



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

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**DEC 21 2018**

Pankaj Bhanot, Director  
Hawaii Department of Human Services  
P.O. Box 339  
Honolulu, Hawaii 96809-0339

Dear Director Bhanot:

The Office of Child Care (OCC) has completed its review of your FY2019-2021 Child Care and Development Fund (CCDF) Plan. This Plan development and review cycle has been unprecedented as we have worked together to transition CCDF programs to meet the requirements of the Child Care and Development Block Grant (CCDBG) Act of 2014 and the CCDF final rule. We appreciate your hard work and patience over the past 3 years.

This letter is to inform you that the Hawaii CCDF Plan for the period of October 1, 2018, through September 30, 2021, has been conditionally approved. A “conditionally approved” plan is a fully approved plan with conditions related to unmet requirements. The conditions will be deemed fully met once all provisions in the CCDBG Act of 2014 and Final Rule are fully implemented and corrective action plan steps are completed. At that time, the Hawaii CCDF Plan will be approved without conditions.

Full implementation of all provisions in the CCDBG Act of 2014 and the Final Rule was required no later than September 30, 2018, unless the State or Territory received approval for a waiver for specific background check requirements. Hawaii did not fully implement the provisions listed below by the effective date of September 30, 2018; therefore, you will be on a Corrective Action Plan (CAP) for any unmet requirements starting October 1, 2018 for a period not to exceed one year. These CAPs are not eligible for renewal. You have 60 days following receipt of this letter (no later than February 28, 2019) to formally submit your CAPs. Please refer to the attached document “Guidance to States and Territories on Submitting Corrective Action Plans” for how to complete your required components. The specific requirements needing CAPs are indicated in the attached “Detailed List of Provisions Not Met as of 9/30/2018.” Any CAPs listed below are in addition to any conditions listed in your provisional approval letter for criminal background checks (see Attachment 3).

- Disaster Preparedness and Response Plan (45 CFR 98.16(aa))
- Consumer and Provider Education (45 CFR 98.33)
- Child’s Eligibility for Child Care Services (45 CFR 98.20)
- Eligibility Determination Processes (45 CFR 98.21)
- Equal Access (45 CFR 98.45)
- Health and Safety Requirements – Standards (45 CFR 98.41)
- Health and Safety Requirements – Training (45 CFR 98.44)
- Enforcement of Licensing and Health and Safety Requirements (45 CFR 98.42)

The CCDF Plan includes questions that encompass all elements as required by regulations at 45 CFR 98.16. However, the Plan does not ask about all aspects of Federal requirements. During our review of the CCDF Plans, for some States we noticed areas of possible non-compliance with CCDF requirements that are outside the scope of this review for Plan approval. You will still need to take action to come into compliance with these requirements, and your OCC Regional Office will follow-up with you on these areas. Recognizing the information in the Plans is not exhaustive, the OCC will monitor State compliance through multiple mechanisms. All requirements of the Act and the Rule are subject to the monitoring, compliance, and complaint actions as described in 45 CFR Subpart J, including 98.90, 98.91, and 98.92. Additionally, States and Territories are subject to audit requirements at 45 CFR 98.65 of CCDF regulations.

You will receive a separate Notice of Grant Award 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 your CCDF program must be submitted as a plan amendment to your Regional Office for approval in accordance with 45 CFR 98.18(b). Lead Agencies are reminded to describe in the Plan Amendment if the amended activity is being supported by the increased funding (see Program Instruction for more information about Plan Amendments: <https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2018-02>). Lead Agencies also are reminded that you must post the approved plan and any amendments on your state website and assure any required links are functional.

We understand that it is essential for CCDF lead agencies to have wide-ranging support in the implementation of their CCDF Plans. OCC and the TA network supporting CCDF grantees have worked together to develop a variety of technical assistance options aimed

at supporting the implementation of CCDF corrective action plans and full compliance with CCDF policies. Your Regional Office and State Systems Specialist will be reaching out to you within the next two weeks to discuss your specific TA needs.

We look forward to working together toward full 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 Abby Cohen, Child Care Program Manager, Office of Child Care at (415) 437-8437 or [abby.cohen@acf.hhs.gov](mailto:abby.cohen@acf.hhs.gov). Thank you for all you do each day for children and families.

