



**American Indian and Alaska Native Child
Care and Development Fund: Guide to
Subsidy Administration for Medium- and
Large-Allocation Grantees**

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ADMINISTRATION FOR
CHILDREN & FAMILIES



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Background

Child Care and Development Fund Overview

The Child Care and Development Fund (CCDF) is the primary federal funding source devoted to providing low-income families with help paying for child care and improving the quality of care for all children.¹ Each month, it provides child care financial assistance for 1.4 million children whose parents are working or participating in education and training. The CCDF is a key resource to help increase the availability, affordability, and quality of child care services.

The Office of Child Care (OCC), Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS), administers CCDF at the federal level. The OCC Regional Program Managers located in each ACF regional office are integral partners of tribal, state, and territory Lead Agencies in the administration of CCDF funds. These Regional Program Managers and their staff members work with American Indian and Alaska Native (AI/AN) grantees as the primary federal point of contact for CCDF administration.²

A primary goal of the CCDF program is to provide child care financial assistance through subsidy programs that are child-focused, family-friendly, and fair to providers. These child care subsidy programs serve children from birth through age 12. OCC's aim is to integrate child development goals and family self-sufficiency goals to promote increased stability and higher-quality services that lead to improved child and family outcomes.

CCDF Reauthorization and the Final Rule

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 consolidated funding for child care under section 418 of the Social Security Act (42 U.S.C. § 618) and made such funding subject to the requirements of the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended. HHS subsequently designated the combined mandatory and discretionary funding streams as the CCDF program. The CCDBG Act is the law, along with Section 418 of the Social Security Act, that authorizes the CCDF program.

In November 2014, the CCDBG Act of 2014 was signed into law. This CCDBG Act reauthorized the CCDF program and introduced sweeping statutory changes to improve the health, safety, and quality of child care and provide more stable child care assistance to families. In September of 2016, OCC published a final rule to provide clarity on how to implement the law and administer the program in a way that best meets the needs of children, child care providers, and families. The major provisions of the law include the following:³

- ◆ **Protect the health and safety of children in child care.** The final rule strengthened health and safety requirements for programs receiving CCDF funds. This includes provisions around health and safety standards, health and safety training and professional development, comprehensive background checks, and monitoring of child care providers.
- ◆ **Help parents make informed consumer choices.** The final rule expanded requirements around consumer education for parents, the public, and child care providers. This includes requirements around disseminating information on providers and the availability of child care services, filing complaints, ensuring accessibility of monitoring reports, and providing information about best practices in child development.
- ◆ **Support equal access to stable child care for children from low-income families.** New requirements in the final rule established minimum time periods of child care assistance to families and strengthened payment rates and practices to promote access to care.

¹ Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).

² Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2018). Office of Child Care Regional Program Managers [Web page]. Retrieved from <https://www.acf.hhs.gov/occ/resource/regional-child-care-program-managers>

³ Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438, 67,438–41 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).

- ◆ **Enhance the quality of child care.** The final rule increased the share of funds directed toward quality improvement activities, including a new set-aside for quality infant and toddler care, and required training and professional development for caregivers, teachers, and directors working in child care.

For AI/AN grantees, ACF will determine compliance with the CCDF final rule through review and approval of the FY 2020–2022 CCDF Plans that become effective October 1, 2019.

The CCDF Plan is due triennially and serves as the grantee’s application for CCDF funds by providing a description of its child care program and services available to eligible families. The Plan contains specific assurances and certifications regarding the grantee and its CCDF program, as required by the CCDF final rule. The Plan provides information about the overall management of CCDF services and provides an opportunity for grantees to list the many activities and services they are providing to meet the needs of low-income children and families.

Tiered Requirements for AI/AN CCDF Grantees

The final rule outlines how the CCDF regulations apply to AI/AN grantees. The regulations were designed to provide flexibility for AI/AN CCDF grantees in meeting the needs of their communities in a manner consistent with the CCDF goals of promoting families’ financial stability and fostering healthy child development.

To account for variations in funding, the CCDF final rule established three categories of AI/AN CCDF grantees, with tiered requirements. These categories are based on CCDF funding amount, referred to as “allocation size” (table 1). Grantees with large allocations are subject to the majority of CCDF requirements, and grantees receiving smaller allocations are exempt from specific provisions in order to account for the size of the grant awards. This approach provides greater flexibility to grantees with lower levels of funding.

Table 1. Allocation Sizes for AI/AN CCDF Grantees

Allocation Size	Funding Amount
Small allocation	Less than \$250,000
Medium allocation	Between \$250,000 and \$1 million
Large allocation	More than \$1 million

Source: Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438, 67, 536 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).

Purpose of Guide

AI/AN CCDF Administrators and staff working with federal grants must be fully knowledgeable of all applicable federal requirements and skilled in applying these requirements to the daily operation of their programs, whether they are starting a new program or striving to maintain a quality program that meets the intent of the enacting legislation. It is the responsibility of AI/AN CCDF Administrators to identify the regulations and other requirements that apply to the programs they administer.

This guide provides an overview of CCDF requirements related to administering a subsidy program, providing stable financial assistance to eligible CCDF families, and ensuring equal access to quality child care for low-income families. This resource was designed specifically for AI/AN CCDF grantees with [medium and large allocations](#). It is intended for AI/AN CCDF Administrators, eligibility staff members, and all staff involved in implementing CCDF subsidy programs.

Footnotes in each section point to sources of additional information, including guidance documents disseminated by the Office of Child Care and specific sections of the federal regulations that govern the CCDF program.

Important Notice: Please Read before Using This Guide

This guide was developed to provide general information for those overseeing AI/AN CCDF programs. AI/AN CCDF Administrators and staff should always consult the regulations and current CCDF guidance for the most comprehensive and up-to-date information on the administration of AI/AN CCDF programs. When questions of policy arise, representatives of the OCC regional offices should be consulted; policy determinations from OCC supersede any information provided in this guide.

Section I. Introduction to Subsidy Administration

CCDF subsidies are a method of providing financial assistance to eligible families to help with the cost of child care. A subsidy is an amount of money paid by the CCDF grantee on the family's behalf, allowing the family to receive child care services they might otherwise not be able to afford.⁴

Subsidy administration involves overseeing the aspects of the CCDF program that provide stable financial assistance to eligible families and ensure equal access to quality child care. This includes defining which families are eligible to receive CCDF subsidies, establishing and overseeing processes for eligibility determination and redetermination, establishing payment rates for providers and copayment rates for families, and implementing provider payment practices.

Within the broad framework of federal regulations governing the CCDF program, AI/AN CCDF grantees have considerable flexibility in administering and implementing their child care programs, determining the basic use of CCDF funds, and identifying spending priorities based on the unique and specific needs of the AI/AN children and families in their communities.

Approaches for Providing CCDF Financial Assistance

For medium- and large-allocation grantees, the majority of CCDF funds must be spent on providing subsidized child care services directly to eligible children. Under the CCDF final rule, AI/AN CCDF grantees with medium and large allocations are required to spend a substantial percentage of their discretionary funds⁵ (not including the base amount) on direct child care services—that is, child care services provided directly to eligible children by eligible child care providers. After taking into account funds reserved for quality activities⁶ and administrative costs⁷, medium- and large-allocation **grantees must use no less than 70 percent of their remaining discretionary funds to pay for direct services.**⁸

For more information on requirements around the use of CCDF funds, see [American Indian and Alaska Native Child Care and Development Fund: Guide to Financial Management, Grants Administration, and Program Accountability](#) (National Center on Tribal Early Childhood Development, 2018).

There are three approaches that AI/AN CCDF grantees can use to provide families with CCDF financial assistance for direct child care services: certificates or vouchers, tribally operated child care centers, and contracts and grants.

Certificate (Voucher) Programs

Child care certificates, also referred to as vouchers, are issued by the AI/AN CCDF grantee directly to parents to confirm eligibility for payment for child care services. Families may obtain a certificate that they can use to purchase the child care of their choice from the [full range of available providers](#) that meet CCDF eligibility requirements (see figure 1). **AI/AN grantees with large allocation are required to offer certificates as an option for parents, but those with small and medium allocations (\$1 million or less) are not required to operate a certificate program.**⁹

⁴ Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2018). *Reporting clarifications for tribally operated centers* (Technical bulletin #14r-v2). Retrieved from <https://www.acf.hhs.gov/occ/resource/tb14r-v2>

⁵ CCDF funding is comprised of discretionary funds, which are provided under the CCDBG Act, and mandatory funds, which are provided under the Social Security Act. Discretionary funds for each grantee include a base amount that can be used for any costs that are consistent with the purposes and requirements of CCDF.

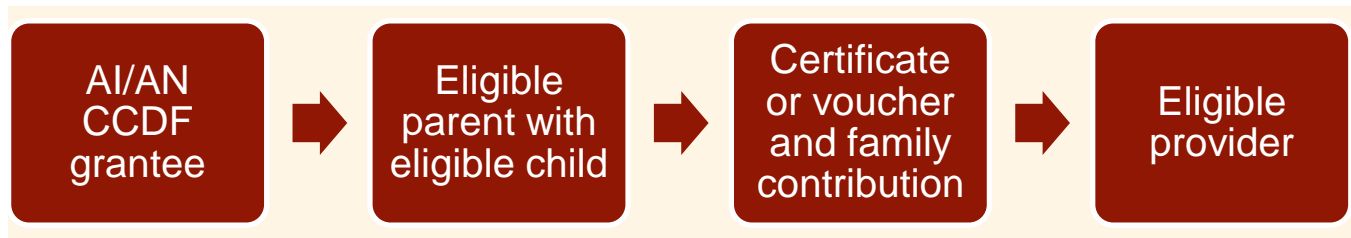
⁶ All AI/AN CCDF grantees are required to spend a minimum percentage of their total CCDF expenditures on quality improvement activities.

⁷ AI/AN grantees cannot spend more than 15 percent of their CCDF expenditures on administrative costs.

⁸ Child Care and Development Fund, 45 C.F.R. § 98.50(f) (2016).

⁹ Child Care and Development Fund, 45 C.F.R. § 98.83(e) (2016).

