

# Overview of 2024 Child Care and Development Fund

## Final Rule:

### *Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund*

The 2024 Child Care and Development Fund (CCDF) Final Rule updates regulations (45 CFR Part 98) to help working families afford child care and broadly support child care quality and accessibility in communities. Policies included in this final rule are designed to:

- **Lower child care costs for families;**
- **Improve payments to child care providers;**
- **Increase child care options for families;**
- **Make enrollment easier and faster for families; and**
- **Increase clarity in CCDF requirements.**

[The full rule is available here.](#)

## LOWERS FAMILY COSTS FOR CHILD CARE

Reducing child care costs for families increases stable employment and family wellbeing and improves access to child care. The final rule:

- **Prohibits Family Co-payments Above 7% of Family Income:** Prohibits States and Territories from charging family co-payments above 7 percent of a family's income. (§ 98.45(b)(5) and § 98.45(l)(3))
- **Allows States to Eliminate Co-payments for More Families:** Makes it easier for States and Territories to cover parent co-payments for:
  - Eligible families with income up to 150 percent of the federal poverty level;
  - Eligible families that are experiencing homelessness;
  - Eligible families with a child with a disability;
  - Eligible families with a child enrolled in Head Start or Early Head Start;
  - Eligible families with a child in foster or kinship care or otherwise receive or need to receive protective services; and
  - Eligible families that meet other criteria established by the Lead Agency (§ 98.45(l)(4))
- **Honors Tribal Sovereignty:** Removes co-payment requirement for families served by Tribal Lead Agencies and allows Tribes to decide whether and how to structure co-payments. (§ 98.81(b)(6)(vii) and § 98.83(d)(1)(vi))

- **Increases Consumer Education:** Requires States and Territories to post online current information about their sliding fee scales and policies for waiving parent co-payments. (§ 98.33(a)(8))

## IMPROVES PAYMENTS TO CHILD CARE PROVIDERS

Better payment practices to child care providers will help stabilize operations for participating providers and increase parents' child care options so they can find child care when and where they need it. The final rule:

- **Expands Sustainable Payment Practices:** States and Territories must make on-time payments based on enrollment. Requires States and Territories to use private-pay practices that account for child care fixed costs by paying in advance of or at the beginning of the delivery of services and paying child care providers based on a child's enrollment or an alternative approach that does not undermine stability. (§ 98.45(m)(1) and (2))
- **Encourages States to Pay their Established Subsidy Rate:** Encourages States and Territories to pay child care providers caring for children receiving CCDF subsidies the Lead Agency's established subsidy rate in order to better account for the actual cost of care, even if that amount is greater than the price the provider charges parents who do not receive subsidy. (§ 98.45(g))
- **Ensures Providers are not Negatively Impacted by Affordable Family Co-payments:** Requires States and Territories to demonstrate in their CCDF Plan that the total payment to a provider (subsidy payment amount and family co-payment) is not impacted by cost-sharing policies. (§ 98.45(n)(5))
- **Builds Supply with Grants and Contracts:** Requires States and Territories to provide some child care services through grants or contracts as one of many strategies to increase the supply and quality of child care for infants and toddlers, children with disabilities, and children in underserved geographic areas. (§ 98.16(z), § 98.30(b), and § 98.50(a)(3))
- **Honors Tribal Sovereignty:** Tribal Lead Agencies are exempt from the requirement to use grants or contracts to serve infants and toddlers, children with disabilities, and underserved geographic areas. (§ 98.83(d)(1)(i) and § 98.83(b)(x)). Tribal Lead Agencies are also exempt from the requirement to pay providers prospectively based on enrollment. Tribes may choose to implement any of these policies at their discretion. (§ 98.83(d)(1)(vii))

## MAKES FAMILY ENROLLMENT EASIER AND FASTER

Child care is essential for parents to work, go to school, or get training, but lengthy enrollment processes can disrupt parents' plans and lead to missed opportunities. The final rule:

- **Encourages Faster Eligibility:** Encourages State and Territory enrollment policies to consider a child presumptively eligible for subsidy prior to full documentation and verification. (§ 98.21(e), § 98.21(a)(2)(e), and § 98.16(h)(5))

- **Clarifies Eligibility for Additional Siblings:** Clarifies that the minimum 12-month eligibility requirement applies when children are newly added to families already participating in the subsidy program and encourages Lead Agencies to align eligibility periods to the new child's eligibility period. Allowing re-determinations to occur at the same time limits burden on the family and the Lead Agency. (§ 98.21(d) and § 98.16(h)(4))
- **Simplifies Verification:** Encourages States and Territories to use a family's enrollment in other public benefits program or documents or verification used for other benefit programs to verify eligibility for CCDF. (§ 98.21(g) and § 98.16(h)(7))
- **Minimizes Disruptions to Families:** Requires States and Territories to implement eligibility policies and procedures that minimize disruptions to parent employment, education, or training opportunities and encourages online applications. (§ 98.21(f) and § 98.16(h)(6))

## INCREASES CLARITY IN CCDF REQUIREMENTS

The final rule includes technical and other changes to improve clarity and program implementation. The final rule:

- **Revises the Definition of *Major Renovation*:** The updated definition clarifies that “major renovation” is any renovation that has a cost equal to or greater than \$350,000 for child care centers and \$50,000 for family child care homes, unless the renovation does not include structural changes or extensive alteration of a facility. These amounts will be adjusted annually for inflation and published on the Office of Child Care website. (§ 98.2)
- **Clarifies Consumer Education Requirement to Post Full Monitoring Reports:** States and Territories are required to post monitoring and inspection reports of child care providers on their consumer education websites. (§ 98.33(a)(4)(ii))
- **Clarifies Consumer Education Requirement to Post Aggregate Data:** Requires States and Territories to post online clearer data on serious injuries and fatalities in child care settings by including the total number of children in care each year disaggregated by the type of child care provider. (§ 98.33(a)(5))
- **Clarifies Responsibility for Making Background Check Eligibility Determinations:** States, Territories, and Tribes must make determination of eligibility for child care staff based on the background check and cannot leave the determination to the child care provider. (§ 98.43(a)(1)(i))
- **Clarifies Disqualifying Crimes under CCDF:** Clarifies any misdemeanor involving child pornography is a disqualifier for child care employment under CCDF, regardless of whether the crime is classified as violent or non-violent. (§ 98.43(c)(1)(v))
- **Clarifies Need for Qualifying Results on Background Checks:** Clarifies child care providers are required to submit requests for background checks prior to when an individual becomes a staff member and at least once every five years unless the staff member has already received qualifying results within the past five years. (§ 98.43(d)(3)(i))
- **Clarifies Provisional Hire:** Clarifies a prospective staff member may begin working with children only after they receive qualifying results for either the FBI fingerprint check or the in-state fingerprint check and are supervised by a staff member with a complete and qualifying background check. (§ 98.43(d)(4))