Sincerely,



Shannon Christian  
Director  
Office of Child Care

cc: Scott Nakasone, CCDF Administrator  
Dana Balansag, CCDF Co-Administrator  
Abby Cohen, Regional Program Manager, Office of Child Care Region IX

Encl: Attachment 1: Detailed List of Provisions Not Met as of 9/30/2018  
Attachment 2a: Guidance to States and Territories on Submitting Corrective Action Plans (CAP)  
Attachment 2b: Sample Letter from Lead Agency Official  
Attachment 2c: Template CCDF Corrective Action Plan(s)  
Attachment 3: Copy of Provisional Approval Letter for Criminal Background Checks

## Attachment 1: Detailed List of Provisions Not Met as of 9/30/2018 by Plan Question

OCC has conditionally approved your FY 2019 – 2021 CCDF Plan pending implementation of corrective actions to meet the unmet requirements of the CCDBG Act of 2014 and Final Rule. This document details the specific requirements that are unmet by your CCDF Plan to be addressed in your corrective action plans.

CAP Categories	Plan Question
<p><b>Disaster Preparedness and Response Plan (45 CFR 98.16(aa))</b></p>	<p>1.8.1 - Describe how the Statewide Child Care Disaster Plan was developed in collaboration with the State human services agency, the State emergency management agency, the State licensing agency, the State health department or public health department, local and State child care resource and referral agencies, and the State Advisory Council on Early Childhood Education and Care or similar coordinating body.</p> <p>1.8.2 - Describe how the Statewide Disaster Plan includes the Lead Agency’s guidelines for the continuation of child care subsidies and child care services.</p> <p>1.8.3 - Describe Lead Agency procedures for the coordination of post-disaster recovery of child care services.</p> <p>1.8.4 - Describe how the Lead Agency ensures that providers who receive CCDF funds have the following procedures in place—evacuation; relocation; shelter-in-place; lockdown; communications with and reunification of families; continuity of operations; and accommodations for infants and toddlers, children with disabilities, and children with chronic medical conditions.</p> <p>1.8.5 - Describe how the Lead Agency ensures that providers who receive CCDF funds have the following procedures in place for child care staff and volunteers—emergency preparedness training and practice drills.</p>
<p><b>Consumer and Provider Education (45 CFR 98.33)</b></p>	<p>2.3.1 - Describe how the Lead Agency ensures that its website is consumer-friendly and easily accessible.</p> <p>2.3.2 - Describe how the website ensures the widest possible access to services for families that speak languages other than English.</p> <p>2.3.3 - Describe how the website ensures the widest possible access to services for persons with disabilities.</p> <p>2.3.5 - The consumer education website must include a list of all licensed providers. The list of providers must be searchable by ZIP Code.</p> <p>2.3.6 - Lead Agencies must also identify specific quality information on each child care provider for whom they have this information.</p> <p>a. How does the Lead Agency determine quality ratings or other quality information to include on the website?</p>

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	<p>b. For what types of providers are quality ratings or other indicators of quality available?</p> <p>2.3.7 - Lead Agencies are required to post monitoring and inspection reports.</p> <p>2.3.8 - Aggregate data on serious injuries, deaths, and substantiated cases of child abuse that have occurred in child care settings</p> <p>2.4.6 - Describe the Lead Agency’s policies to prevent the suspension and expulsion of children from birth to age 5 in child care and other early childhood programs receiving CCDF funds, including how those policies are shared with families, providers, and the general public.</p> <p>2.5.1 - Certify by describing</p> <p>a. How information is collected and disseminated on existing resources and services available on conducting developmental screenings to CCDF parents, and where applicable child care providers.</p> <p>b. The procedures for providing information on and referring families and child care providers to the Early and Periodic Screening, Diagnosis, and Treatment under the Medicaid program.</p> <p>2.6.1 – Certify by describing</p> <p>a. How parents receiving CCDF funds are provided with a consumer statement.</p> <p>b. What is in the statement, including when it is provided to families.</p> <p>c. Provide a link to a sample consumer statement or a description if a link is not available.</p>
<p><b>Child’s Eligibility for Child Care Services (45 CFR 98.20)</b></p>	<p>3.1.4 – Lead Agencies are required to ensure that children receiving CCDF funds do not have family assets that exceed \$1,000,000, as certified by a family member.</p>
<p><b>Eligibility Determination Processes (45 CFR 98.21)</b></p>	<p>3.1.7 - Graduated phase-out of assistance</p> <p>a. Check and describe the option that best identifies the Lead Agency’s policies and procedures regarding the graduated phase-out of assistance.</p> <p>b. To help families transition from assistance, does the Lead Agency gradually adjust copays for families eligible under the graduated phase-out period.</p> <p>3.3.1 - 12-Month eligibility</p>

