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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Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193) amended and reauthorized the CCDBG through FY2002, and repealed the legislative authority for previous child care programs for low-income working and welfare families under the program formerly known as Aid to Families with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 were intended to support the overall goal of promoting self-sufficiency through work. However, separate from the context of welfare reform, the legislation attempted to address concerns about the effectiveness and efficiency of child care programs. The child care provisions in P.L. 104-193 were 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 (which is still under way for FY2006), and approximately \$2.1 billion were appropriated for FY2005. The capped entitlement (i.e., mandatory) funding was previously provided at the amounts specified in the 1996 law, but this only covered FY1997-FY2002. Welfare reauthorization legislation making appropriations beyond FY2002 has still yet to be passed and enacted; instead, funding has been temporarily extended eleven times (at the FY2002 rate of \$2.7 billion). The most recent extension (P.L. 109-68) provides mandatory funding through December 31, 2005.

Federal funding levels for child care assistance continue to be a source of debate, in the context of increased work requirements for single welfare mothers, those leaving welfare for work, and low-income working families in general. Moreover, the quality of available child care services, and the relationship of child care programs to the broader world of early childhood education and care remain active concerns of Congress.

This report provides background information on the CCDBG and will be updated as necessary. See CRS Report RL32817 for CCDBG legislative activity in the 109th Congress.

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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 1996 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 were intended to support the overall goal of promoting self-sufficiency through work. However, separate from the context of welfare reform, the legislation attempted 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 back in the 104th Congress, the child care provisions in P.L. 104-193 were 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 grant into their CCDBG program.

Although both the CCDBG and TANF have been due to be reauthorized since the end of FY2002, neither a welfare nor child care reauthorization bill has made it through both the House and Senate for passage.² However, in fiscal years 2003-2005 funding for the discretionary portion of the CCDBG has been appropriated without an authorization (the appropriations process for FY2006 is still under way, with temporary funding extended at the FY2005 rate of \$2.1 billion), and the mandatory portion of child care funding, as well as TANF funding, has been continued (at the FY2002 rates) through a series of temporary extensions, the most recent of which runs through December 31, 2005 (P.L. 109-68). Further action will need to be taken to fund the mandatory portion beyond that date. Federal funding levels for child care assistance continue to be a source of debate, in the context of increased work requirements for single welfare mothers, those leaving welfare for work, and low-income working families in general. Moreover, the quality of available child care services, and the relationship of child care programs to the broader world of early childhood education and care remain active concerns of Congress.

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.

² For more information on the status of child care reauthorization, as well as other legislative activity pertaining to child care-related appropriations and issues, see CRS Report RL32817, *Child Care Issues in the 109th Congress*.

Funding³

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).

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 each of FY2002-FY2005 (see **Table 1**).⁴ In FY2003, FY2004, and FY2005, appropriations were made without an authorization level. These discretionary funds are allocated among states according to a formula that is based on each state's share of children under age five, 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.

FY2005 Appropriation. The Consolidated Appropriations Act, 2005 (H.R. 4818/H.Rept. 108-792) was signed into law (P.L. 108-447) on December 8, 2004, following a series of continuing resolutions. The FY2005 appropriations law included the President's requested level of funding for the discretionary portion of the CCDBG, minus an across-the-board rescission of 0.8% that applied to many discretionary programs in the law. As was the case for FY2004, the rounded figure remained \$2.1 billion, and encompassed all the set-asides requested by the President: \$19 million for child care resource and referral (of which \$1 million is to be dedicated for the Child Care Aware hotline); \$273 million for quality child care activities (of which \$100 million is to be dedicated to improving infant and toddler care); and \$10 million for child care research and evaluation.

FY2004 Appropriation. An omnibus appropriations bill for FY2004 (H.R. 2673/H.Rept. 108-401) was signed into law (P.L. 108-199) on January 23, 2004, following a series of continuing resolutions. The FY2004 appropriations law included the President's requested level of funding for the discretionary portion of the CCDBG, minus an across-the-board rescission of 0.59% that applied to many discretionary programs in the bill. The rounded figure remained \$2.1 billion for FY2004, and that amount encompassed all the set-asides requested by the President.

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

³ For a detailed discussion of child care funding history and the financing of the CCDBG, see CRS Report RL31274, *Child Care: Funding and Spending under Federal Block Grants*.

⁴ As mentioned earlier, the appropriations process is still underway for FY2006, with a continuing resolution currently providing funding at the FY2005 rate through December 17, 2005. For tracking developments on the FY2006 appropriations process, with respect to child care funding, see CRS Report RL32817, *Child Care Issues in the 109th Congress*.

