ADMINISTRATION FOR
CHILDREN & FAMILIES
330 C Street, S.W., Washington DC 20201 | www.acf.hhs.gov

June 13, 2016

Margaret Ross Schultze, Commissioner
Virginia Department of Social Services
801 East Main Street, 15th Floor
Richmond, VA 23219-2901

Dear Commissioner Schultze:

The Office of Child Care (OCC) recognizes that there are many new requirements included in the Child Care and Development Block Grant (CCDBG) Act of 2014 that you are working to implement during this Plan period. We appreciate the time and energy that you put into developing your Child Care and Development Fund (CCDF) Plan to reform and effectively administer your program. I am pleased to inform you that the Virginia CCDF Plan for the period of June 1, 2016, through September 30, 2018, has been conditionally approved. A "conditionally approved" plan is a fully approved plan with conditions to be met based on your waiver requests, if applicable, and implementation plans for unmet requirements. The conditions will be deemed fully met once all provisions in the CCDBG Act of 2014 are fully implemented and implementation plan action steps are completed. At that time the Virginia CCDF Plan will be approved without conditions. OCC gave careful consideration to the statutory conditions outlined in the Act, as well as the length of time requested, with the goal of having all provisions related to the Act fully implemented by October 1, 2018 corresponding to the start of the FY2019-2021 CCDF Plan period.

The following conditions apply to your CCDF Plan:

- Waiver Requests – The CCDBG Act of 2014 gives the Secretary the option to waive statutory provisions or penalties for up to 3 years if certain statutory conditions are met. Background Check provisions were not considered under this waiver implementation process because the Act provided for a separate extension

process for States and Territories unable to comply by September 30, 2017. Decisions regarding your waiver requests are listed below.

- Your waiver request(s) for Graduated Phase-Out (3.1.5), 12-month eligibility (3.3.1), Supply Building Strategies to Meet the Needs of Certain Populations (4.6.3) has been approved through the date listed in your Implementation Plan, not to exceed one year.

- No waiver requests for the health and safety training provision (5.1.6b) were approved; therefore Virginia will be on a Corrective Action Plan for this provision starting October 1, 2016. You will now have an additional year to achieve this goal. The Administration for Children and Families considers health and safety training critical to reducing risk of injury and death for children receiving assistance. According to the Program Instruction CCDF-ACF-PI-2015-09 issued December 2015, all new and existing caregivers and teachers providing services for children receiving CCDF assistance must have completed these training requirements by the effective date of September 30, 2016. You have 60 days following receipt of this letter to formally submit your extended timeline for implementing this requirement, not to exceed one year, by completing or revising the Implementation Plan at 5.1.6b in the ACF-118 system.

Key principles of the CCDF are to provide equal access to child care for children receiving child care assistance and to ensure parental choice. Provider payment rates set too low undermine these principles. As you are aware, the CCDBG Act of 2014 requires states and territories to take the cost of quality into account when setting rates, and to set rates based on the results of the most recent market rate survey or alternative methodology. We continue to be concerned that your rates may not allow for equal access. OCC plans to make review of payment rates a priority for our upcoming implementation monitoring visits. Thus, the conditional approval of your Plan **does not** constitute a final determination that your payment rates are sufficient to provide access to child care services for eligible families that are comparable to those provided to families that do not receive subsidies, as required by law.

You will receive a Notice of Grant Award in October 2016 from the Office of Administration in the Administration for Children and Families. The notice will include the amount of your award and any additional terms and conditions for the receipt of CCDF program funds. During the effective period of this plan, any substantial changes to the Virginia program must be submitted as a plan amendment to your Regional Office for approval in accordance with 45 CFR 98.18(b).

We remind you that your CCDF-funded child care program for in-home providers must comply with all applicable Federal laws and regulations, including Federal wage and income tax laws governing domestic workers. Questions regarding Federal wage laws should be directed to your local or district office of the Wage and Hour Division within the U.S. Department of Labor. Likewise, questions regarding Federal income tax laws should be directed to your local or district office of the Internal Revenue Service.

We look forward to working together toward implementation of the CCDBG Act of 2014 and promoting the early learning and development of children along with family economic stability and success. If you have any questions, please contact Beverly Wellons, Child Care Program Manager, Office of Child Care at (215) 861-4020 or Beverly.wellons@acf.hhs.gov. Thank you for all you do each day for children and families.

Sincerely,

Rachel Schumacher

Rachel Schumacher
Director
Office of Child Care

cc: Barbara A. Newlin, Director, Division of Child Care and Early Childhood Development
Beverly Wellons, Regional Program Manager, Office of Child Care Region III