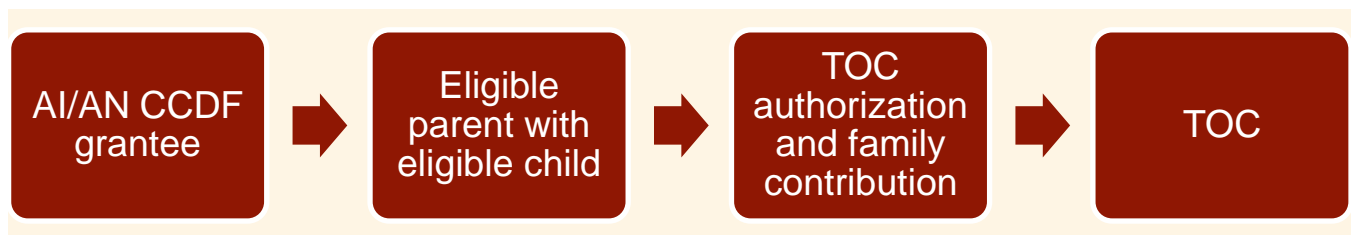
Figure 1. How a Certificate or Voucher Program Works



Tribally Operated Child Care Centers

AI/AN grantees can choose to use their CCDF funds to operate their own child care facilities, referred to as tribally operated centers (figure 2). AI/AN CCDF grantees choosing to run their own child care centers must manage day-to-day operations of the center, including staffing, staff supervision, and professional development; family enrollment and payment processes; curriculum development; food service management; program administration, including fiscal management; facilities management; and organizing and equipping indoor and outdoor classroom space.¹⁰ The benefits of providing child care services through a tribally operated child care center include having an early learning facility on or near tribal land and the ability to incorporate the tribe’s language and culture into the children’s curriculum.

Figure 2. How a Tribally Operated Child Care Center (TOC) Works



Grants and Contracts

AI/AN CCDF grantees may provide services through grants and contracts with eligible providers to directly serve CCDF-eligible families (figure 3). AI/AN CCDF grantees can use grants and contracts to purchase child care slots with child care providers. This method of providing direct child care services can be used to build supply in underserved areas, provide stable funding, and ensure accountability. Additional benefits of grants and contracts include supporting school-age child care and other target populations. Grants and contracts for child care slots normally include a written contract or agreement between the AI/AN CCDF grantee and the provider outlining the scope of services and responsibilities.

AI/AN CCDF grantees that use CCDF funds for contracts or grants may have slots that go unfilled at times. There may be periods when there are not eligible children whose families desire to use that child care slot.

¹⁰ Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2018). *Reporting clarifications for tribally operated centers* (Technical bulletin #14r-v2). Retrieved from <https://www.acf.hhs.gov/occ/resource/tb14r-v2>

Figure 3. How Contracts and Grants Work



Parental Choice

AI/AN CCDF grantees must ensure that families receiving financial assistance through CCDF have access to a range of child care options. The final rule includes provisions aimed at maximizing parental choice for safe, healthy, and nurturing child care settings and promoting parents' ability to select a child care arrangement that meets their needs.¹¹

- ◆ **Parental choice and certificates.** If a grantee is operating a certificate program and a parent decides to use the certificate option, then the AI/AN CCDF grantee must issue the certificate directly to the parent. The certificate value should be equal to the subsidy value of the child care services that are provided by grants and contracts.¹² AI/AN CCDF grantees must permit parents to use certificates for a variety of child care categories, including center-based child care, family child care, and in-home care. Any limitations regarding the use of certificates for in-home care must be described in the grantee's CCDF Plan. Additionally, grantees should note that parents may choose to use their certificates for child care services provided by sectarian organizations (that is, religious organizations or religious providers). In order to promote parental choice, AI/AN CCDF grantees are required to provide information to families receiving financial assistance through CCDF regarding the range of child care provider options that are available.¹³
- ◆ **Parental choice and grants and contracts.** If a grantee offers services through grants and contracts and a parent chooses to enroll their child with a provider that has a grant or contract to provide services, the AI/AN CCDF grantee is required, to the extent feasible, to enroll the child with the provider selected by the parent.¹⁴

Grantees are not permitted to establish or implement rules or policies that restrict parental choice, such as excluding or limiting access to certain categories of care (center-based, family child care, or in-home care) or any specific type of provider (such as nonprofit, for-profit, sectarian, or relatives who provide care). However, it is important to note that these requirements should not preclude an AI/AN CCDF grantee from providing parents with information and incentives to select higher-quality care or establishing policies that require CCDF providers to meet higher standards of care.¹⁵

Note: AI/AN CCDF grantees are responsible for ensuring that **all providers of direct services**, including tribally operated child care centers, meet CCDF provider eligibility requirements, follow applicable health and safety standards, and adhere to the grantee's policies and procedures.

¹¹ Child Care and Development Fund, 45 C.F.R. § 98.30 (2016).

¹² Child Care and Development Fund, 45 C.F.R. § 98.30(c) (2016).

¹³ Child Care and Development Fund, 45 C.F.R. § 98.30(e) (2016).

¹⁴ Child Care and Development Fund, 45 C.F.R. § 98.30(b) (2016).

¹⁵ Child Care and Development Fund, 45 C.F.R. §§ 98.30(f), (g), (h) (2016).

Section II. Providing Stable Child Care Financial Assistance to Families

As part of operating a subsidy program, AI/AN CCDF grantees must establish and implement policies and procedures for determining a child's eligibility for CCDF assistance (the eligibility determination process and redetermination process). The CCDF final rule made significant changes to requirements in these areas to support stable child care financial assistance and continuity of care through eligibility policies such as a minimum 12-month eligibility period. These fundamental requirements aim to support parental education, training, and employment, as well as continuity of care, and to minimize disruptions to children's learning and development.

AI/AN CCDF grantees have considerable flexibility when administering their programs, defining their eligibility criteria, and establishing their determination and redetermination processes to meet the unique needs of their communities.

Overview of Determining Eligibility

The CCDF final rule sets certain eligibility criteria that must be addressed by the grantee and met by families to receive services. The regulations require that a grantee's CCDF Plan include the basis for determining family eligibility for CCDF financial assistance.

AI/AN CCDF grantees must determine family eligibility using one of two approaches, eligibility or categorical eligibility. AI/AN CCDF grantees whose tribal median income (TMI) **exceeds** 85 percent of the state median income (SMI) must use the eligibility approach. If a grantee's TMI is **below** 85 percent of the SMI, then the grantee can choose either the first eligibility approach or the categorical eligibility approach.¹⁶ [More information regarding calculating the TMI and SMI can be found in the Grantee Median Income section of this guide.](#)

Note: State median income (SMI) refers to median income for a family of the same size residing in the state where the AI/AN CCDF grantee is located. **Tribal median income (TMI)** refers to median income for a family of the same size residing in the area served by the AI/AN CCDF grantee. **Grantee median income (GMI)** refers to the median income that the AI/AN CCDF grantee uses to determine eligibility, which can be either the SMI or the TMI.

Eligibility

If the TMI is above 85 percent of the SMI, the grantee must determine eligibility for services using certain CCDF eligibility criteria (see figure 4 for an example of this process).¹⁷ At the point in time when eligibility is determined, children must meet the following criteria:

- ◆ Meet the AI/AN CCDF grantee's definition of "Indian child"
- ◆ Reside within the AI/AN CCDF grantee's service area
- ◆ Be under the age of 13 (unless the grantee chooses to serve children between the ages of 13 and 19 who meet the grantee's definition of "physically or mentally incapable of self-care" or "under court supervision")
- ◆ Reside with a family whose income does not exceed 85 percent of the grantee median income (GMI), which can be either the TMI or the SMI, for a family of the same size
- ◆ Reside with a family whose assets do not exceed \$1,000,000

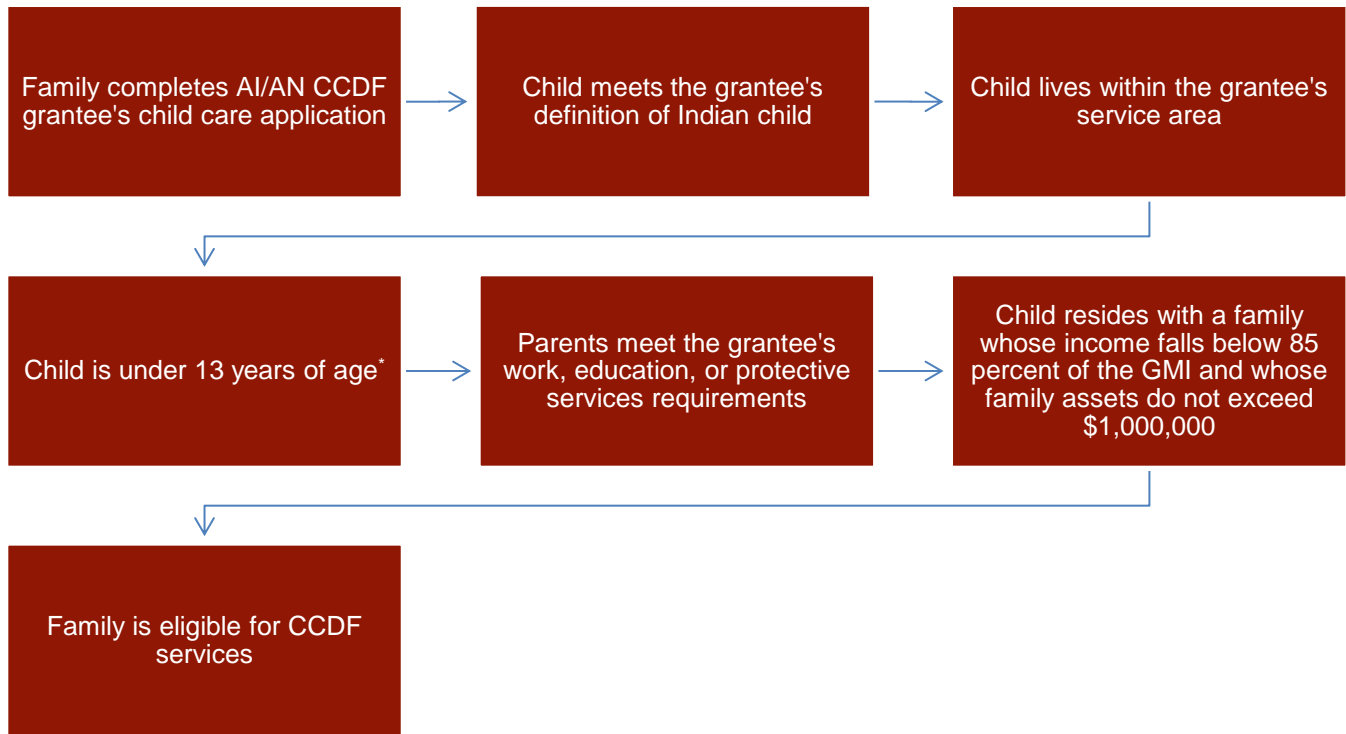
¹⁶ Child Care and Development Fund, 45 C.F.R. § 98.83(b) (2016).

