

February 5, 2001

Dear Tribal Child Care Administrators:

The FY 2001 Health and Human Services appropriations law (P.L. 106-554) included an additional \$817 million in Child Care and Development Fund (CCDF) monies. Two percent (or \$16 million) of these additional funds are being awarded to Indian Tribes. These new funds are in addition to the funds that were previously awarded at the beginning of this fiscal year. A Notice of Grant Award for these additional FY 2001 funds will be mailed separately to your Tribe in the near future. This funding increase provides an exciting opportunity to expand services for children in tribal communities.

Enclosed please find:

- An Information Memorandum (ACYF-IM-CC-01-02) that provides the final Tribal CCDF allotments and earmark for FY 2001. This list of final FY 2001 allocations includes the total of both: (1) the funds that were awarded at the beginning of the fiscal year, and (2) the additional funds that are being awarded at this time. The Information Memorandum also lists each Tribe's earmark for child care resource and referral and school-age child care activities.
- A summary of provisions related to child care in the FY 2001 appropriations law. In addition to the increased funding for CCDF, the new appropriations law includes significant increases for Head Start and 21st Century Community Learning Centers, a new Early Learning Opportunities Act, and investments in early childhood professional development. We will be providing you additional details as these new initiatives are implemented.

For more information about the Head Start expansion efforts, please see <http://www.acf.dhhs.gov/programs/hsb>. For those of you in Tribes that operate both CCDF and Head Start programs, we are encouraging collaboration and joint planning between programs with these new CCDF and Tribal Child Care Administrators

Head Start funds. We are hopeful that together we will be able to serve more children in better quality care.

Thank you for all the work that you do for children and families.

Sincerely,

James A. Harrell
Acting Commissioner
Administration on Children, Youth and Families

February 5, 2001

Dear Tribal Child Care Administrators:

The FY 2001 Health and Human Services appropriations law (P.L. 106-554) included an additional \$817 million in Child Care and Development Fund (CCDF) monies. Two percent (or \$16 million) of these additional funds are being awarded to Indian Tribes. These new funds are in addition to the funds that were previously awarded at the beginning of this fiscal year. A Notice of Grant Award for these additional FY 2001 funds will be mailed separately to your Tribe in the near future. This funding increase provides an exciting opportunity to expand services for children in tribal communities.

Enclosed please find:

- An Information Memorandum (ACYF-IM-CC-01-02) that provides the final Tribal CCDF allotments and earmark for FY 2001. This list of final FY 2001 allocations includes the total of both: (1) the funds that were awarded at the beginning of the fiscal year, and (2) the additional funds that are being awarded at this time. The Information Memorandum also lists each Tribe's earmark for child care resource and referral and school-age child care activities.
- A summary of provisions related to child care in the FY 2001 appropriations law. In addition to the increased funding for CCDF, the new appropriations law includes significant increases for Head Start and 21st Century Community Learning Centers, a new Early Learning Opportunities Act, and investments in early childhood professional development. We will be providing you additional details as these new initiatives are implemented.

For more information about the Head Start expansion efforts, please see <http://www.acf.dhhs.gov/programs/hsb>. For those of you in Tribes that operate both CCDF and Head Start programs, we are encouraging collaboration and joint planning between programs with these new CCDF and Tribal Child Care Administrators

Head Start funds. We are hopeful that together we will be able to serve more children in better quality care.

Thank you for all the work that you do for children and families.

Sincerely,

James A. Harrell
Acting Commissioner
Administration on Children, Youth and Families

ACF

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration on Children, Youth and Families

Administration for Children and Families

1. Log No: ACYF-IM-CC-01-02 **2. Issuance Date:** February 5, 2001

3. Originating Office: Child Care Bureau

4. Key Words: Child Care and Development Fund (CCDF); Additional FY 2001 CCDF Discretionary Funds; Tribal FY 2001 CCDF Final Allocations and Earmarks

To Tribal Lead Agencies administering child care programs under the Child Care and Development Block Grant (CCDBG) Act of 1990 as amended, and other interested parties.

