

CCDF Budget Calculator Instructions

Overview

The Child Care and Development Fund (CCDF) Budget Calculator is intended to help Lead Agencies understand the impact of three common factors on the CCDF budget. Specifically, the calculator looks at the impact of adjustments to:

- Reimbursement rates
- Eligibility levels
- Co-pays

A Lead Agency has the flexibility to adjust each of these three factors to better serve children and families in the CCDF program. The tool shows that a change in one of these three factors often can impact the funding available for the other factors when there is limited funding available for child care. Specifically, a Lead Agency can adjust the tool based on their own state/territory/tribal needs and determine what the bottom-line impact is to the CCDF budget.

This tool is customizable to each Lead Agency and is intended to serve as an example and initial guide for calculating the budget impacts of changes to these factors. No state, territory, or tribe has the exact same mix of reimbursement rates, eligibility levels, or co-pays, so variances from this tool will exist for Lead Agencies. The National Center on Subsidy Innovation and Accountability (NCSIA) can provide support to help customize this tool to a Lead Agency's specific needs.

Glossary of Terms

- **Co-pays:** Co-pays are fees that a family must pay in addition to the subsidy they receive to contribute towards the overall cost of child care.
- **Eligibility Levels:** These are the minimum and maximum (or entrance and exit) income levels at which a family can qualify for child care assistance. These are typically determined by the family income levels, as well as the family size or number of children in a family.
- **Reimbursement Rates:** This is the payment rate paid to providers for subsidized child care services. A child care provider is paid a subsidy by the Lead Agency or eligible family through either certificates, grants, or contracts.
- **Sliding Fee Scales:** Sliding fee scales are variable prices families pay for CCDF services based on their ability to pay. The ability to pay is typically based on the family size/number of children and income level.

Instructions

1 – Budget Summary

This sheet provides a high-level overview of the bottom-line impact to a Lead Agency's CCDF budget if any of the three budget factors listed above are adjusted.

- Update the desired fiscal year where it says "FY 20XX" in rows 4 and 5.
- **In Column B**, insert the Lead Agency's current available funding for the CCDF program for the desired fiscal year and update the fiscal year where it says "FY 20XX" in rows 4 and 5. Available funding includes state, federal, and matching dollars that are used for the CCDF program.
- Also **in Column B** insert current spending levels for the CCDF program. Current spending levels include state, federal, and matching dollars, and should also account for funds that are already obligated by the Lead Agency.
- **All other cells** will auto-populate when the corresponding tabs are completed.

2 – Reimbursement Rates Example

This sheet is provided as an **example** to showcase how changes in reimbursement rates can impact the CCDF budget. It is locked for editing and nothing is required to be inserted here. Calculations will be entered on the subsequent Reimbursement Rates Worksheet tab.

3 – Reimbursement Rates Worksheet

This worksheet outlines how a change in reimbursement rates impacts the number of children served, as well as the amount of money necessary to pay for a change.

The calculator includes the change from current reimbursement rates (as a percentile of market rate) to a desired projected reimbursement rate for the state/territory/tribe. There is flexibility in this spreadsheet to determine the amount the Lead Agency would like to increase/decrease its reimbursement rates, the multiplier that a Lead Agency would like to use to calculate a change in the percentile, and the type of care settings by age groups served in the state/territory/tribe.

It is recommended that a Lead Agency review its market rate survey to determine what type of change best fits the needs of their state/territory/tribe. NCSIA can also assist with this step if desired by the Lead Agency. Additional instructions on this are included in comments in the worksheet. To view the comments, hover over the headings in cells B2, D2, and H2.

- **In Column B**, enter the **Percentile** change that the Lead Agency would like to use for its budget. Additional percentile columns can also be added if the percentile varies based on the type of care.
- **In Column C**, the current **Age Group** does not need to be adjusted but can be if necessary. The current categories reflect federal CCDF Plan categories but can be adjusted to reflect more specific age groups within the Lead Agency's state/territory/tribe.
- **In Column D**, enter the **Average Annual Expenditures for Center Care** based on actuals/projected actuals.
 - Please note, the multiplier in the formula in this column must be modified when a Lead Agency is changing the percentiles in Column B. Market rate surveys do not necessarily

have a consistent multiplier when calculating a percentile change. Lead Agencies can determine the best multiplier methodology to use based on their market rate survey (or with the assistance of NCSIA), when changing percentiles.