¹⁷ Child Care and Development Fund, 45 C.F.R. § 98.83(b) (2016).

- ◆ Either reside with a parent or parents who are working or attending a job training or educational program, or receive or need protective services

If an AI/AN CCDF grantee's TMI is below 85 percent of the SMI, then the grantee can choose to determine eligibility using these criteria, or the grantee can choose to use the categorical eligibility option.

Figure 4. Example of Eligibility Determination for a Grantee Using the Eligibility Option



* AI/AN CCDF grantees can choose to serve children between the ages of 13 and 19 who meet the grantee's definition of "physically or mentally incapable of self-care" or "under court supervision."

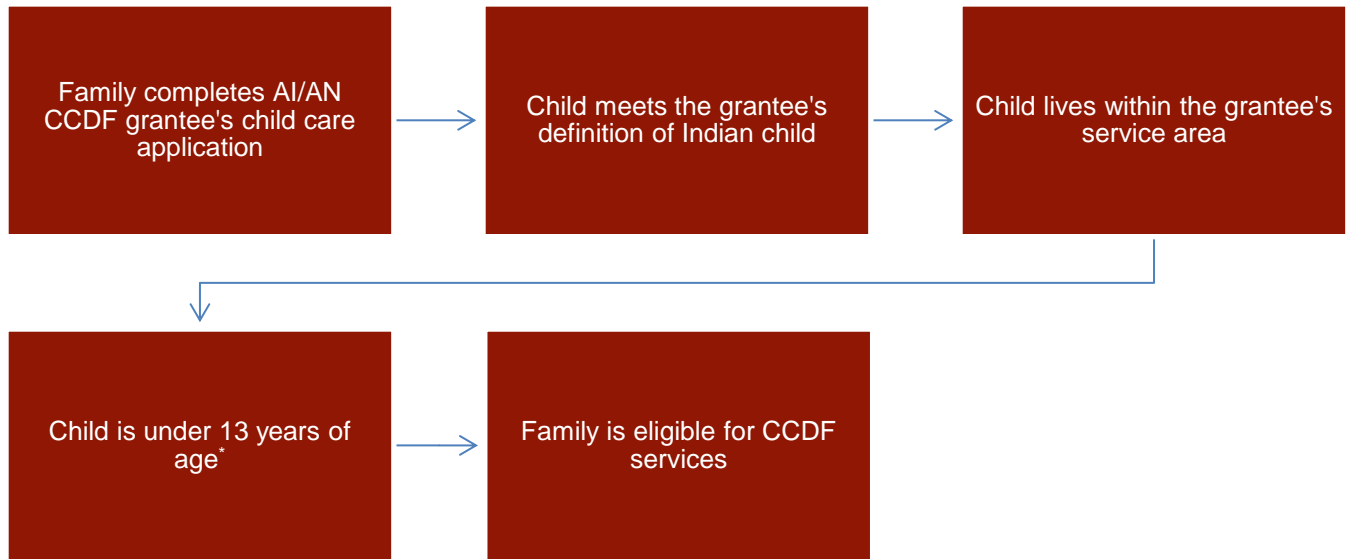
Categorical Eligibility

If an AI/AN CCDF grantee's TMI is less than 85 percent of the SMI in the state in which the grantee is located, then the grantee can **choose** to implement categorical eligibility. Categorical eligibility gives AI/AN CCDF grantees the flexibility to consider any Indian child in their service area eligible to receive CCDF funds, regardless of the family's income, work, or training status, as long as services are provided to children with the highest need.¹⁸

Under categorical eligibility, children must still meet the grantee's definition of "Indian child" and must still live within the grantee's service area (see figure 5 for an example of this process). AI/AN CCDF grantees that implement categorical eligibility can choose to establish additional eligibility criteria based on other factors such as income or family's work, education, or training status, provided that these criteria are defined in the CCDF Plan. For example, a grantee could choose to deem all Indian children within the service area eligible, regardless of parental income, but still require that parents be working or enrolled in a job training or educational program.

¹⁸ Child Care and Development Fund, 45 C.F.R. § 98.83(b) (2016).

Figure 5. Example of Eligibility Determination for a Grantee Using Categorical Eligibility (if the grantee has no additional eligibility criteria)



* AI/AN CCDF grantees can choose to serve children between the ages of 13 and 19 who meet the grantee’s definition of “physically or mentally incapable of self-care” or “under court supervision.”

AI/AN CCDF grantees that use the categorical eligibility option will have to show a comparison of TMI and SMI by family size in their CCDF Plan and cite the data source. It is strongly recommended that AI/AN CCDF grantees use Census data to determine the TMI, but tribes have the flexibility to determine their data source. AI/AN CCDF grantees should use the most recent TMI and SMI data available.

Table 2. Comparing State Median Income with Tribal Median Income for the Purposes of Implementing Categorical Eligibility

Family Size	100% of SMI	85% of SMI	100% of TMI
	\$/month	\$/month	\$/month
1	4,776	4,060	3,447
2	6,245	5,308	4,508
3	7,714	6,557	5,569
4	9,184	7,806	6,629
5	10,653	9,055	7,690
6	12,123	10,305	8,751
7	12,398	10,538	8,950
8	12,674	10,773	9,148

AI/AN CCDF grantees that choose to exercise this option must ensure that the children with the highest need are prioritized for services. This includes the following groups:

- ◆ Children who meet the AI/AN CCDF grantee’s definition of “[protective services](#)”
- ◆ Children who meet the AI/AN CCDF grantee’s definition of “[special needs](#)”

◆ Children experiencing [homelessness](#)

AI/AN CCDF grantees that choose to take advantage of the categorical eligibility option can create opportunities to align CCDF program eligibility requirements with other early childhood programs, including tribal home visiting, Early Head Start, and Head Start. For example, if an AI/AN CCDF grantee operates a Head Start program for part of the day, it could consider all Head Start students to be categorically eligible and use CCDF funds to operate a full-day, streamlined Head Start and CCDF classroom.

Eligible Children and Families

Children and families must meet certain eligibility criteria to be eligible for child care services under CCDF. These include requirements around whether the child meets the grantee's definition of "Indian child" and requirements around the child's age and location of residence, who the child is residing with, family income, and citizenship. It also includes requirements around parental activities and the reason for care, such as work, training, and education. AI/AN CCDF grantees are required to define these specific eligibility requirements for children and families in their CCDF Plans. However, there is flexibility in how they can define these eligibility criteria.

In addition to providing definitions in their CCDF Plans, AI/AN CCDF grantees should have clearly established policies and procedures regarding their eligibility determination process. These include policies around accepted forms of documentation for the eligibility determination process and strong record-keeping systems. Grantees have flexibility to determine what documents they will require when determining eligibility. For documentation examples, please see [Appendix A](#).

Indian Child

AI/AN CCDF grantees are required to provide a definition of "Indian child" in their CCDF Plan, and children must meet this definition to receive CCDF services.¹⁹ Grantees have flexibility in defining Indian child; however, the definition must be limited to children from federally recognized Indian tribes.

There is broad flexibility regarding how AI/AN CCDF grantees choose to define "Indian child." AI/AN CCDF grantees can choose to define "Indian child" as a child who is an enrolled member of the grantee's tribe. They can also choose to define "Indian child" more broadly, as any child who has verifiable American Indian or Alaska Native ancestry as determined by either tribal enrollment, a certificate of Indian blood, or a birth certificate documenting lineal descent.

The definition of "Indian child" can include children who are tribal members, whose membership is pending, who are eligible for membership, and who are children or descendants of members. This could also include children who do not have AI/AN ancestry, but who are adopted children, foster children, and stepchildren. AI/AN CCDF grantees can also include children from other tribes in their definition of "Indian child," if the tribes are federally recognized.

It is often the case the AI/AN CCDF grantee's definition of "Indian child" will vary from the tribe's enrollment criteria. The definition of "Indian child" could be limited to members enrolled in the AI/AN CCDF grantee's tribe or could be as broad as including all children within the service area who are enrolled in or descendants of any members of a federally recognized tribe. This definition could also include adopted children and stepchildren of members of a federally recognized tribe.

Additionally, some tribes do not allow potential members to be enrolled until they are 18. In these cases, AI/AN CCDF grantees can choose to define "Indian child" outside the formal tribal enrollment criteria and can allow for other forms of documentation, such as documentation from the Bureau of Indian Affairs, letters of descendance,

¹⁹ Child Care and Development Fund, 45 C.F.R. § 98.83(b) (2016).

or documentation from a tribe's enrollment office that the child will be eligible for enrollment when age appropriate.

Service Area

To be eligible for CCDF services, a child must reside within the tribal service area. For the purposes of determining CCDF eligibility, AI/AN CCDF grantees must define their service area in their CCDF Plans.²⁰ The service area must be "on or near the reservation," and therefore must be within a reasonably close geographic proximity to the delineated borders of a tribe's reservation.

Tribes located in Alaska, California, or Oklahoma without reservations are exempt from the requirement to have a service area that is "on or near the reservation," and must instead establish service areas in reasonably close geographic proximity to the area where the tribe's population resides.²¹ This could include using the counties where the tribe's population lives, using the boundaries defined by the Alaska Native Settlement Claims Act²² for grantees in Alaska, or using the ceded territories where the tribe's population continues to reside. ACF will not approve an entire state as an AI/AN CCDF grantee's service area.

