levels of CCDBG discretionary and mandatory (“entitlement”) funding as were appropriated for FY2002 (and FY2003, not accounting for the offset): \$2.1 billion in discretionary funding, and \$2.717 billion in mandatory funding. Likewise, the

budget request proposes that the same set-asides be reserved from the discretionary funding total: \$19 million for child care resource and referral (of which \$1 million would be dedicated for the Child Care Aware hotline); \$273 million for quality child care activities (of which \$100 million would be dedicated to improving infant and toddler care); and \$10 million for child care research and evaluation.

Eligible Children and Families

Federal law states that children eligible for services under the CCDBG are those whose family income does not exceed 85% of the state median. However, states have the discretion to adopt income eligibility limits below this federal maximum. Because child care funding is not an entitlement for individuals, states are not required to aid families even if their incomes fall below the state-determined eligibility threshold. Federal law does require states to give priority to families defined in their state plan as “very low income.”

To be eligible for CCDBG funds, children must be less than 13 years old and be living with parents who are working or enrolled in school or training, or be in need of protective services. States must use at least 70% of their total entitlement funds for child care services for families who are receiving public assistance under TANF, families who are trying to become independent of TANF through work activities, and families who are at risk of becoming dependent on public assistance. In their state plans, states must demonstrate how they will meet the specific child care needs of these families. Of their remaining child care funds (including discretionary funds), states must ensure that a substantial portion is used for child care services to eligible families other than welfare recipients or families at risk of welfare dependency. It is estimated that about 1.8 million children received child care subsidies funded by the CCDBG in an average month in 2001.⁵

Application and Plan

To receive federal funding for child care, states must submit an application and plan to HHS.⁶ After an initial 3-year plan, required by the original CCDBG Act in 1990, states are required to submit plans that cover a 2-year period. State plans must certify that their programs will include certain elements. Specifically those plans must certify the following:

Parental Choice. Parents of children eligible to receive subsidized child care must be given the option to enroll their child with a provider that has a grant or contract with the state program to provide such services, or to receive a child care certificate or voucher that can be used with a provider of the parents’ choice. The certificate may be in the form of a check or other disbursement directly to the parent, but must be used for child care services only. State plans must include a detailed description of how this parental choice provision is implemented. Under the

⁵ U. S. Department of Health and Human Services. Available on the Child Care Bureau’s website: [<http://www.acf.dhhs.gov/programs/ccb/research/01acf800/list.htm>].

⁶ For more information on states’ CCDF state plans, see CRS Report RL31605, *Child Care: State Programs Under the Child Care and Development Fund*.

CCDBG Act, eligible child care providers can include individuals, age 18 and older, who provide child care services for their grandchildren, great grandchildren, siblings (if the provider lives in a separate residence), nieces, or nephews.

Parental Access. States must have procedures to ensure that child care providers receiving subsidies will give parents unlimited access to their children and to providers, while the children are in care. State plans must include a detailed description of these procedures.

Parental Complaints. States are required to maintain a record of substantiated complaints made by parents, and to make information about these complaints publicly available upon request. The state plan must include a detailed description of how this record is maintained and made available.

Consumer Education Information. Under the CCDBG Act, states must collect and disseminate, to parents of eligible children and to the general public, consumer education information that will promote informed child care choices. At a minimum, the information must include information about the full range of providers available, and health and safety requirements.

Licensing and Regulation. States must have in effect licensing requirements applicable to child care services provided within the state, and state plans must include a detailed description of these requirements and how they are effectively enforced. Federal law does not dictate what these licensing requirements should be or what types of providers they should cover. The 1996 law specifies that this provision shall not be construed to require that licensing requirements be applied to specific types of providers. The conference report on the 1996 law further states that the legislation is not intended to either prohibit or require states to differentiate between federally subsidized child care and nonsubsidized child care with regard to the application of specific standards and regulations.

Health and Safety Requirements. States must have in effect, under state or local law, health and safety requirements that are applicable to child care providers; and states must have procedures in effect to ensure that subsidized child care providers (including those receiving child care certificates) comply with applicable health and safety requirements. States must have health and safety requirements in the following areas: prevention and control of infectious diseases (including immunization), building and physical premises safety, and health and safety training.

Use of Funds

CCDBG funds may be used for child care services provided on a sliding fee scale basis. However, federal regulations allow states to waive child care fees for families with incomes at or below the poverty guidelines. HHS has suggested that a family's fee be no more than 10% of its income. States may use this 10% limit as a guide in deciding the amount of the fee, but are not required to do so. Funds may also be used for activities to improve the quality or availability of child care, or any other activity considered appropriate by the state to achieve the goals described above.

The 1996 law expands the definition of “child care certificate” to allow these vouchers or disbursements to be used as a deposit for child care services, if such deposits are required of other children cared for by the same provider.

