



State and Territory CCDF Administrators Meeting
August 7–9, 2018 • Crystal Gateway Marriott • Arlington, Virginia

Weighing the Tradeoffs in Eligibility Policy



Introductions

Minh Lê, Child Care Program Specialist
Office of Child Care

Leigh Ann Bryan, Technical Assistance Lead
Subsidy Innovation and Accountability Center

Mary Beth Jackson, Sr. TA Specialist
Subsidy Innovation and Accountability Center

State Presenters

Ericka Rupp, Program Manager
Idaho Department of Health and Welfare

Lisa Brewer Walraven, Director
Child Development and Care Program
Office of Great Start, Michigan Department of Education

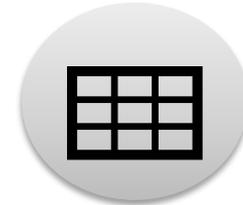
Barbara Newlin, Director
Division of Child Care & Early Childhood Development
Virginia Department of Social Services

Session Objectives

- Understand tradeoff decisions in the context of new Federal requirements, budget changes, and state priorities
- Analyze choices in subsidy policy
- Learn how other Lead Agencies have made policy choices

Policy Trade-Offs

- Sliding Fee Scale
- 2-Tiered Eligibility
- Priority Groups
- Rates and Tiered Reimbursement
- Program Integrity



Are Lead Agencies Making Changes?

How many plan
amendments/revisions
since October 2016?

1427

How many
amendments
submitted in 2018?

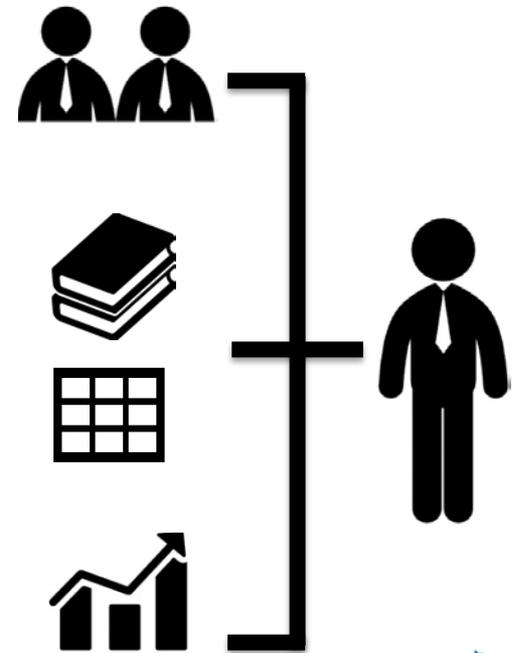
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Considerations for Change

- Federal law and policy guidance (how does it match up to the current state situation)
- Budgetary issues
- State/agency will and matching current priorities
- Appropriate vetting to advocates, providers, community, staff, etc.

Resources for Decisions

- Lessons learned from other states who have made the change (peer to peer)
- Research around the topic
- “Like” state comparisons
- Tools/Calculators
- Trend data to estimate impacts
- Cost/Benefit Analysis



Michigan Department of Education

Lisa Brewer Walraven
Director



Building a Better Child Care System

What Michigan Can Do to Help More Parents and Children Access Quality Care

Prepared for the Michigan Department of Education Office of Great Start

Prepared by Public Sector Consultants

September 2016



How to Increase Access to Quality Child Care

Five overarching recommendations included:

Increase financial assistance to families

Increase access to quality providers

Make it easier for providers to improve their programs

Increase access to quality information

Support the early childhood workforce





GOALS & STRATEGIES

TOP 10 IN 10 YEARS



putting Michigan on the map as a premier education state

To realize Michigan becoming a Top 10 education state within the next 10 years, the existing structure and system of education must be challenged and reshaped. Michigan must establish an educational system that grants indelible rights for all stakeholders to succeed – a system focused more on what is best for children and their learning. This is a framework of the strategic goals necessary to move Michigan forward.

STRATEGIC GOALS

1 Provide every child access to an aligned, high-quality P-20 system from early childhood to post-secondary attainment – through a multi-stakeholder collaboration with business and industry, labor, and higher education—to maximize lifetime learning and success.

2 Implement, with strong district and building leadership, high-quality instruction in every classroom through a highly coherent, child-centered instructional model where students meet their self-determined academic and personal goals to their highest potential.