It is possible to have a service area that overlaps or is shared with another AI/AN CCDF grantee's service area. If this is the case, it is imperative that both grantees are not conducting duplicative child counts. Many AI/AN CCDF grantees have memoranda of agreement with the other grantees that share a service area to ensure that they are submitting consistent and accurate child counts.

Child Age

In order to be eligible for CCDF services, children must be under 13 years of age at the time of eligibility determination.²³ A child will remain eligible through any change in age, including turning 13 years old during the eligibility period.²⁴

AI/AN CCDF grantees may serve a child up to age 19 if the child is mentally or physically incapable of self-care.²⁵ AI/AN CCDF grantees must indicate in their CCDF Plans whether they allow CCDF-funded child care for children age 13 and above but below age 19 who are physically or mentally incapable of self-care, and they must provide a definition for "physical or mental incapacity." This definition could include children who have been identified through the school district as eligible for special education services, or children who have been identified by a medical professional to be physically handicapped, developmentally delayed, or mentally handicapped. However, AI/AN CCDF grantees have the flexibility to provide their own definition in this area.

AI/AN CCDF grantees may also provide CCDF-funded care for children who are age 13 and above but below age 19 if they are under court supervision. AI/AN CCDF grantees must also indicate in their CCDF Plans whether this is allowable for their program.

Citizenship and Immigration Status

According to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, children must be U.S. citizens or qualified aliens to receive CCDF assistance. The CCDF final rule emphasizes that for CCDF eligibility, only the citizenship and immigration status of the child is relevant, and an AI/AN CCDF grantee may not condition eligibility on the citizenship or immigration status of the child's parent.²⁶

²⁰ Child Care and Development Fund, 45 C.F.R. § 98.83(b) (2016).

²¹ Child Care and Development Fund, 45 C.F.R. § 98.80(e) (2016).

²² Alaska Native Claims Settlement Act, 43 U.S.C. §1601 et seq.

²³ Child Care and Development Fund, 45 C.F.R. § 98.20(a) (2016).

²⁴ Child Care and Development Fund, 45 C.F.R. § 98.21(a) (2016).

²⁵ Child Care and Development Fund, 45 C.F.R. § 98.20(a) (2016).

²⁶ Child Care and Development Fund, 45 C.F.R. § 98.20(a) (2016).

Who the Child Resides With

CCDF eligibility requirements also include criteria around who the child resides with. The final rule specifies that a child must reside with parents, legal guardians, foster parents, or individuals acting in loco parentis. “In loco parentis” means “in the place of a parent,” and refers to an individual who assumes parental status and responsibilities for a child, such as a foster parent or other guardian. AI/AN CCDF grantees are asked to define the terms “resides with” and “in loco parentis” in their CCDF Plans.²⁷ Definitions of “in loco parentis” often include formal or informal guardianship of the child needing services.

Parental Activities and Reason for Care

In order to be eligible for CCDF subsidies, parents must be working or participating in education or training activities, with the exception of temporary interruptions in these activities. AI/AN CCDF grantees can choose to serve children whose parents are not working or participating in education or training activities if the children receive or need to receive [protective services](#).²⁸

Note: If an AI/AN CCDF grantee is implementing [categorical eligibility](#), eligibility criteria around parental activities and reasons for care are not required.

AI/AN CCDF grantees must define “working,” “attending a job training program,” and “attending an educational program” in their CCDF Plans for the purpose of determining eligibility. AI/AN CCDF grantees have broad flexibility in defining these terms. The definitions provided should include any allowable activities, including travel time and study time. Definitions should also address any limitations, such as minimum hours required or maximum hours allowed. Any work-related activities may be included in the definition of “working,” including periods of job search, travel time to and from work, self-employment, and temporary interruptions. Any training- or education-related activities may be included in this definition, including study time, travel time to and from education or training, and attendance of online courses in the home. Table 3 provides some examples of the types of work, education, and training activities that grantees may consider for eligibility.

AI/AN CCDF grantees are **not** required to determine the need for care based solely upon the actual hours parents attend work, education, and training activities.²⁹ This means that AI/AN CCDF grantees can consider the specific family circumstances, such as jobs requiring split work schedules, breaks between education courses, and sleep time for parents who work multiple jobs or have nontraditional work hours. For example, if in a two-parent household, one parent works overnight from 12:00 a.m. to 8:00 a.m., and the other works in the evenings from 4:00 p.m. to 12:00 a.m., the grantee could still choose to authorize care for the child during traditional daytime hours by taking parental sleep time and continuity of care into account.

AI/AN CCDF grantees have the flexibility to incorporate traditional ways of life into their definitions of “working,” in a manner that reflects their communities. This could include traditional means of making income, such as carving or selling of native crafts, or it can include seasonally appropriate subsistence hunting or gathering activities or the unpaid teaching of culture and language.

Table 3. Examples of Work, Education, and Job Training Activities for CCDF Eligibility

Examples of Work	Examples of Education	Examples of Job Training
<ul style="list-style-type: none"> ◆ Paid employment ◆ Job search 	<ul style="list-style-type: none"> ◆ High school or General Equivalency diplomas 	<ul style="list-style-type: none"> ◆ Department of Labor adult training program

²⁷ Child Care and Development Fund, 45 C.F.R. § 98.16(g) (2016).

²⁸ Child Care and Development Fund, 45 C.F.R. § 98.20(a) (2016).

²⁹ Child Care and Development Fund, 45 C.F.R. § 98.21(g) (2016).

Examples of Work	Examples of Education	Examples of Job Training
<ul style="list-style-type: none"> ◆ Job readiness activities ◆ Community work experience ◆ Job sampling or shadowing ◆ Approved subsistence activities 	<ul style="list-style-type: none"> ◆ Attending a college or university ◆ Online, distance, or hybrid educational programs ◆ Participating in a program that leads to a certificate, degree, or license ◆ Master apprentice program (immersive language mentoring with tribal elders) 	<ul style="list-style-type: none"> ◆ Temporary Assistance for Needy Families job training ◆ Tribal Workforce Innovation and Opportunity Act training ◆ Workforce development training ◆ Apprenticeships ◆ Job shadowing ◆ Continuing education or online training

Note: AI/AN CCDF grantees have flexibility to determine what parental activities are included in their definitions of work, education, and job training when determining eligibility. This list is not exhaustive.

Protective Services

The CCDF final rule includes provisions that allow AI/AN CCDF grantees to provide child care services to children in protective services, regardless of whether their parents meet income or work requirements.³⁰ There is also flexibility to define “protective services,” which allows AI/AN CCDF grantees to provide CCDF services to vulnerable children and families in a way that fits the needs of their community.

AI/AN CCDF grantees can choose to waive family income eligibility requirements for children because they meet their definition of “protective services,” if needed, on a case-by-case basis. If a child who is receiving or in need of receiving protective services is residing with a parent, guardian, or other person standing in loco parentis whose [income](#) exceeds 85 percent of the grantee median income or whose [family assets](#) exceed \$1,000,000, an AI/AN CCDF grantee can still provide CCDF services to that child if determined to be necessary.

Children receiving or in need of receiving protective services may also be eligible even if their parents do not meet [work or activity requirements](#). Children who meet the AI/AN CCDF grantee’s definition of “protective services” can live with a parent, guardian, or other person standing in loco parentis who is not working or attending job training or education activities and still be eligible for CCDF services.

AI/AN CCDF grantees are required to provide a definition of “protective services” in their CCDF Plans for the purposes of determining eligibility. This definition should specify whether children in foster care are considered to be in protective services. It must also indicate whether the AI/AN CCDF grantee provides respite care for custodial parents of children in protective services.³¹

Note: For the purposes of CCDF, “respite care for parents of children in protective services” is temporary care that is available if the parents need relief from caretaking responsibilities. CCDF allows for respite care only for brief, occasional periods in excess of the normal less-than-24-hour period allowed for CCDF-funded child care. For example, CCDF funds could be used to pay a provider to care for a child receiving protective services for one weekend a month. Note that an AI/AN CCDF grantee’s definition of “respite child care” may differ from the definition used by other programs or for other purposes (such as child welfare).

AI/AN CCDF grantees also have the flexibility to define “protective services” beyond formal child welfare, foster care, or subsidized guardianship cases. Grantees may elect to include other vulnerable populations, such as

³⁰ Child Care and Development Fund, 45 C.F.R. § 98.20(a) (2016).

³¹ Child Care and Development Fund, 45 C.F.R. § 98.16(g) (2016).

homeless children, children of teen parents, and children at risk of needing protective services. This flexibility allows grantees to serve children and families in a way that meets the needs of their communities. For example, if a community is impacted by the opioid misuse epidemic, the AI/AN CCDF grantee may choose to expand the definition of protective services in order to provide CCDF-funded child care services for children while families attend rehabilitation. When considering how to define protective services, it is a good idea to collaborate with the tribe's Indian Child Welfare department to leverage ideas to best serve children in need.

Examples of children who might fall under the “protective services” definition can include, **but are not limited to**, the following:

- ◆ Children receiving protective services through appropriate agencies, in foster care (state or tribal), or in kinship care;
- ◆ Children in crisis situations related to domestic violence or homelessness;
- ◆ Children with a disability, physical, mental, or medical condition;
- ◆ Children of teenage parents;
- ◆ Children whose parents
 - have a disability, physical, mental, or medical condition;
 - are unable to care for the child because of addiction to a controlled substance; or
 - are attending in-patient or out-patient drug or alcohol rehabilitation

Family Income and Assets

CCDF eligibility requirements also include criteria around family income and financial assets. AI/AN CCDF grantees also have flexibility when establishing income eligibility limits, defining “income,” and defining “assets.”

Note: If an AI/AN CCDF grantee is implementing [categorical eligibility](#), eligibility criteria around family income and assets are not required.