The CCDBG prohibits the use of funds for the purchase or improvement of land or buildings, with a limited exception for sectarian organizations. The 1996 law also added an exception for Indian tribes and tribal organizations, subject to the Secretary’s approval.

Payment for Child Care Services. States must establish payment rates for child care services that are sufficient to ensure equal access for eligible children to comparable services provided to children whose parents are not eligible for subsidies. However, states no longer have to consider variations in costs of serving children in different settings, of different ages groups, and with special needs (this was required in the pre-1996 law). State plans must include a summary of the facts relied upon by the state to determine the sufficiency of their payment rates equal to ensure equal access. HHS suggests that states establish payment rates to at least the 75th percentile of the market rate to ensure equal access for eligible families. However, federal law does not require that payments be set at this rate.

Quality and Availability Improvement. No less than 4% of expenditures made from states’ child care allotments (discretionary and entitlement) is to be made for activities to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).

Federal Enforcement

The Secretary must coordinate child care activities within HHS, and, to the extent practicable, with similar activities in other federal agencies. The Secretary also is required to publish a list of child care standards every 3 years, and to provide technical assistance to states. The Secretary must monitor state compliance with the statute and state plans, and must establish procedures for receiving and assessing complaints against a state.

Upon finding that a state is out of compliance with either the statute or state plan, the Secretary is authorized to require that the state reimburse the federal government for any misspent funds, or to withhold the amount from the administrative portion of the state’s allotment for the next fiscal year, or to take a combination of these steps.

States also must arrange for independent audits of their programs, and must repay the federal government for any funds that are found to have been misspent, or the Secretary may offset these amounts against future payments that are due to the state.

Data Collection

Federal law specifies a set of data reporting requirements for states in the administration of their CCDBG programs. States must submit disaggregated data on children and families receiving assistance to HHS every quarter, and aggregated data twice a year. The law further requires the Secretary to submit a report to Congress once every 2 years. The most recent available data from HHS is from FY2001.

Specifically, the law requires states to collect the following information on each family unit receiving assistance, to be included in quarterly reports: family income; county of residence; gender, race, and age of children receiving assistance; whether the family includes only one parent; sources of family income, separately identified and including amounts; number of months the family has received benefits; the type of child care received; whether the child care provider was a relative; the cost of child care; and the average hours per week of care.

Aggregate data to be reported every 6 months include the number of child care providers that receive funding under this program, separately identified by type; the monthly cost of child care services, and the portion that is subsidized by this program, identified by type of care; the number of payments made by the state through vouchers, contracts, cash, and disregards under public benefit programs, identified by type of child care provided; the manner in which consumer education information was provided and the number of parents to whom it was provided; and the total unduplicated number of children and families served by the program.

Religious Providers

Under the CCDBG, religious providers may receive assistance on the same basis as nonsectarian providers. However, religious providers may use funds for construction assistance, which is generally prohibited for other providers, to the extent necessary to bring facilities into compliance with health and safety requirements. Use of funds for religious activities, including sectarian worship or instruction, is generally prohibited under the CCDBG Act. However, this prohibition does not apply to funds received by child care providers in the form of child care certificates, if such sectarian child care services are freely chosen by the parent.

Child care providers that receive funding under the Act may not discriminate in their admissions policy against a child on the basis of religion, with the exceptions of family child care providers (i.e., individuals who are the sole caregiver for children in a private home) or providers who receive assistance through child care certificates. However, sectarian providers may reserve unsubsidized slots for children whose families regularly participate in their organization's activities, unless 80% or more of their operating budget comes from federal or state funds, including child care certificates.

In their employment practices, child care providers receiving assistance under the Act may not discriminate on the basis of religion if the employee's primary responsibility is working directly with children in the delivery of child care services. However, in considering two or more qualified candidates, sectarian providers may

select an individual who regularly participates in their organization's activities. In addition, sectarian organizations may require employees to adhere to their religious tenets or teachings and to rules forbidding the use of drugs or alcohol, unless 80% or more of their operating budget comes from federal or state funds, including child care certificates.

P.L. 104-193 contains a section that deals with services provided by charitable, religious or private organizations under the TANF program.⁷ This provision also would apply to child care services funded under the new law. The provision, commonly referred to as "charitable choice," is intended to allow states to provide services through charitable and religious organizations, without impairing the religious character of these organizations or the religious freedom of individuals who participate in the programs.

Indian Tribes and Tribal Organizations

As described earlier, the Secretary is required to reserve between 1% and 2% of all child care funds (both discretionary and entitlement), for payments to Indian tribes and tribal organizations. The Secretary is required to allocate among other tribes and organizations any funds that an Indian tribe or tribal organization does not use in a manner consistent with the statute.