References The Child Care and Development Block Grant Act of 1990 as amended (CCDBG Act); section 418 of the Social Security Act; FY 2000 Department of Health and Human Services Appropriations Act (P.L. 106-113); FY 2001 Consolidated Appropriations Act (P.L. 106-554).

Purpose To convey the Final FY 2001 Tribal allotments and earmarks for the Child Care and Development Fund (CCDF), including additional Discretionary funds appropriated under P.L. 106-554.

Background Tribes are receiving two sets of grant awards for FY 2001 CCDF funds. Tribal Mandatory Funds as well as Discretionary Funds appropriated in advance by P.L. 106-113 were awarded at the beginning of the fiscal year. Additional Discretionary Funds subsequently appropriated by P.L. 106-554 are being awarded separately. Tribes should be receiving the notices of grant awards for these additional funds in the near future. Allocations in the attached chart (Attachment A) reflect total allocations for FY 2001.

Of the total amount of FY 2001 Discretionary Funds awarded, the appropriations law for the Department of Health and Human Services (P.L. 106-554) stipulated that a portion be used (or earmarked) for child care resource and referral and school-aged child care activities.

School-age child care is a critical service for working parents. A safe and productive environment before and after school is important for both the peace of mind of working parents and the well-being of their children. Resource and referral is also a key support, since it is a vital link for all working families who seek appropriate child care, providing critical consumer education to parents and outreach to the child care community.

Attachment A shows the total CCDF allocation and earmark requirement for FY 2001. The first column gives the names of Tribes and tribal organizations. The second column lists the FY 2001 Tribal Mandatory allocations. The third column lists the FY 2001 Discretionary base amount. The fourth column shows the FY 2001 Discretionary per child amount. The fifth column lists the total amount of FY 2001 Discretionary allocations (which equals the base amount plus the per child amount). The sixth column (labeled "Discretionary Earmark") is the amount of FY 2001 Discretionary Funds that must be spent on resource and referral activities and school-age care. The seventh column (labeled "Discretionary After Earmark") is the amount of Discretionary Funds remaining after the earmark that can be spent on any allowable CCDF activities (assuming quality expenditure, administrative cost, and other Federal requirements are met). The last column shows the total amount of FY 2001 CCDF funds.

The FY 2001 Discretionary earmark for resource and referral activities and school-age care is based on a \$500 amount per Tribe plus a per child amount.

For your information, the FY 2001 "per child" amounts are:

- \$97 for Tribal Mandatory Funds; and
- \$56 for Discretionary Funds (not including the base amount).

Questions

Direct all inquiries to the appropriate ACF Regional Administrator (see Attachment B).

James A Harrell
Acting Commissioner
Administration on Children, Youth and Families

FY 2001 Child Care and Related Appropriations

The FY 2001 Consolidated Appropriations Act (P.L. 106-554) enacts into law the provisions of several bills, including the HHS-Education-Labor Appropriations bill (H.R. 5656).^{*} The new law contains several provisions related to child care and early care and education.

Additional FY 2001 Discretionary CCDF Funds. The FY 2001 appropriations law contains over \$817 million in additional FY 2001 Discretionary CCDF funds. When added to the amount previously appropriated for FY 2001, total Discretionary CCDF funding is \$2 billion. Two percent (\$16 million) of the new FY 2001 Discretionary CCDF funds will be awarded to Tribes (in addition to the approximately \$75 million in FY 2001 funds that were awarded to Tribes earlier this fiscal year). According to the Congressional conference report for the appropriations law, these additional funds must be used to supplement, not supplant, State and local child care funds. No match is required to draw down these Federal dollars.

Earmarks for FY 2001 Discretionary CCDF Funds. FY 2001 Discretionary CCDF funds include the following earmarks:

- \$19.12 million for *child care resource and referral and school-aged child care activities*, of which \$1 million will be for the *Child Care Aware* toll free hotline.
- Earmarks that apply to States for *quality improvement activities* and *infant and toddler care*.
- \$10 million for HHS to use for child care research, demonstration, and evaluation activities.