Grantee Median Income

AI/AN CCDF grantees must establish CCDF family income eligibility limits. Those limits cannot exceed 85 percent of the grantee median income (GMI). AI/AN CCDF grantees have the flexibility to use either state median income (SMI) or tribal median income (TMI) as their GMI, and must indicate which one they choose to use in their CCDF Plans.³²

³² Child Care and Development Fund, 45 C.F.R. § 98.81(b) (2016).

AI/AN CCDF grantees are required to provide the data source and year that they use when calculating GMI. AI/AN CCDF grantees have the flexibility to use tribally collected income data, but the Office of Child Care strongly recommends that grantees use Census data. For either option, the data should be the most recent SMI or TMI data available.

Tips for Calculating Grantee Median Income

“Grantee median income” refers to the median income that the AI/AN CCDF grantee uses to determine eligibility, which can be either the state median income or the tribal median income.

SMI for the current year (fiscal year 2018) can be found at <https://www.acf.hhs.gov/ocs/resource/liheap-im2017-03>.

If SMI is not representative of an AI/AN community, grantees have the flexibility to use TMI based on their own reliable data sources. For more information on TMI, please contact your OCC regional office.

Eligibility Based on Income

AI/AN CCDF grantees must define their income eligibility levels in their CCDF Plans. To be eligible for CCDF services, a family’s income cannot exceed 85 percent of the GMI. However, AI/AN CCDF grantees can choose to set income eligibility limits below 85 percent of the current GMI.³³ Grantees that set income eligibility limits below 85 percent of the current GMI must provide a graduated phase-out of care, as described in the next section.³⁴

Income requirements may be waived for children who are eligible for child care because they meet the definition of “receiving or needing to receive [protective services](#)” if determined necessary, on a case-by-case basis.³⁵

Table 4. Example of CCDF Income Eligibility Levels if AI/AN CCDF Grantee Chooses to Set Income Eligibility Limits at 85 Percent of GMI

Family Size	100% of Grantee Median Income	Eligibility Limit (85% of GMI)
	\$/month	\$/month
1	3,006	2,555
2	3,930	3,341
3	4,855	4,127
4	5,780	4,913
5	6,705	5,699
6	7,630	6,486
7	7,803	6,633
8	7,977	6,780

³³ Child Care and Development Fund, 45 C.F.R. § 98.81(b) (2016).

³⁴ Child Care and Development Fund, 45 C.F.R. § 98.21(b) (2016).

³⁵ Child Care and Development Fund, 45 C.F.R. § 98.20(a) (2016).

AI/AN CCDF grantees must define “income” in their CCDF Plans for the purpose of determining eligibility. They have flexibility in creating this definition, which allows for the exclusion of certain types of income, as defined by the grantee, from calculations of total family income for the purpose of eligibility determination. Examples of possible income exclusions include **but are not limited to** the following:

- ◆ Federal tax credits
- ◆ Federal or state tax returns
- ◆ Temporary Assistance for Needy Families benefits
- ◆ Supplemental Nutrition Assistance Program (SNAP) benefits
- ◆ Child support payments
- ◆ State tax credits
- ◆ Tribal per capita income
- ◆ Income from Alaska Native Corporation dividends
- ◆ One-time lump sum benefits
- ◆ Income from scholarships, grants, or loans
- ◆ COLA deductions (deductions to account for higher cost of living in tribal areas)
- ◆ Income from certain family members (for example, income from children younger than 18, minor parents and their parents, and foster parents and subsidized guardians)
- ◆ Income earned from traditional means, such as carving or selling of native crafts

Graduated Phase-Out

AI/AN CCDF grantees that establish initial family income eligibility below 85 percent of GMI must provide a graduated phase-out of assistance for certain families participating in CCDF. Graduated phase-out applies to families who, at the time of eligibility redetermination, meet all non-income related eligibility criteria and whose income is above the initial income eligibility limit, but still at or below 85 percent of GMI.³⁶ Providing a graduated phase-out promotes continuity by allowing for wage growth and a tapered transition out of the child care subsidy program, and supports long-term financial stability to help families get to a point where they no longer need the subsidy. Sudden withdrawal of support can destabilize and undermine a family’s pathway to financial stability. Figure 6 provides a visual representation of the graduated phase-out process.

A graduated phase-out of assistance is achieved by establishing two tiers of eligibility:

- ◆ The initial income eligibility amount, which is below 85 percent of GMI
- ◆ A second tier of eligibility, used at the time of [eligibility redetermination](#), which is set at 85 percent of GMI for a family of the same size, or an amount lower than 85 percent of GMI, but above the AI/AN CCDF grantee’s initial eligibility threshold. If the grantee opts to set the second tier at an amount lower than 85 percent of GMI,
 - the threshold must account for the typical household budget of a low income family; and
 - the grantee must show that the second eligibility level is sufficient to:
 - accommodate increases in family income over time that are typical for low-income workers in order to promote and support family economic stability, and
 - reasonably allow families to continue accessing child care services without unnecessary disruption.

Table 5 provides an example of what these two tiers of eligibility may look like.

³⁶ Child Care and Development Fund, 45 C.F.R. § 98.21(b) (2016).

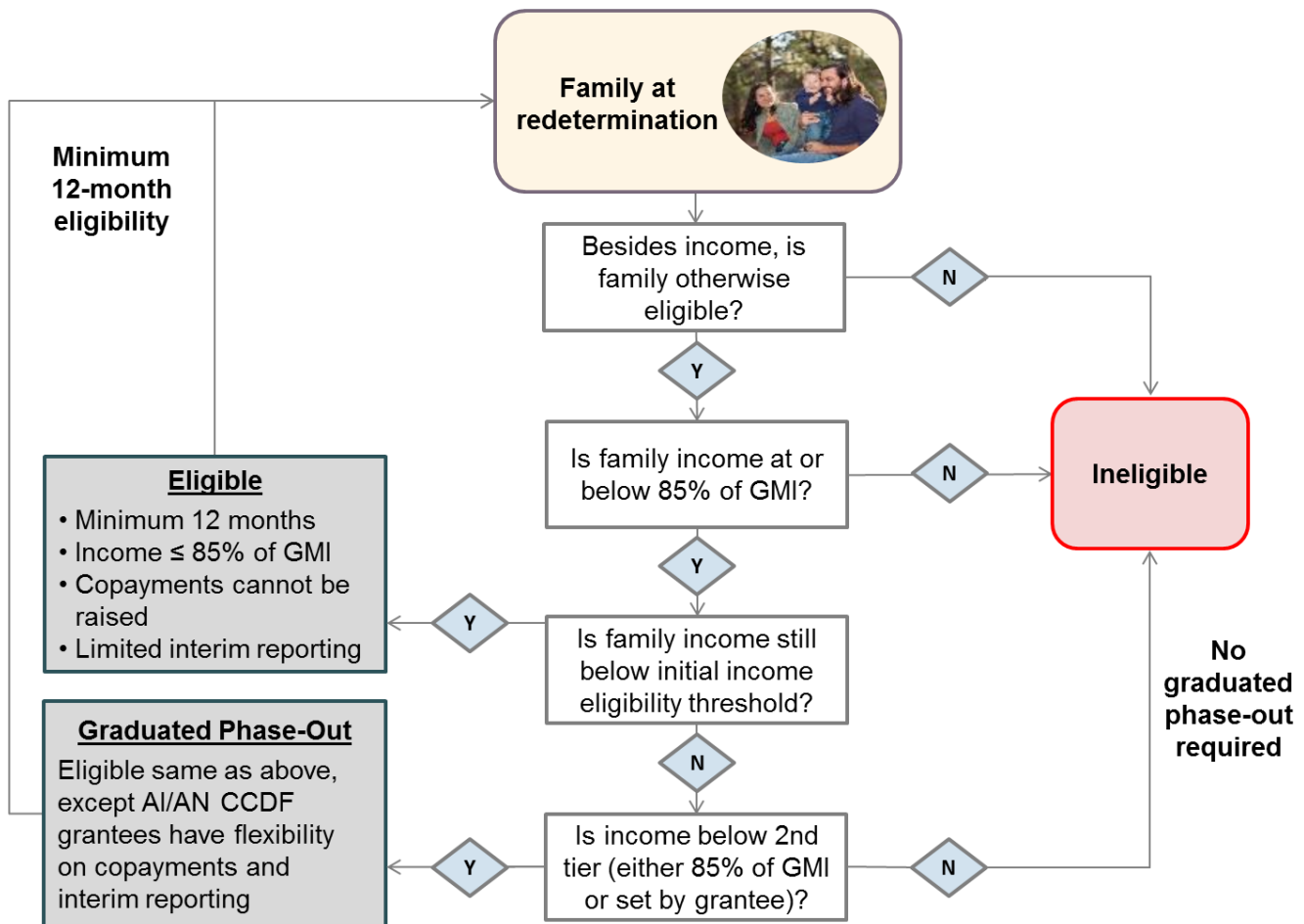
Table 5. Example of CCDF Income Eligibility Levels if AI/AN Grantee Chooses to Set Income Eligibility Limits below 85 Percent of GMI

Family Size	100% of Grantee Median Income	85% of GMI	Initial Eligibility Limit		Maximum Phase-Out Income Level (cannot exceed 85% of GMI)	
	\$/month	\$/month	\$/month	% of GMI	\$/month	% of GMI
1	3,006	2,555	1,503	50%	2,555	85%
2	3,930	3,341	1,965	50%	3,341	85%
3	4,855	4,127	2,428	50%	4,127	85%
4	5,780	4,913	2,890	50%	4,913	85%
5	6,705	5,699	3,353	50%	5,699	85%
6	7,630	6,486	3,815	50%	6,486	85%
7	7,803	6,633	3,902	50%	6,633	85%
8	7,977	6,780	3,989	50%	6,780	85%

AI/AN CCDF grantees may adjust [copayments](#) for families during the graduated phase-out period.³⁷ This can create a gradual shift in how families must adjust their budgets to cover the full cost of care once they are no longer receiving a subsidy. Grantees should consider how to do this in a way that minimizes paperwork and reporting burdens on working families.

³⁷ Child Care and Development Fund, 45 C.F.R. § 98.21(b) (2016).