- **Column E** will auto populate to show the **Increase/Decrease in Costs for Center Care**.
- **In columns F-K**, follow the above instructions for populating the cells, as shown in columns D-E.
 - These columns include the costs and number of children served for family child care and can include the same for other types of care (such as exempt care).
- **At the bottom of the spreadsheet**, the **Total Increase and Decrease** for each provider type and **Total Change to Budget** will auto populate to show the impact to the costs for each provider type and the overall budget.
 - **The Total Change to Budget** will auto populate the Reimbursement Rate Change shown in the Tab 1 - Budget Summary.

4 – Eligibility Levels Example

This sheet is provided as an **example** to showcase how changes in eligibility levels can impact the CCDF budget. It is locked for editing and nothing is required to be inserted here. Calculations will be entered on the subsequent Eligibility Levels Worksheet tab.

5 – Eligibility Levels Worksheet

This worksheet calculates how a change in eligibility levels will impact the number of children served by the Lead Agency, as well as the overall CCDF budget.

- **In Column B**, no changes need to be made to the family size, unless a Lead Agency wants to add more rows so additional family sizes can be accommodated based on their state/territory/tribe's needs.
- **In Column C**, enter the current percentage of SMI/FPL that families are being served at, as well as the desired projected level at which they will be served.
- **In Column D**, Lead Agencies should enter the State Median Income utilizing census data.
- **In Column E**, enter the current number of families served at the current SMI by family size.
 - Additionally, enter the projected number of children served based on the increase/decrease in the SMI. These numbers can be derived from actuals/projected actuals.
 - The total **Increase/Decrease in Eligible Families** served will auto populate.
- **In Column F**, enter the number additional/new children projected to be served at each eligibility level. The **Increase/Decrease in # of Children Served** will auto-populate.
- **In Column G**, enter the **Number of Children Projected to be in Center Based Care**, based on actuals/projected actuals, by age group.
 - The age groups in this column do not need to be adjusted but can be if necessary. The current categories reflect federal CCDF Plan categories but can be adjusted to reflect more specific age groups within the Lead Agency's state/territory/tribe.

- In **Column H**, enter, by age, the Estimated Annual Expenditure Per Child Cost for Center Care, based on actuals/projected actuals.
 - If a Lead Agency would like to both increase eligibility levels AND increase reimbursement rates, the per child cost in this spreadsheet for NEW children served should increase correspondingly.
- In **columns I-L**, follow the above instructions for populating the cells, as shown in columns G-H.
- At the bottom of the spreadsheet – the **Total Increase/Decrease in Children Served** and **Total Change to Budget** will auto populate to show the impact to the number of children served and the overall budget.
 - The **Total Change to Budget** will auto populate the **Eligibility Level Change** shown in the Tab 1 - Budget Summary.

6 – Co-pay Per Child Example

This sheet is provided as an **example** to showcase how changes in co-pays can impact the CCDF budget. The way in which co-pays are applied vary greatly by Lead Agency, so this is a general example, and the co-pay worksheet tab can be customized to each Lead Agency’s specific needs. It is locked for editing and nothing is required to be inserted here. Calculations will be entered on the subsequent Co-Pay Per Child Worksheet tab.

7 – Co-pay Per Child Worksheet

This worksheet calculates the total increase/decrease in costs for a change in family co-pays. The example provided assumes that the co-pays are paid per child, versus per family or by percentage of income. It is also assuming that a Lead Agency uses a sliding fee scale. Since co-pays can vary from state-to-state, this tab can be modified to reflect the co-pay structure of a state/territory/tribe. NCSIA is also available to help customize this worksheet as necessary for a Lead Agency.

In the section titled **“Family Income Range,”** enter the minimum and maximum per-child **Income Range** at which each current family co-pay level is set. Additionally, enter the estimated number of current CCDF families that fall within the income range.

- In the section titled, **“Desired Annual Co-pay Changes,”** enter:
 - The **Current Co-pay Per Child** that corresponds to the income ranges above.
 - The desired **Projected Co-pay Per Child**.
 - The **Co-pay Increase/Decrease Per Child** will automatically populate.
- In the section titled **“Potential Scenario”**:
 - Enter only the **Number of Families in Income Range** broken out by the number of children in a family.
 - For each of the four **Number of Children** categories in this section, the total should add to the **Number of Families in Income Range** in the Family Income Range section.
 - The remaining cells in this section will auto populate to show an increase/decrease in co-pays by number of children in the family.

- **At the bottom of the spreadsheet - The Total Increase/Decrease in Co-Pays** for all income levels and number of children in the family will auto populate.
- **Row 31** will auto populate the **Co-pay Rate Change** shown in tab 1 - Budget Summary.

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