3 Develop, support, and sustain a high-quality, prepared, and collaborative education workforce.

4 Reduce the impact of high-risk factors, including poverty, and provide equitable resources to meet the needs of all students to ensure that they have access to quality educational opportunities.

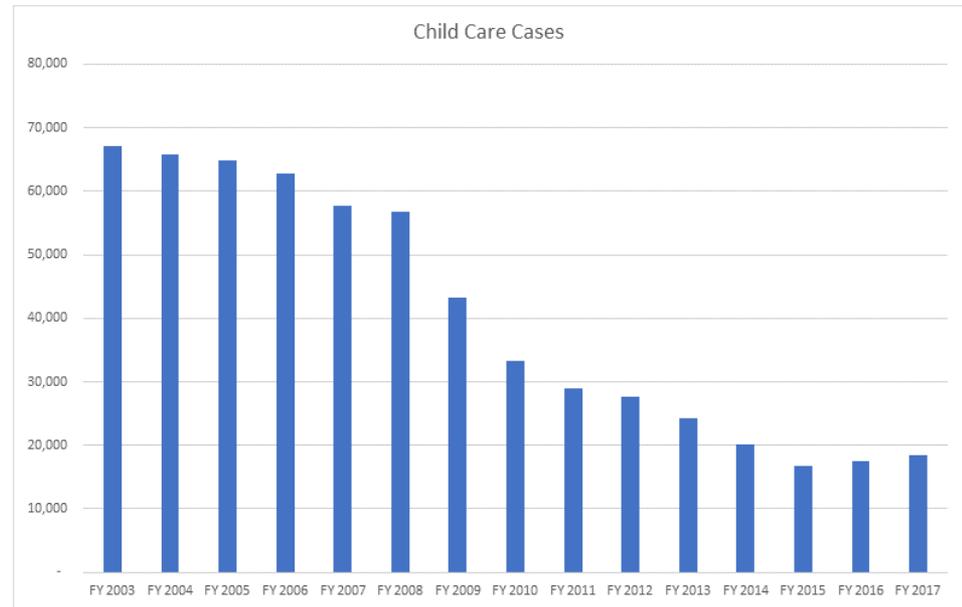
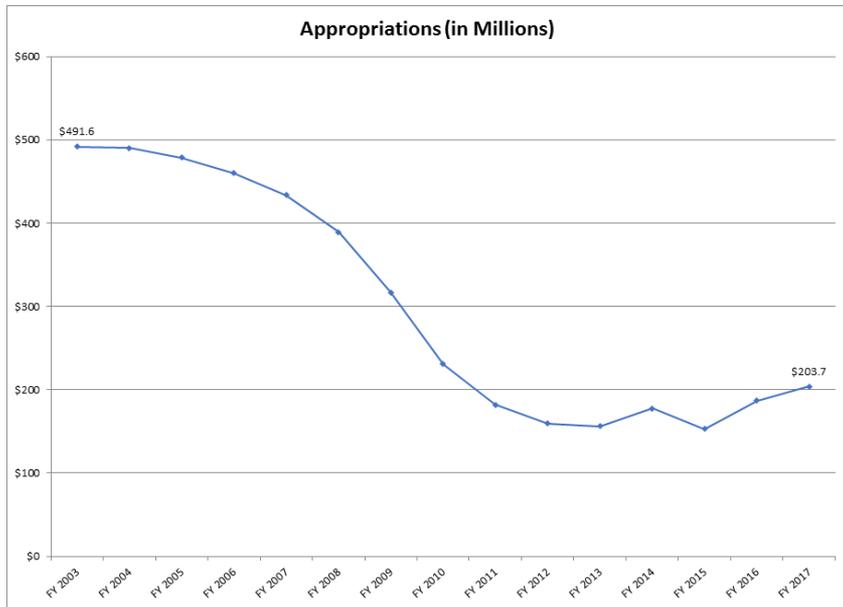
5 Ensure that parents/guardians are engaged and supported partners in their child's education.

6 Create a strong alignment and partnership with job providers, community colleges, and higher education to assure a prepared and quality future workforce, and informed and responsible citizens.

7 Further develop an innovative and cohesive state education agency that supports an aligned, coherent education system at all levels (state, ISD, district, and school).