Figure 6. Graduated Phase-Out Process



Irregular Fluctuations in Income

AI/AN grantees must take income fluctuations into account when determining family income for the purposes of CCDF eligibility.³⁸ This is particularly important for families who rely on work that is unpredictable or seasonal in nature, such as agriculture, construction work, or subsistence activities such as hunting and fishing. These families may experience a temporary spike in income as a result of working increased hours over a short period, yet those earnings are not representative of the family’s income over the course of a year.

In order to take into account irregular fluctuations in income, AI/AN CCDF grantees can average income annually or disregard temporary, short-term income increases. The methodology by which AI/AN CCDF grantees capture family income determines the accuracy of eligibility determination (or redetermination), with implications for eligibility as well as the amount of the family copayment. The following are some examples of policy options that would enable AI/AN CCDF grantees to take into account irregular fluctuations in earnings and capture a more nuanced picture of family income:

- ◆ **Allow for temporary income increases.** AI/AN CCDF grantees can adopt policies that ensure that temporary changes in income, including temporary changes that mean that monthly income exceeds 85 percent of GMI (calculated on a monthly basis), do not affect eligibility or copayments. If a family temporarily sees its income rise but that change is not expected to be long-lasting, terminating eligibility or abruptly

³⁸ Child Care and Development Fund, 45 C.F.R. § 98.21(c) (2016).

increasing copayments can destabilize the family and result in the family being left without needed assistance when the short-term income increase has ended and the parent needs assistance to continue to work.

- ◆ **Consider average income.** To ensure that salary and wage information is reflective of annual income, an AI/AN CCDF grantee has the option of averaging family earnings over a period of time (for example, looking at the family’s earnings over a 12-month period, rather than a shorter period of time). Grantees adopting this approach will need to consider how income changes that occur during the eligibility period should be considered, including situations in which a family may be expected to have monthly income above 85 percent of GMI for part of the year and lower income in other months. AI/AN CCDF grantees have the flexibility to allow such families to remain eligible for child care subsidies during their higher-earning months based on past evidence that annual income is not expected to be above 85 percent of GMI. Considering a family’s likely income over a year gives the AI/AN CCDF grantee the ability to account for irregular fluctuations in pay over the course of a year and provide a more accurate picture of the family’s financial situation. Table 6 provides an example of a family whose monthly income spikes above 85 percent of GMI in certain months, but stays below 85 percent of GMI when averaged throughout the year.

Table 6. Example of Averaging Income to Account for Irregular Fluctuations in Earnings

Month	Income	Percentage of GMI (GMI = \$2,000 monthly)
January	\$495	25%
February	\$3,400	170%
March	\$210	11%
April	\$900	45%
May	\$8,000	400%
June	\$701	35%
July	\$502	25%
August	\$2,100	105%
September	\$500	25%
October	\$450	23%
November	\$1,600	80%
December	\$400	20%
Annual total	\$19,258	
Average monthly income	\$1,605	80%

Family Asset Limits

In order to be eligible for CCDF child care services, families must also have less than \$1,000,000 in assets.³⁹ This asset limit can be verified in the initial application. This requirement can be met through self-certification, and the definition of “family assets” is left to the AI/AN CCDF grantee to determine.

³⁹ Child Care and Development Fund, 45 C.F.R. § 98.20(a) (2016).

Family asset eligibility requirements may be waived for children who are eligible for child care because they meet the definition of “receiving or needing to receive [protective services](#),” if determined necessary on a case-by-case basis.

Application and Eligibility Determination and Redetermination Processes

AI/AN CCDF grantees are required to describe in their CCDF Plans how they will support and protect working parents through specific strategies. Many of these strategies involve eligibility determination and redetermination policies. Eligibility redetermination should not require parents to unduly disrupt their employment.

Informing Parents

AI/AN CCDF grantees must inform parents of eligible children and the general public of the availability of child care assistance services under CCDF and the process by which they can apply for CCDF assistance.⁴⁰ The following are some common channels that can be used to inform eligible families about the availability of child care assistance services:

- ◆ Tribal administration offices
- ◆ Child care providers
- ◆ Child care resource and referral offices
- ◆ Local education agencies
- ◆ Early Head Start and Head Start programs
- ◆ Health clinics
- ◆ Temporary Assistance for Needy Families offices
- ◆ Tribal or local government offices
- ◆ Community outreach events
- ◆ Radio and TV
- ◆ Social media
- ◆ Internet; AI/AN CCDF grantee website

Applying for Services

AI/AN CCDF grantees have a responsibility to ensure that their application processes and requirements are not placing an undue burden on families.⁴¹ This means having many ways that families can apply for services, and ensuring that families aren't missing work, school, or job training to apply for services. AI/AN CCDF grantees can make it easier for families by having telephone or in-person interviews during hours that are convenient for families; allowing families to communicate by mail, email, or fax; leaving application documents with child care providers; having online applications; or combining many of these options.

⁴⁰ Child Care and Development Fund, 45 C.F.R. § 98.33(b) (2016).

⁴¹ Child Care and Development Fund, 45 C.F.R. § 98.21(d) (2016).

Twelve-Month Eligibility

Under the CCDF final rule, AI/AN CCDF grantees must establish a minimum 12-month eligibility period for families receiving child care services through CCDF.⁴² The intent of this requirement is to improve and increase continuity of care and extend the time period that eligible children and families have access to child care assistance.

Low-income families can experience multiple rapid changes within a short period of time, and unemployment and job loss are very disruptive to families. Maintaining a family's eligibility during such changes—for example, a temporary period of unemployment or extended leave due to illness—can reduce some of the stress and facilitate a smoother transition back into the workforce. Stable child care is important to strengthening parents' ability to go to work, improve their job prospects, and increase their earning potential. Also, continuity is important for creating the stable conditions children need for their healthy development and preparing for school.

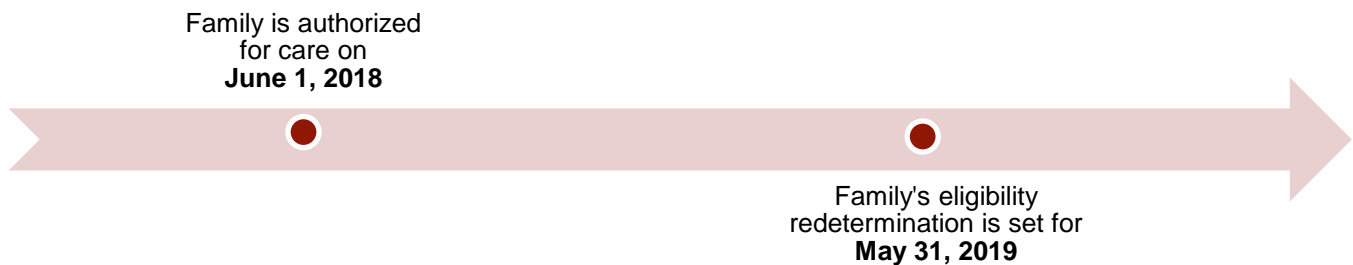
Grantees must ensure that families receiving CCDF assistance will be considered eligible and will receive assistance for at least 12 months before their eligibility redetermination. Families will remain eligible for the full 12-month eligibility period, regardless of the following:

- ◆ Temporary changes in parents' work or activities;
- ◆ A change in the child's age, including turning 13 during the eligibility period;
- ◆ A change in the family's address within the service area; and/or
- ◆ Changes in family income, as long as the income does not exceed 85 percent of GMI.

AI/AN CCDF grantees are **prohibited** from redetermining a child's eligibility any earlier than 12 months after the initial determination, and are **prohibited** from allowing shorter eligibility periods within the minimum 12-month eligibility period (for example, requiring families to recertify on a quarterly basis). However, families can choose to end services or decrease the level of services (for example, switching from full- to part-time care) at any time.

While there are limits to the reasons AI/AN CCDF grantees can terminate services, grantees are not obligated to pay for services that are not being used. For instance, if a family voluntarily changes their care arrangement to use less care, the grantee can adjust the payments to the provider accordingly. If a family voluntarily stops using the child care services they are authorized for, the grantee does not have to continue payment to the provider.

Figure 7. Example of Eligibility Redetermination Timeline Using 12-Month Eligibility



Note: AI/AN CCDF grantees must establish a **minimum** CCDF eligibility period of 12 months. However, grantees have the option to establish a longer eligibility period.

⁴² Child Care and Development Fund, 45 C.F.R. § 98.21(a) (2016).

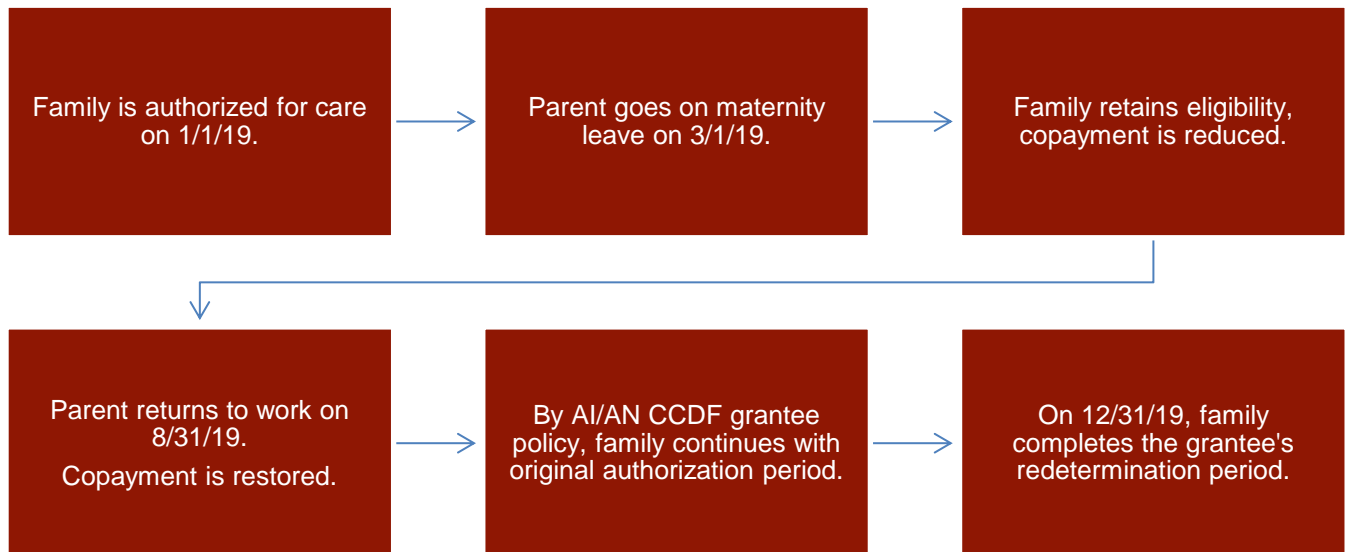
Temporary Changes

Once families are determined eligible for CCDF services, they remain eligible for the remainder of the minimum 12-month eligibility period, regardless of temporary changes in work, education, or job training activities. The final rule defines specific circumstances that qualify as “temporary changes” that cannot have an impact on eligibility.⁴³ These circumstances include the following:

- ◆ Time-limited absences from work or school due to reasons such as the need to care for a family member, including family leave (including parental leave), or an illness;
- ◆ Interruption in work for a seasonal worker;
- ◆ Any student holiday or break for a parent in training or education;
- ◆ Reductions in work, education, or job training hours, as long as the parent is still working or attending training or education;
- ◆ Any other cessation of work or attendance at a training or education program that does not exceed three months or a longer period of time established by the AI/AN CCDF grantee;
- ◆ A change in the child’s age, including turning 13 during the eligibility period; and/or
- ◆ A change in residency within the service area.

AI/AN CCDF grantees must consider all changes on this list to be temporary and are prohibited from terminating eligibility in these instances. However, AI/AN CCDF grantees should not be limited by this definition and may consider additional changes to be temporary, as long as those changes are defined in their CCDF Plan.

Figure 8. Example: Parent Goes on Maternity Leave and Receives Continued Assistance



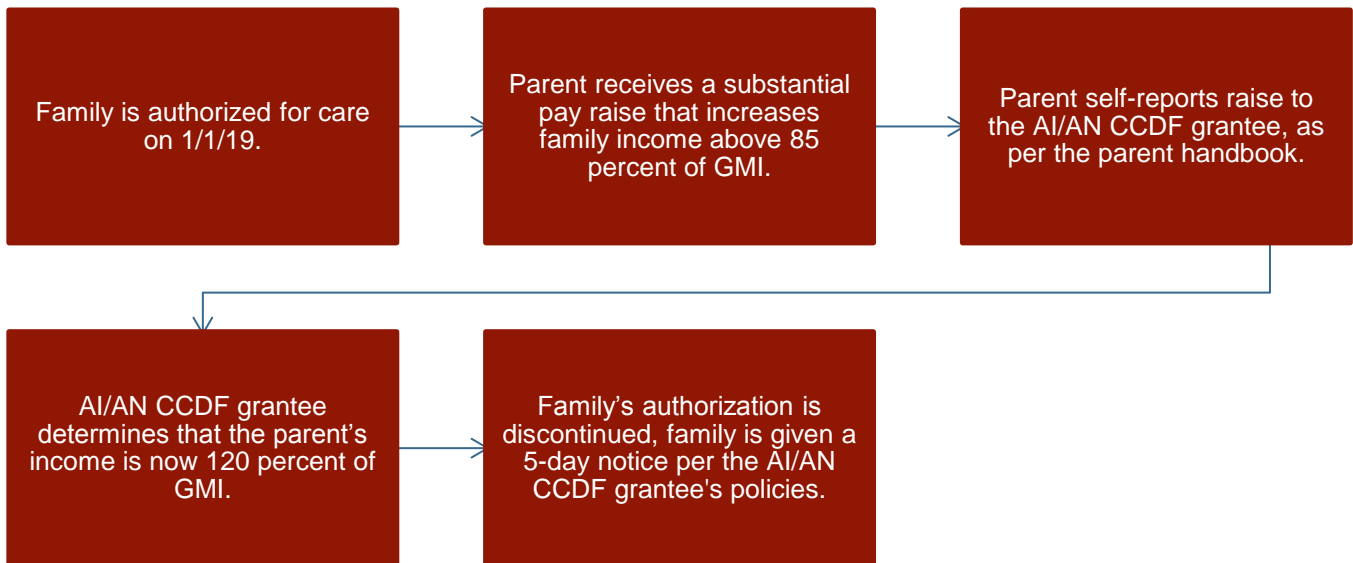
Optional Reasons to Discontinue Assistance

The CCDF final rule includes a few limited circumstances where AI/AN CCDF grantees have the **option** to discontinue services before the end of the 12-month eligibility period. The only reason an AI/AN CCDF grantee

⁴³ Child Care and Development Fund, 45 C.F.R. § 98.21(a) (2016).

must discontinue assistance for a family is if the family reports that their income has exceeded 85 percent of GMI when taking into account irregular fluctuations in income, unless the grantee is implementing categorical eligibility.

Figure 9. Example: Family Income Exceeds 85 Percent of GMI



Note: AI/AN CCDF grantees have flexibility when determining what their processes will be when terminating families from their child care assistance programs. There is no federal threshold for the time period that families will be given regarding notice of the termination.

Non-Temporary Changes in Work and Job Search

AI/AN CCDF grantees have the option of terminating assistance before redetermination if a parent experiences a non-temporary change in work or educational or training activities (for example, if a parent loses employment). However, AI/AN CCDF grantees that choose this option must allow continued child care assistance for a reasonable period, which is defined as **no less than 3 months**. After this period, grantees can elect to discontinue assistance.⁴⁴

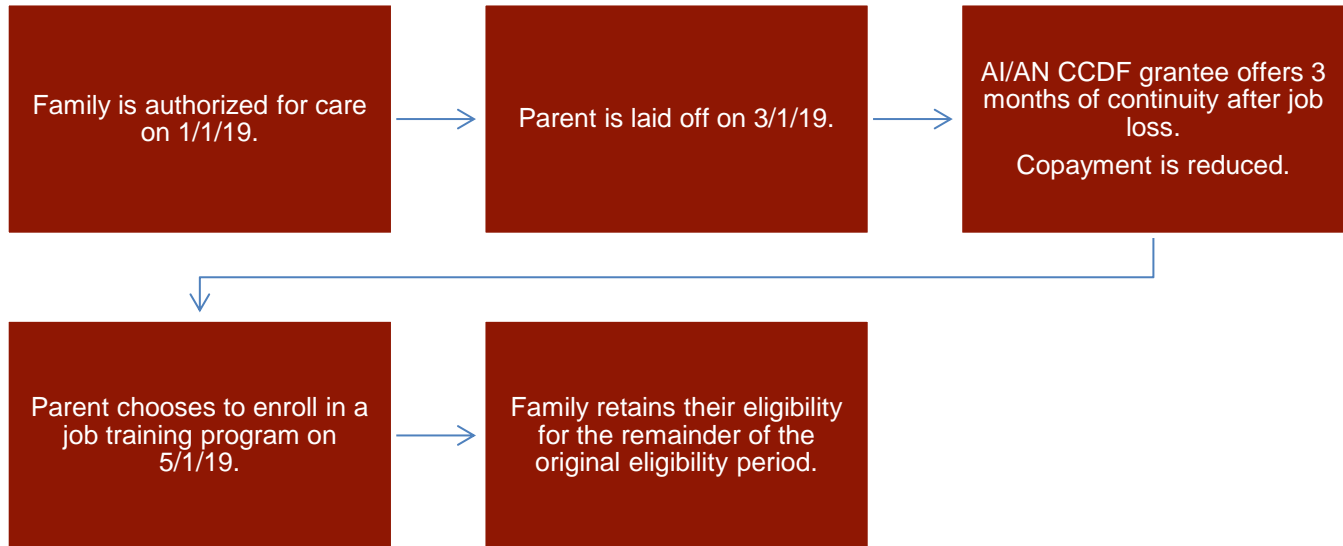
If a parent receiving CCDF services loses his or her job, the AI/AN CCDF grantee must provide a minimum of 3 months of continued assistance. While the parent is searching for employment, the grantee does not need to collect additional documentation, as this creates an additional burden for the family. These supports allow the parent to continue to receive assistance while looking for a new job or resuming training or education. If at the end of the 3-month job search period, the parent is engaged in a qualifying activity, assistance cannot be terminated. The grantee has the option of resuming the family's eligibility to end at the original 12-month eligibility period, or the family can start a new 12-month eligibility period.

There are no limits to the number of times a family can use the 3-month continuity period while searching for new means of work. For example, if a parent loses their job within the first month of their authorization and the grantee discontinues assistance, the family would be given at least 3 more months of subsidy. If the parent returned to work in the fourth month, their assistance would continue for at least the rest of the original authorization. If during the seventh month, the parent then lost their job again and the grantee again discontinues assistance, the family would again be given at least another 3 months of subsidy. This would be the case any time the grantee chooses to discontinue assistance before the end of the eligibility period because of the loss of job, training, or educational program.

⁴⁴ Child Care and Development Fund, 45 C.F.R. § 98.21(a) (2016).

If a parent does not have a job and is not enrolled in school or a job training program, but needs child care assistance while searching for employment, then their job search can be used as an initial qualifying activity for CCDF services. In this case, the AI/AN CCDF grantee has the option to end financial assistance after a minimum of 3 months if the parent has still not found employment, but must continue assistance if the parent becomes engaged in an eligible work, education, or training activity with income below 85% of GMI.

Figure 10. Example: Parent Loses Employment and Receives Continued Assistance



Excessive, Unexplained Absences

AI/AN CCDF grantees can choose to discontinue services for families with excessive, unexplained absences.⁴⁵ Grantees that elect to use this policy must establish a threshold for the number of unexplained absences that they define as “excessive.” This threshold should be documented in the grantee’s policies and procedures.

Additionally, AI/AN CCDF grantees are required to make multiple attempts to contact the family and provider, including prior notification of possible cessation of assistance, before they can move forward with discontinuing services.

Note: AI/AN CCDF grantees cannot require additional reporting of a family with frequent or unexcused absences.