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 included 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 provided 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, was \$2.086 billion.

As in FY2002, the FY2003 appropriation reserved \$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, with the final quarter covered by P.L. 108-40. Funding in FY2004 and FY2005 (and currently into FY2006) has been provided at the same rate under another series of continuing resolutions; P.L. 109-68 provides funding through December 31, 2005. Funding for beyond that date, and more broadly, the reauthorization of child care and welfare, remain legislative agenda items to be addressed by the 109th Congress.

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 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 was 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 FY1999-FY2001, and is shown in **Table 1**.

Table 1. Funding Trends in the CCDBG, FY1997-FY2005
(\$ 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
2004	0	2,087 ^d	2,087 ^d	2,717 ^e	4,804^d
2005	0	2,083 ^f	2,083 ^f	2,717 ^g	4,800^f

Source: Table prepared by the Congressional Research Service (CRS) using annual Health and Human Services, Administration for Children and Families budget justifications and FY2005 appropriations legislation.

- 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 Oct. 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.
- The figure shown reflects the 0.65% "across-the-board" cut included in the Consolidated Appropriations Resolution, 2003 (P.L. 108-7).
- P.L. 108-40 extended mandatory funding for CCDBG through the final quarter of FY2003, at the FY2002 rate.
- The figure shown reflects the 0.59% "across-the-board" cut included in the Consolidated Appropriations Act, 2004 (P.L. 108-199).
- P.L. 108-262 extended mandatory funding for CCDBG through Sept. 30, 2004, at the FY2002 rate (which was also maintained during FY2003).

- f. The figure shown reflects the 0.8% “across-the-board” cut included in the Consolidated Appropriations Act, 2005 (P.L. 108-447).
- g. P.L. 108-308 extended (and maintained) mandatory funding for CCDBG through Mar. 31, 2005, at the FY2002 rate. P.L. 109-19 extended (and maintained) the funding through Sept. 30, 2005.

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. The FY2004 transfer from the FY2004 TANF allotment to the CCDBG totaled \$1.905 billion (representing 11% of the TANF allotment). It should be noted, however, that states may choose to move *previously* transferred TANF funds *back* to TANF, and when these amounts are taken into account, the net amount transferred *in* FY2004 (as opposed to *from* the FY2004 TANF allotment) comes to \$1.856 billion. 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. HHS reports that in FY2004, states spent \$1.427 billion in federal TANF money on child care within the TANF program.

President’s FY2006 Budget Request. The President’s budget for FY2006 proposes to maintain both the discretionary and mandatory portions of CCDBG funding at their current levels: \$2.083 billion and \$2.717 billion, respectively.

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. HHS estimates that about 1.7 million children received child care subsidies funded by the CCDBG in an average month in 2004.

Application and Plan

To receive federal funding for child care, states must submit an application and plan to HHS. After an initial three-year plan, required by the original CCDBG Act

in 1990, states are required to submit plans that cover a two-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 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 age 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 to ensure equal access. HHS suggests that states establish payment rates equal 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 three 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 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 two years. The most recent available published data from HHS is from FY2001.⁵

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 six 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

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

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.⁶ This provision also applies to child care services funded under TANF. 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

⁶ For a discussion of this provision, see CRS Report RL32736, *Charitable Choice Rules and Faith-Based Organizations*, by Joe Richardson.

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.

Additional Reading

CRS Report RL31274, *Child Care: Funding and Spending under Federal Block Grants*, by Melinda Gish.

CRS Report RL32817, *Child Care Issues in the 109th Congress*, by Melinda Gish.

CRS Report RL32241, *Child Care Reauthorization: A Side-by-Side Comparison of Child Care Provisions in House and Senate Versions of H.R. 4, S. 880 [108th Congress], and Current Law*, by Melinda Gish.

CRS Report RL33157, *Welfare Reauthorization: A Side-by-Side Comparison of Current Law, Senate Committee-Approved and House Budget Reconciliation Bill Provisions*, by Gene Falk, Melinda Gish, Carmen Solomon-Fears, and Emilie Stoltzfus.

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. crsphggw

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: Recent State Policy Changes Affecting the Availability of Assistance for Low-Income Families*. GAO-03-588, May 2003.

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. *TANF and Child Care Programs: HHS Lacks Adequate Information to Assess Risk and Assist States in Managing Improper Payments*. GAO-04-723. June 2004.

U.S. Government Accountability Office. *Child Care: Additional Information Is Needed on Working Families Receiving Subsidies*. GAO-05-667, June 2005.