TOP 10 IN 10 YEARS 
putting Michigan on the map as a premier education state

CDC Funding Trends



Climate in Michigan: Struggles with CDC Investment

Investment

In FY 2017, Michigan invested almost \$141,129,978 million of state and federal dollars in the child care subsidy.

Children Served

In FY 2017, Michigan served nearly 34,549 children.

Enrollment Requirements

Families are eligible if parents or guardians are working, completing high school, or participating in another approved activity. In addition, family income must be below 130 percent of federal poverty level (FPL).

Reimbursement

For participating families, the state reimbursement rate starts at \$1.60 and varies based on the setting, age of the child, and quality of care.

Stakeholders Impact and Helping Expand Access

- 12 month continuous eligibility
- Graduated exit
- Entrance eligibility
- Family contribution
- Rates/Tiered Reimbursement

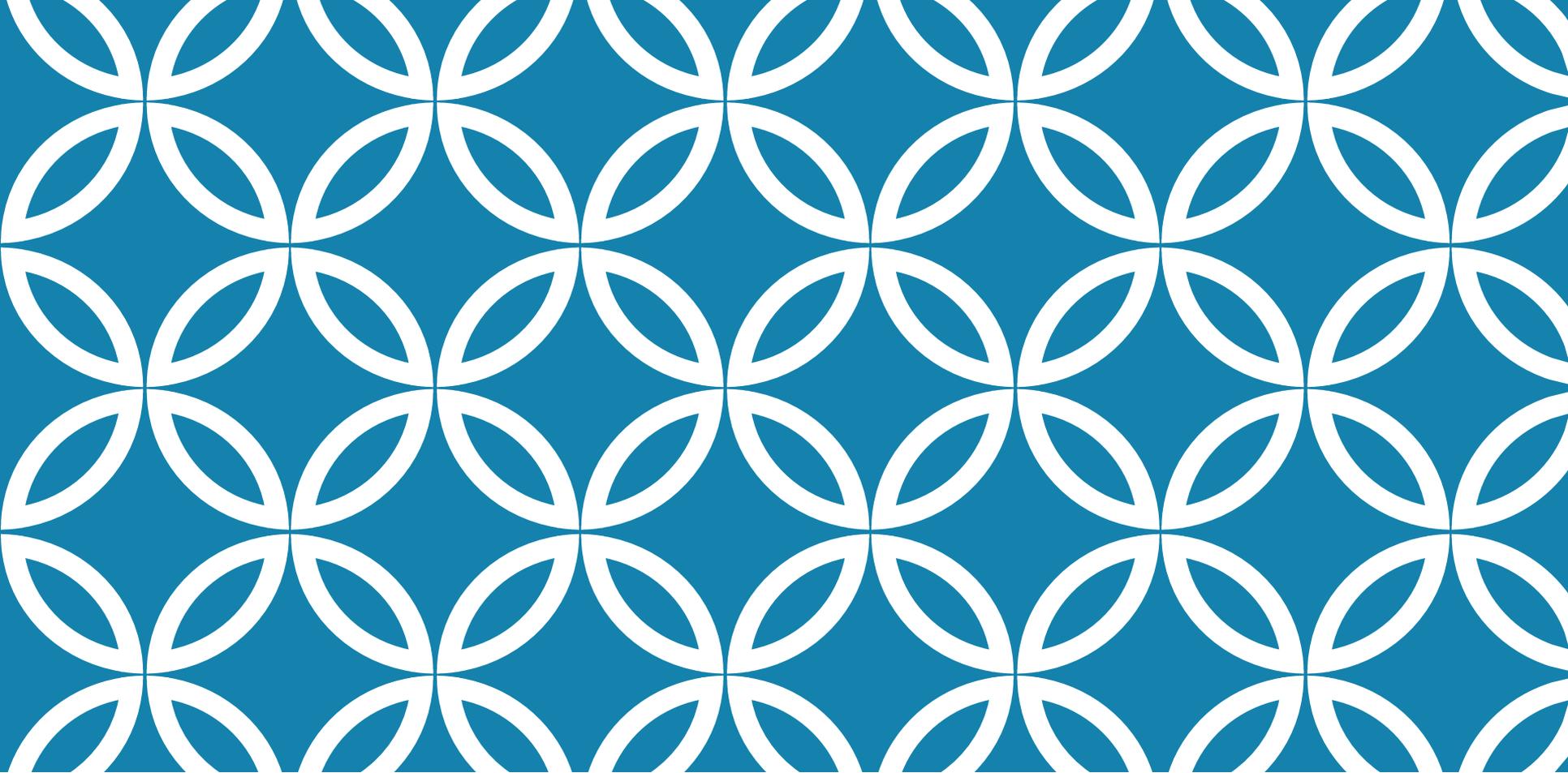


Idaho Department of Health and Welfare

Ericka Rupp

Program Manager





IDAHO CHILD CARE PROGRAM

2018 STAM

OUR WORK IS 'HIGHPLEX'



SUBSIDY POLICY CHANGES

Market Rate Improvements

12 month eligibility

3 month job loss

Phase Out



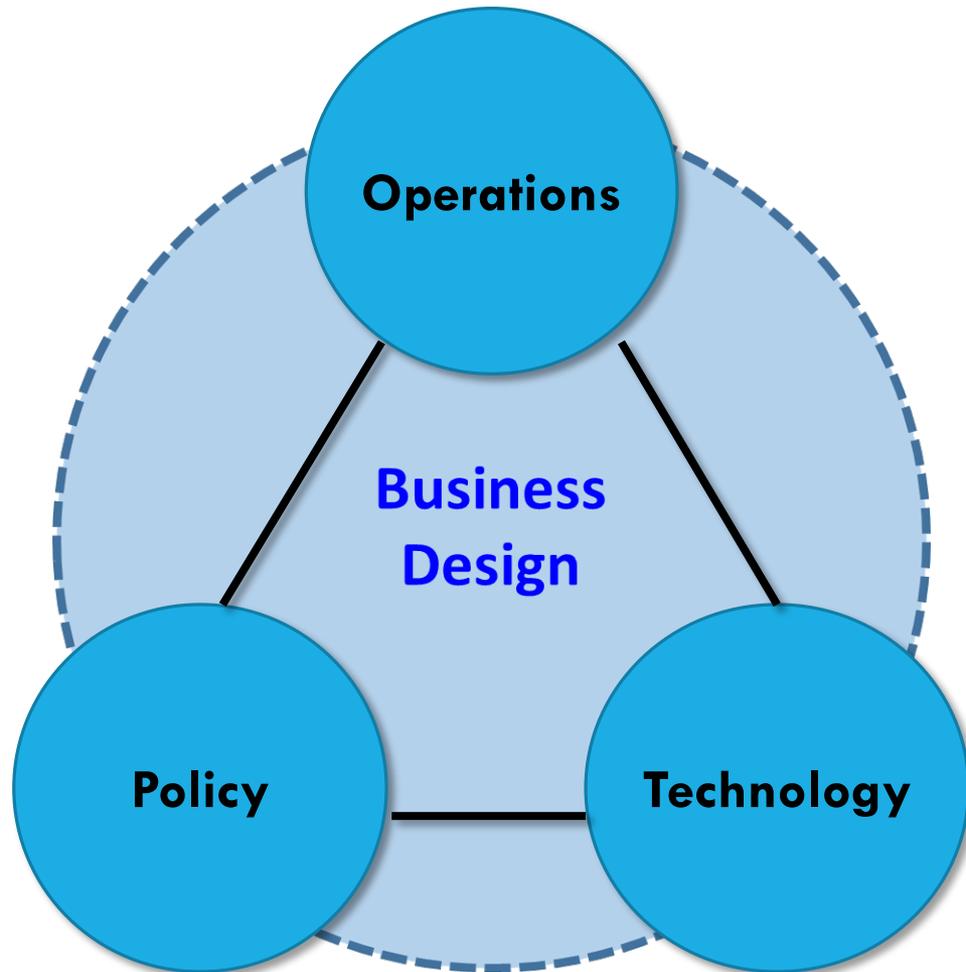
WHAT GOES INTO EACH DECISION

1. Code of Ethics: National Association for the Education of Young Children
2. Child Focused, Family Friendly, Fair to Providers
3. Automation
4. Money
5. Legislation