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	<p>3.3.2 - Option to discontinue assistance during the 12-month eligibility period</p> <p>3.3.3 - Change reporting during the 12-month eligibility period</p>
<p><b>Equal Access (45 CFR 98.45)</b></p>	<p>3.4.1 - Provide the CCDF co-payments according to family size for one child in care.</p> <p>3.4.2 - Lead Agencies are required to establish and periodically revise a sliding-fee scale for CCDF families that varies based on income and the size of the family to determine each family’s contribution (i.e., co-payment) that is not a barrier to families receiving CCDF funds. How will the family's contribution be calculated?</p> <p>3.4.3 - Does the Lead Agency use other factors in addition to income and family size to determine each family’s co-payment?</p> <p>4.4.1 - Lead Agencies must certify that CCDF payment rates are sufficient to ensure equal access for eligible families to child care services comparable to those provided by families not receiving CCDF assistance.</p> <p>e. How will the Lead Agency ensure that the family contribution/co-payment, based on a sliding-fee scale, is affordable and is not a barrier to families receiving CCDF funds (98.16(k))?</p>
<p><b>Health and Safety Requirements – Standards (45 CFR 98.41)</b></p>	<p>5.2.1 - Standards on ratios, group sizes, and qualifications for CCDF providers</p> <ul style="list-style-type: none"> <li>a. Licensed CCDF center-based care               <ul style="list-style-type: none"> <li>3. Preschool</li> <li>4. School-age</li> </ul> </li> <li>c. In-home CCDF providers               <ul style="list-style-type: none"> <li>1. Describe the ratios.</li> <li>2. Describe the group size.</li> <li>3. Describe the maximum number of children that are allowed in the home at any one time.</li> <li>4. Describe if the state/territory requires related children to be included in the child-to-provider ratio or group size.</li> <li>5. Describe any limits on infants and toddlers or additional school-age children that are allowed for part of the day.</li> </ul> </li> </ul> <p>5.2.2 - Health and safety standards for CCDF providers</p> <ul style="list-style-type: none"> <li>a. To certify, describe how the following health and safety standards for programs serving children receiving CCDF assistance are defined and established on the required topics.               <ul style="list-style-type: none"> <li>1. Prevention and control of infectious diseases (including immunization)</li> <li>2. Prevention of sudden infant death syndrome and the use of safe-sleep practices</li> </ul> </li> </ul>