Advance Appropriation for FY 2002. In a departure from the past, the appropriations law did not include an advance appropriation for FY 2002 CCDF funds. However, the conference report notes that the conferees intend that funding for the child care block grant be at least the current level in FY 2002.

Early Learning Opportunities Act. \$20 million is appropriated for HHS to implement a new program--the Early Learning Opportunities Act. Funds are to be used by local communities for developing, operating, or enhancing voluntary early learning programs that are likely to produce sustained gains in early learning.

Head Start. The appropriations law provides a \$933 million increase for Head Start, raising total funding to \$6.2 billion for FY 2001. These new funds will be used to expand enrollment and make significant improvements in quality, including providing professional development opportunities and enhancing wages and benefits for staff. ACF is strongly encouraging joint planning of services to families eligible for both Head Start and CCDF in order to provide full-day services and reach new populations.

21st Century Community Learning Centers. The U.S. Department of Education's 21st Century Community Learning Centers received a \$392 million increase, bringing total funding to nearly \$846 million for FY 2001. This funding includes over \$20 million for after-school programs in specific communities that are named in the conference report. The conference report also requires the U.S. Department of Education to strongly encourage applications to be submitted jointly by a local educational agency and a community-based organization (such as child care providers, youth development organizations, museums, libraries, and Departments of Parks and Recreation). The Department of Education plans to make approximately 400 new grant awards with the additional

^{*} Full text of the bill can be found on the Library of Congress' Thomas web-site at <http://thomas.loc.gov/>. Enter the bill number (H.R. 5656) in the search function near the top of the page.

funding. On January 3, 2001, the Department issued a Federal Register notice inviting applications. Applications are due by March 30, 2001. For more information see: <http://www.ed.gov/21stcclc/apps.html>.

Professional Development of Early Childhood Educators. The appropriation law provided \$10 million for a new initiative to train early childhood educators and caregivers in high-poverty communities. The focus will be on professional development activities to further children's language and literacy skills to help prevent them from encountering reading difficulties once they enter school. We anticipate that the U.S. Department of Education will award these funds through a grant competition.

Loan Forgiveness for Child Care Providers. For the first time, funds have been provided (\$1 million) to the U.S. Department of Education (ED) for a previously-authorized student financial assistance loan forgiveness program for child care providers. The conference report discusses plans to examine the estimated number of borrowers and amounts eligible to be forgiven to help make certain that sufficient funding is available for this program in the future. The conferees also direct ED to ensure that information about the availability and benefits of this program is provided to all potentially eligible borrowers.

Campus Child Care. Funding for campus-based child care (the U.S. Department of Education's Child Care Access Means Parents in School program) increased by \$20 million to a total of \$25 million.

Technical Assistance Grants. As part of Social Services and Income Maintenance Research, the appropriations law provides \$2.5 million for grants to qualified private, non-profit intermediaries to demonstrate the provision of technical assistance to child care providers to improve the quality and supply of child care facilities in low income communities and to document the changes.

Title I. The appropriation for the U.S. Department of Education includes over \$800 million in additional funding for Title I - Education for the Disadvantaged programs. This increase includes an additional \$100 million for Even Start, raising the program's total appropriation to \$250 million.

Child Care Safety and Health Grants. FY 2001 funds were not appropriated for the child care safety and health grants recently authorized by the Children's Health Act of 2000 (P.L. 106-310). However, the authorization remains in place with the possibility of future funding.

Child and Adult Care Food Program. The Miscellaneous Appropriations section (H.R. 5666) of P.L. 106-554 changed eligibility requirements for the U.S. Department of Agriculture's Child and Adult Care Food Program. Effective December 21, 2000 through September 30, 2001, a private organization (e.g., for-profit child care provider) can participate in the food program if at least 25 percent of the children served by the organization are eligible for free or reduced price lunch. (Previously, the law required that 25 percent of children receive Title XX Social Services Block Grant funds in order for a private organization to be eligible.)