PROCESS FOR VETTING CHANGE AND TOOLS

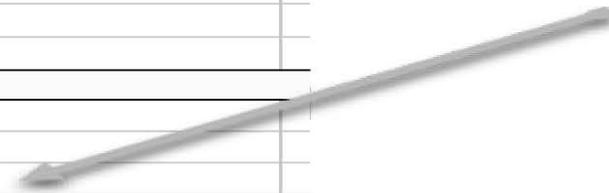
- Decisions at first point of Contact
- Ops-Driven Process Standards
- Automate Decision Making
- Connect People to People
- Use the Customers' View
- Touch a Family Once
- Leverage for Integration
- Quick Incremental Wins for RAPID change



VIDEO OF TRAINING



Available Program Funds	
CCDF "Mandatory" (100% federal)	
CCDF Matching (FMAP rate/federal portion)	
Additional funding from ACF (100% Federal)	
CCDF Discretionary (100% federal)	
Child Care Federal Awards	
General Fund MOE requirement)	
CCDF Matching (FMAP rate/general fund portion)	
Child Care General for MOE and Match	
TANF Transfer (CCDF Rules)	
TANF Direct Subsidy Replacement (TANF eligible)	
TOTAL Available (AWARDS + GF mandatory & match)	
unspent carried over from prior Year	
Net total funds available	
Program Spend	
Adjustment by Market Rate Study (subsidy to 65%)	
New: Federal Redetermination - 12 Months	
New: Job Loss - 3 Months	
New: Phase Out - 3 Months	
New Changes Fed Reauthorization & Marketplace	
Child Care Subsidy w/4% Annual Increase (SR Forecast)	
Child Care Subsidy	
Self Reliance Program Exp	
Other Program Expenses	
covered costs for transfer to IBES System	
Online Provider Reporting	
uncovered costs for transfer to IBES System	
Total transfer to IBES System	
Indirect Expenses (based on SFY 15 factors)	
Contract: U of I Idaho STARS (Targeted \$ & 4% Qual)	
Total Program Spend (ICCP & MOE Funds)	
Carryover Spend (Award less Actual Spend)	
Funds Carried Over - Available not spent/(Deficit)	
Increase spend from Federal Changes and Child Care to IBES	
Operating Expenses due to uncovered portion Child Care to IBES	
T&B to cover additional costs to subsidy	
Needed Federal Authority	
Spending beyond current award/after carryover depleted	
Federal Authority request	



Available Program Funds	FFY 17	FFY 18 (est)	FFY 19 (est)	FFY 20 (est)	FFY 21 (est)
CCDF "Mandatory" (100% federal)					
CCDF Matching (FMAP rate/federal portion)-Max \$9.8M*					
<i>Additional Child Care Match for New Projection</i>					
TOTAL FEDERAL FOR CHILD CARE MATCH					
CCDF Discretionary (100% federal)					
Additional funding from ACF (100% Federal)					
2018 Additional Discretionary					
DISCRETIONARY TOTAL					
FEDERAL FUNDS TOTAL					
General Fund MOE requirement					
State General Fund Contributed to Match-Max \$4M					
<i>General Funds for New Projection</i>					
TOTAL ONGOING STATE FUNDS					
If SR has General Funds willing to contribute to CC (typical)					
3rd Party Matching					
GENERAL FUNDS TOTAL					
TANF Transfer (CCDF Rules)					
TANF Direct Subsidy Replacement (TANF eligible, more avail)					
TANF TOTAL					
Net Funding Level					
unspent carried over from prior Year					
If Legislature Funds					
NET TOTAL FUNDS AVAILABLE					
Child Care Subsidy (using current 4% growth rate; not modified)					
Self Reliance Program Exp					
one-time automation for Oct 1, 2017 Curated Health & Complaints					
Indirect Expenses (based on SFY 15 factors)					
Quality: Idaho STARS (Targeted \$ & 4% Qual) - Jannus & Early Yrs Conf					
TOTAL COSTS					
Deficit (program funding against program expenditures)					
Deficit (what we will experience)					
if Legislature gives us:					
if Legislature gives us shortfall then subsequent year need:					
Federal Fund Authority - (excess)/required, based on spending					
Anticipated Federal Fund Authority - for the Division, based on budget review					
Federal Fund Authority (need)/excess					
Quality Percentage (based on % of quality to total spend, including quality)					
Minimum Quality Spending Requirement	7.00%	8.00%	8.00%	9.00%	9.00%
Infant/Toddler Spending Requirement	3.00%	3.00%	3.00%	3.00%	3.00%
TOTAL REQUIRED	10.00%	11.00%	11.00%	12.00%	12.00%
Projected Excess/Shortage of Required Quality Spend	-10.00%	-11.00%	-11.00%	-12.00%	-12.00%



Tag You're It...

