# Spotlight cast on child care in wake of block grant reauthorization

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Congress brought new life to the federal child care subsidy program when it reauthorized the Child Care and Development Block Grant (CCDBG) late last year. States rely on CCDBG funding to help low-income families afford child care and improve statewide child care operations. On top of this long-awaited reauthorization, President Obama highlighted child care in his 2015 State of the Union address, calling for an increased child care tax credit and investments in the Child Care and Development Fund.

The CCDBG reauthorization has refocused national attention on child care and will prompt states to review their child care programs and invest in new technologies as well as quality improvement strategies to meet new requirements. This storm of activity will surely create new business opportunities for IT vendors.

**Where will states invest?**

**1) Quality improvement** - The CCDBG reauthorization calls for an increased investment in quality improvement and adherence to new health and safety requirements. States will be looking for vendors to provide child care licensing and other credentialing services, quality rating and improvement systems (QRIS), as well as provider training and education services. In 2014, Colorado awarded a contract to Berry, Dunn, McNeil and Parker for a next generation quality rating improvement system (Opp ID **79106**) to improve the quality rating system and expand the availability and affordability of the QRIS. Other states may also seek to improve their systems in the coming year.

**2) Improve core processes -** States may seek more integrated technologies to improve intake, payment processing, case management, and time and attendance tracking in order to achieve operational efficiencies. For example, Virginia released an RFI in August 2014 for child care business application solutions, including an attendance tracking system that could interface with existing systems and banking networks, and create a provider Web portal (Opp ID **117252**). Expect states to issue similar RFIs exploring how to best improve their child care administration processes.

**3) Coordination with other social services programs** - The law requires child care providers to coordinate with early education and care programs. States may pursue efforts to exchange data and share information with programs like TANF, Head Start, and SNAP in order to aggregate data and improve child health and wellness programs. One such effort is being planned in Iowa, where the Early Childhood Office is pursuing an early childhood data system to house information about the operation, participation and outcomes of Iowa's early childhood system, which includes early learning, family support, health/nutrition/mental health and early intervention for children with special needs (Opp ID **89854**).

**4) Increased consumer education and assistance** - States will be required to provide electronic child care resources where parents can view provider inspection results, the number of injuries/deaths at each facility, licensing and monitoring requirements, and detailed information about the background check process. States may look for child care resource and referral systems to help match resources with individual family needs. In July 2014, Arizona awarded a contract for child care resource and referral services to the Association for Supportive Child Care (Opp ID **118194**).

**Analyst's Take**

Quality improvement, business processes, integration and consumer assistance are just some of the areas states will target for investment over the next few years. State applications and plans are due to the U.S. Department of Health and Human Services in June 2015. States may solicit vendors to assist with the planning process and conduct needs assessments. States are not expected to comply with new regulations until FY 2016, but vendors can get a head start in preparing how to market their solutions to states. Vendors who can demonstrate solutions that seamlessly integrate with existing technologies and improve program efficiencies will be attractive to state governments.