Indian tribes and tribal organizations are required to submit applications to receive these reserved funds. Applications must show that the organization seeking funds will coordinate with the lead agency in the state, that activities will benefit Indian children on reservations, and that reports and audits will be prepared. The Secretary, in consultation with the tribes and tribal organizations, will develop minimum child care standards that reflect tribal needs and available resources that will apply in lieu of licensing and regulatory requirements otherwise applicable under state or local law.

As stated earlier, the CCDBG Act prohibits use of funds for construction or renovation of facilities. However, the law allows Indian tribes and tribal organizations to submit a request to the Secretary to use funds for these purposes. The Secretary may approve the request after a determination that adequate facilities are not otherwise available and that the lack of such facilities will inhibit the operation of child care programs in the future. The Secretary may not approve the request if it will reduce the level of child care services provided from the level provided by the tribe or organization in the previous year.

⁷ For a discussion of this provision, see CRS Report RS20712, *Charitable Choice, Faith-Based Initiatives, and TANF*, by Vee Burke.

Additional Reading

- CRS Report RL31274, *Child Care: Funding and Spending under Federal Block Grants*, by Melinda Gish.
- CRS Report RL30944, *Child Care Issues in the 107th Congress*, by Melinda Gish.
- CRS Report RL31817, *Child Care Issues in the 108th Congress*, by Melinda Gish.
- CRS Report RL30081, *Child Care Subsidies: Federal Grants and Tax Benefits for Working Families*, by Thomas Patrick Gabe, Bob Lyke, and Karen Spar.
- CRS Report RL31605, *Child Care: State Programs Under the Child Care and Development Fund*, by Melinda Gish.
- U.S. General Accounting Office. *Child Care: States Exercise Flexibility in Setting Reimbursement Rates and Providing Access for Low-Income Children*. GAO-02-894, September 2002.
- U.S. General Accounting Office. *Child Care: States Have Undertaken a Variety of Quality Improvement Initiatives, but More Evaluations of Effectiveness Are Needed*. GAO-02-897, September 2002.
- U.S. General Accounting Office. *Child Care: States Increased Spending on Low-Income Families*. GAO-01-293, February 2001.
- U.S. General Accounting Office. *Early Childhood Programs: The Use of Impact Evaluations to Assess Program Effects*. GAO-01-542, April 2001.
- U.S. General Accounting Office. *Education and Care: Early Childhood Programs and Services for Low-Income Families*. GAO/HEHS-00-11, November 1999.
- U.S. General Accounting Office. *Federal Child Care Funding*. GAO/HEHS-98-78R. January 1998.

This final rule makes regulatory changes to the Child Care and Development Fund (CCDF) based on the Child Care and Development Block Grant Act of 2014. These changes strengthen requirements to protect the health and safety of children in child care; help parents make informed consumer choices and... This final rule makes regulatory changes to the Child Care and Development Fund (CCDF) based on the Child Care and Development Block Grant Act of 2014. See further discussion of effective and compliance dates in the background section of this rule. Start Further Info. For further information contact Mandatory funding for child care subsidies authorized in Section 418 of the Social Security Act (sometimes referred to as the "Child Care Entitlement to States") is also due for reauthorization. In combination, these two funding streams are commonly referred to as the Child Care and Development Fund (CCDF). Start your review of The Child Care and Development Block Grant: Background and Funding. Write a review. No matching reviews. Program Services MCH Services Block Grant funds are distributed for the purpose of funding core public health services provided by maternal and child health agencies. These core services are often divided into four categories: (1) direct health care, (2) enabling services, (3) population-based services, and (4) infrastructure building. Topics Covered in This Report This report provides background and funding information on the MCH Services Block Grant. CISS is a competitive grant program that funds projects that support the development and expansion of integrated services at the community level. and primary care services to low-income children; provide rehabilitation services that are not under subchapter XIX16 of the SSA to. Criminal Background Checks for Child Care Providers. Restriction Against Supplanting State Funds. Discretionary funding for this program is authorized by the Child Care and Development Block Grant Act of 1990 (as amended), which is currently due for reauthorization. Mandatory funding for child care subsidies authorized in Section 418 of the Social Security Act (sometimes referred to as the "Child Care Entitlement to States") is also due for reauthorization. In addition to providing funding for child care services, funds are also used for activities intended to improve the overall quality and supply of child care for families in general. In recent years, both Congress and the Obama Administration have demonstrated an interest in reauthorizing or otherwise reforming the CCDF. The Child Care and Development Block Grant (CCDBG), also called the Child Care and Development Fund, is the primary source of United States federal funding for child care subsidies for low-income working families and funds to improve child care quality. Some states also provide child care assistance through Temporary Assistance for Needy Families (TANF) funds. States design their own child care assistance programs within minimal federal guidelines.