Virginia Department of Social Services

Barbara Newlin
Director



VIRGINIA DEPARTMENT OF
SOCIAL SERVICES

A group of diverse children and a woman are smiling and lying on a grassy field. The image is overlaid with a semi-transparent blue filter. The text is centered over the image.

Virginia Department of Social Services

people helping people

Subsidy Policy and Expenditure Decisions

STAM

August 2018

Barbara A. Newlin

barbara.newlin@dss.virginia.gov

- Child Care Subsidy Program provides low-income families with financial assistance for child care while they work, participate in education or training, or for CPS
- State-supervised, locally-administered social services system
 - VDSS establishes program guidelines, determines local allocations, contracts with and pays child care providers, provides automated systems, trains LDSS caseworkers, reviews LDSS performance
 - 120 LDSSs determine eligibility, calculate payment/copayment amounts, manage cases
- FY 2017
 - 34,071 children
 - 19,367 families
 - 3,085 providers



- State Board of Social Services
- Children's Cabinet
- Chief School Readiness Officer, Governor's Office
- School Readiness Committee
- Commonwealth Council for Children's Success
- Virginia Early Childhood Foundation and the Smart Beginnings Network
- Virginia General Assembly
- State Regulation Approval Process



- 12-month eligibility
- Transfer of cases between localities
- Graduated exit
- Increase provider baseline reimbursement rates
 - Old: 41st percentile
 - New: 70th percentile
- Tiered reimbursement based on Virginia Quality participation
- Increase # of children served
- Accompanying automated systems modifications



- Clear purpose and priorities; continuous information gathering and analysis; and strong relationships support successful policy/policy decision making
- Embedding these in your ongoing operations:
 - Positions the Subsidy Program to understand existing needs, requirements and priorities
 - Enables decision making in an appropriate, defensible and timely way regarding revised mandates, budget requests/budget cuts, availability of new funds, difficult choices, etc.
- Enhances capacity to make the best policy decisions



Service strategies for the Subsidy Program are designed to:

- Provide **low-income families** with the financial resources to find and afford quality child care
- Contribute to the broader objective of **self-sufficiency** and **independence from public assistance**
- Promote **parental choice** and empower working parents to make their own decisions regarding the child care that best suits their family's needs
- Provide **consumer education** to help parents make informed choices about child care
- Ensure that subsidy dollars are provided to the **neediest families**
- Enhance **quality** and increase **supply** of child care for all families
- **Improve coordination** among child care programs and early childhood development programs
- Design a flexible program that provides for **changing needs** of recipient families
- Provide **uninterrupted services** to families and providers, to the extent of available funding, to support parental education, training and employment and **continuity of care** that minimizes disruptions to children's learning and development



Continuous Information Gathering and Analysis

6

- **Gap analysis** - new federal law and regulation
- **Ongoing state plan assessment**
 - Dedicated part-time position
 - Maintains focus on federal requirements and state positioning vis-à-vis the requirements
- **Continuous trend and issue analyses**
 - Enrollments, Waiting list, Participating providers, Departing providers/departure reasons, Expenditures, Virginia Quality participation/advancement
 - Tiered reimbursement, alternate rate or payment structures
- **Periodic needs assessments and reassessment of strategic priorities**
- **Quantify what you can**