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	<p>3. Administration of medication, consistent with standards for parental consent</p> <p>4. Prevention of and response to emergencies due to food and allergic reactions</p> <p>5. Building and physical premises safety, including the identification of and protection from hazards that can cause bodily injury, such as electrical hazards, bodies of water, and vehicular traffic</p> <p>6. Prevention of shaken baby syndrome, abusive head trauma, and child maltreatment</p> <p>7. Emergency preparedness and response planning for emergencies resulting from a natural disaster or a human-caused event (such as violence at a child care facility), within the meaning of those terms under section 602(a)(1) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5195a(a)(1)). Emergency preparedness and response planning (at the child care provider level) must also include procedures for evacuation; relocation; shelter-in-place and lockdown; staff and volunteer training and practice drills; communications and reunification with families; continuity of operations; and accommodations for infants and toddlers, children with disabilities, and children with chronic medical conditions.</p> <p>8. Handling and storage of hazardous materials and the appropriate disposal of bio-contaminants</p> <p>9. Precautions in transporting children</p> <p>10. Pediatric first aid and cardiopulmonary resuscitation (CPR) certification</p> <p>11. Recognition and reporting of child abuse and neglect</p>
<p><b>Health and Safety Requirements – Training (45 CFR 98.44)</b></p>	<p>5.2.3 - Health and safety training for CCDF providers on required topics</p> <p>5.2.4 - Ongoing Training Requirements. Provide the minimum number of annual training hours on health and safety topics for caregivers, teachers, and directors required.</p> <p>5.2.5 - Describe the ongoing health and safety training for CCDF providers by category of care (i.e., center, FCC, in-home) and licensing status (i.e., licensed, license-exempt).</p>
<p><b>Enforcement of Licensing and Health and Safety Requirements (45 CFR 98.42)</b></p>	<p>5.3.1 - To certify, describe the procedures to ensure that CCDF providers comply with all applicable State and local health and safety requirements.</p> <p>5.3.3 - Lead Agencies must have policies and practices that require licensing inspectors (or qualified monitors designated by the Lead Agency) to perform an annual monitoring visit of each license-</p>

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<b>CAP Categories</b>	<b>Plan Question</b>
	exempt CCDF provider for compliance with health, safety, and fire standards.

## Attachment 2a: Guidance to States and Territories on Submitting Corrective Action Plans (CAP)

As indicated in the Preamble to the Child Care and Development Fund (CCDF) Final Rule (81 FR, p 67443-4), States were required to demonstrate compliance with all requirements of the Final Rule as included in the CCDF Plan<sup>1</sup> no later than October 1, 2018 (the effective date of the FY2019-2021 CCDF Plan). Any requirement not fully implemented by this deadline is subject to compliance actions, including corrective action plans and/or penalties, in accordance with Subpart J of the CCDF regulations. This attachment provides guidance on how to submit a Corrective Action Plan.

### Submitting a Corrective Action Plan (CAP)

For all provisions indicated in your conditional approval letter as not compliant with CCDF requirements, you will be on a Corrective Action Plan (CAP) starting October 1, 2018 for a period not to exceed one year (no later than September 30, 2019). You have 60 days following receipt of this letter (no later than February 28, 2019) to formally submit your CAP letter using the ACF-118 system. These CAPs are not renewable. This means that any requirement not implemented by September 30, 2019 will be subject to a possible penalty pursuant to 98.92.

#### Your Corrective Action Plan must include:

1. A letter from Lead Agency official (or designee authorized to Act on behalf of the Lead Agency) that includes acknowledgement that you are on a CAP as outlined in the Plan conditional approval letter. The letter should be addressed to the Director of the Office of Child Care and must be uploaded (submitted) to OCC via the ACF-118 (See Attachment 2b for a sample letter).
2. Corrective Action Plans should be included with the letter and contain all of the required elements listed below.
  1. Plan Question needing correction
  2. Description of the unmet requirement status
  3. Target CAP completion date (no later than September 30, 2019)
  4. Action steps needed to meet the requirement, including:
    - a. Listing up to 5 action steps to meet each requirement
    - b. Listing the individual responsible for accomplishing each action step
    - c. Listing the start date and end date for each action step (no later than September 30, 2019)
    - d. Describing any potential challenges to completing the action steps

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<sup>1</sup> Please note, the CCDF Plan includes questions that encompass all elements as required by regulations at 45 CFR 98.16. However, the Plan does not ask about all aspects of the federal requirements. There may be others areas that states will need to address in order to be in full compliance with the Act and the Rule.

## **Attachment 2a: Guidance to States and Territories on Submitting Corrective Action Plans (CAP)**

OCC will review your CAP letter upon submission. If complete, the CAP will be approved. CAPs that fail to address all required elements will be considered incomplete and will need to be revised and resubmitted to OCC by the State/Territory.

Once approved, OCC will require States and Territories to provide regular updates on progress towards achievement of these requirements. The updates will include providing updates to the Regional Office via monthly calls and submitting written quarterly reports to OCC via the ACF-118 in April and July 2019.

Upon completion of all the activities in the corrective action plan, the State/Territory will submit a Plan Amendment to certify fulfillment of the requirement(s).