Report of the
Child Care Underserved Areas Workgroup



Division of Child Care and Early Childhood Development

April 2017

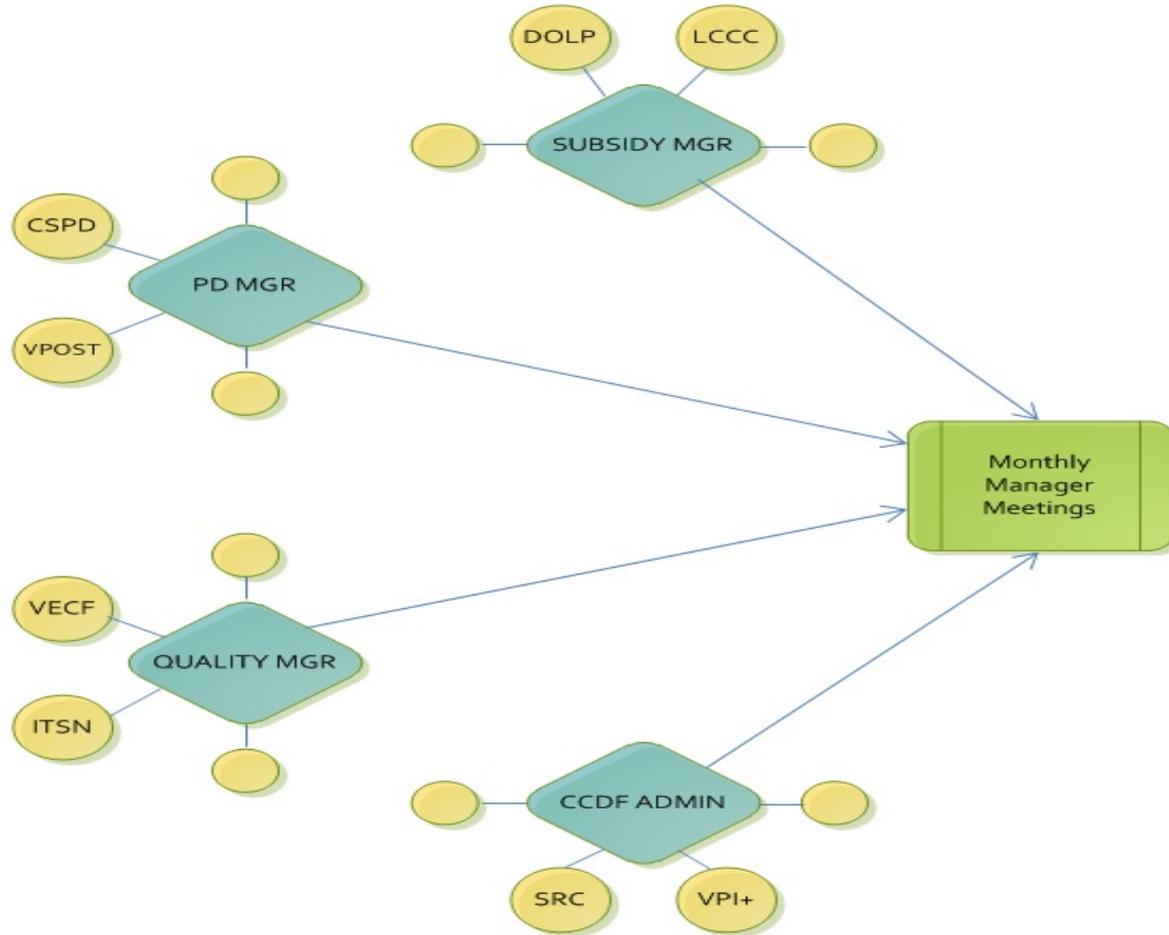
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Strong Relationships with Stakeholders

9



Child Care Stakeholder Meeting

Please accept this invitation to participate in a child care stakeholder meeting on July 17, 2018. During the meeting, the Virginia Department of Social Services is asking stakeholders to share their ideas for ways that Virginia could use increased Child Care and Development Fund dollars awarded to the state through the Consolidated Appropriations Act of 2018.

The meeting will be held from 9:00 AM – 11:00 AM in the Henrico Room at the Central Regional Office of the Virginia Department of Social Services, 1604 Santa Rosa Road, Henrico, Virginia 23229. Free parking is available.

The attachment contains information on the Consolidated Appropriations Act of 2018, along with some questions to help guide your thinking. If you plan to share ideas during the meeting, please come prepared to address the five questions in the attachment for each of your ideas.

Please RSVP for the meeting with Kimberly Fortune at kimberly.fortune@dss.virginia.gov or 804-726-7403. If you or a representative are not able to attend, please email your ideas and answers to the five questions by Noon on July 16 to Kimberly.

Thanks everyone. I look forward to seeing you on July 17 at 9:00 AM.

Barb

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- Based on available information and data, program experts target strategies that meet needs and circumstances
- Fiscal experts assist in final cost refinement



Questions and Open Discussion





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Thank You!