Change in Residency Outside of Service Area

AI/AN CCDF grantees also have the option to discontinue assistance for families if they move outside the defined [service area](#).⁴⁶ Grantees can choose to continue to provide services in this situation and coordinate with other local tribal and state CCDF programs to transition the family. For example, if a family is relocating from one tribal service area to another, the two AI/AN CCDF grantees can communicate to determine whether the child would meet the definition of Indian child in the service area of the new grantee, and the original grantee can help act as a conduit to ensure a smooth transition of services.

⁴⁵ Child Care and Development Fund, 45 C.F.R. § 98.21(a) (2016).

⁴⁶ Child Care and Development Fund, 45 C.F.R. § 98.21(a) (2016).

Substantiated Fraud or Intentional Program Violations

The final reason a grantee can choose to discontinue child care assistance for a family is in instances where the family is found to have committed substantiated fraud or intentional program violations that invalidate prior determinations of eligibility.⁴⁷ Such violations must be defined in the grantee's CCDF Plan and should be made clear in the grantee's policies and procedures.

Reporting between Determination Periods

Because the CCDF final rule requires a minimum 12-month eligibility period despite temporary changes in the parent's work, education, or training activity or an increase in family income (as long as income does not exceed the federal limit of 85 percent of GMI), it is unnecessary to require reporting of minor changes in these circumstances that would not impact eligibility. Therefore, the CCDF final rule includes provisions that are aimed at minimizing reporting burdens for families.⁴⁸

AI/AN CCDF grantees must require families to report, at any point during the minimum 12-month period, if they have experienced a change in income that exceeds the federal eligibility threshold of 85 percent of GMI (taking into account irregular fluctuations in income). AI/AN CCDF grantees have the *option* of asking families to report during the 12-month eligibility period if they experience non-temporary cessation of work, training, or education.

If an AI/AN CCDF grantee chooses to impose any additional reporting requirements for families during the 12-month eligibility period, these requirements must be limited to the following:

- ◆ Circumstances that affect a family's eligibility (for example, income changes over 85 percent of GMI)
- ◆ Changes to contact information that affect a grantee's ability to communicate with parents or providers

AI/AN CCDF grantees also have the responsibility to ensure that they are not placing an undue burden on families with their reporting requirements. Therefore, they are not allowed to require an office visit for the purposes of fulfilling notification requirements. AI/AN CCDF grantees must offer a range of notification options to accommodate families, such as phone, email, online forms, and extended submission hours.

AI/AN CCDF grantees must allow families the option to voluntarily report changes on an ongoing basis and are required to act on this information if it would reduce the family's [copayment](#) or increase the family's subsidy. Examples of situations that would reduce a family's copayment might include a parent's reduction in work hours, a transition from work to an educational program, or other reductions in income.

If a family voluntarily reports a change that would reduce the family's subsidy, AI/AN CCDF grantees are prohibited from acting on this information unless it indicates that the family's income exceeds 85 percent of GMI for a family of the same size, taking into account irregular income fluctuations. AI/AN CCDF grantees have the option to act on the information if it indicates that the family has experienced a non-temporary change in work, training, or educational status.

Reporting and Graduated Phase-Out

During a period of [graduated phase-out](#), the AI/AN CCDF grantee may require additional reporting on changes in family income in order to gradually adjust family copayments, if desired.⁴⁹

⁴⁷ Child Care and Development Fund, 45 C.F.R. § 98.21(a) (2016).

⁴⁸ Child Care and Development Fund, 45 C.F.R. § 98.21(e) (2016).

⁴⁹ Child Care and Development Fund, 45 C.F.R. § 98.21(e) (2016).

Redetermination Process

AI/AN CCDF grantees are required to have procedures and policies to ensure that parents, especially those receiving assistance through the Temporary Assistance for Needy Families program, are not required to unduly disrupt their education, training, or employment in order to complete the eligibility redetermination process at the end of their minimum 12-month eligibility period.⁵⁰ These include strategies such as offering extended submission hours and a variety of methods for families to complete their redetermination, such as by mail, email, online forms, fax, and in person.

Improving Access for Vulnerable Children and Families

The CCDF final rule requires AI/AN CCDF grantees to target their efforts and funds toward specific populations of families and children who are vulnerable, at risk, and underserved.

Priority for Services

AI/AN CCDF grantees are required to give priority for child care assistance to children with special needs and families experiencing homelessness.⁵¹ They may define these groups and others as higher priority than other children and families. AI/AN CCDF grantees can choose to guarantee subsidy eligibility or serve these families first when funding is limited, including in situations involving a waiting list or program closure. AI/AN CCDF grantees may also specify other policies for priority groups, such as [differential rates](#) or designating quality funds for providers serving these groups. AI/AN CCDF grantees can also choose to place these children in high-priority groups for eligibility, exempt them from waiting lists, and waive income and work requirements.

AI/AN CCDF grantees are exempt from the CCDF requirements to provide priority for services to children of families with very low income and to prioritize increasing access in areas with significant poverty and unemployment.⁵²

Children with Special Needs

AI/AN CCDF grantees have flexibility in how they define “children with special needs” and can include any vulnerable populations in their definition.⁵³ They are not limited in defining this group as only including children with physical or mental disabilities. For example, AI/AN CCDF grantees could consider children in the child welfare system, children of teen parents, or homeless children in their definition of “children with special needs.”

Families Experiencing Homelessness

The CCDF final rule uses the McKinney-Vento Homeless Assistance Act definition of homelessness.⁵⁴ The McKinney-Vento definition is the same one used by Head Start and the U.S. Department of Education programs. Using a common definition across federal programs leads to better consistency in identifying children and in information collection. Under McKinney-Vento, children are defined as being homeless if they “lack a fixed, regular, and adequate nighttime residence⁵⁵.”

In addition to providing priority to children experiencing homelessness, AI/AN CCDF grantees must establish specific procedures to allow families experiencing homelessness access to child care programs. AI/AN CCDF grantees must establish a grace period that allows homeless children and children in foster care to receive CCDF assistance while providing their families with a reasonable time to take any necessary actions to comply with

⁵⁰ Child Care and Development Fund, 45 C.F.R. § 98.21(d) (2016).

⁵¹ Child Care and Development Fund, 45 C.F.R. § 98.46(a) (2016).

⁵² Child Care and Development Fund, 45 C.F.R. § 98.83(d) (2016).

⁵³ Child Care and Development Fund, 45 C.F.R. § 98.46(a) (2016).

⁵⁴ Child Care and Development Fund, 45 C.F.R. § 98.2 (2016).

⁵⁵ 42 U.S.C. § 11434a (2010).

immunization and other health and safety requirements.⁵⁶ The length of such a grace period shall be established in consultation with the state, territorial, or tribal health agency.

Additional Eligibility and Priority Limitations

AI/AN CCDF grantees have flexibility in establishing additional eligibility criteria for CCDF services, but must ensure that any additional prioritization criteria stay within the boundaries of the final rule requirements.⁵⁷ Additional criteria could include, for example, application to the state CCDF program first, higher income limits in one part of the tribal service area, or an asset or resource limit.

AI/AN CCDF grantees must ensure that there is no discrimination against children based on race, national origin, ethnic background, sex, religious affiliation, or disability. The eligibility prioritization must also ensure that grantees are not limiting parental rights (e.g., the legal rights and responsibilities of parents or legal guardians). The final rule also includes requirements around [parental choice](#), and mandates that parents be given the flexibility to choose from a variety of child care categories. In addition, the law limits any eligibility priority policies that would make an impact on eligibility at any time, other than at the initial determination or redetermination.

Table 7. Allowable and Nonallowable Prioritization Criteria for CCDF Services

Allowable Areas of Prioritization	Nonallowable Areas of Prioritization
Children with special needs	Race
Protective services	National origin
Homelessness	Ethnic background
	Sex
	Religious affiliation
	Disabilities

⁵⁶ Child Care and Development Fund, 45 C.F.R. § 98.41(a) (2016).

⁵⁷ Child Care and Development Fund, 45 C.F.R. § 98.20(b) (2016).

Section III. Ensure Equal Access to High-Quality Child Care for Children from Low-Income Families

As part of operating a subsidy program, AI/AN CCDF grantees must implement policies and procedures to support equal access to child care for eligible families that is comparable to the options available to non-CCDF families. This involves establishing sufficient provider payment rates for the provision of child care, determining family copayments, and ensuring timely provider payments based on generally accepted practices.

Eligible child care providers are paid for the direct services they provide. Their payments are composed of two parts:

- ◆ The **subsidy amount** that the grantee pays based on the payment rates or “reimbursement rates” set by the AI/AN grantee
- ◆ The family’s portion of the child care fee, which is called a family **copayment**, also called the “copay” or “family fee”

$$\text{Tribal subsidy payment} + \text{Parent copayment} = \text{Payment to provider}$$

Assessing Child Care Market Rates

The regulations exempt all AI/AN CCDF grantees from the CCDF requirement to use a market rate survey or alternative methodology to set provider payment rates because many tribal service areas are located in rural, isolated areas, making a market rate survey or alternative methodology difficult. Even though AI/AN CCDF grantees are exempt from conducting a market rate survey, they must still have some method of setting base payment rates to ensure that they are providing equal access to a full range of child care services.⁵⁸

AI/AN CCDF grantees have a lot of flexibility when it comes to setting rates in their service area. One strategy is to work with child care resource and referral (CCR&R) agencies. CCR&R agencies maintain close relationships with providers within their service area. AI/AN CCDF grantees can reach out to their local CCR&R agency or partner with their internal CCR&R program to determine reasonable rates that support equal access for AI/AN children from low-income families.

Other methods that AI/AN CCDF grantees can use include the following:

- ◆ Conducting their own market rate survey or alternative methodology (though, as a reminder, this is not required);
- ◆ Using the state CCDF program’s market rate survey or alternative methodology;
- ◆ Conducting an informal provider survey; or
- ◆ Any other appropriate methods as determined by the grantee.

⁵⁸ Child Care and Development Fund, 45 C.F.R. § 98.83(d) (2016).

Setting Payment Rates for Child Care Services

Although AI/AN CCDF grantees are exempt from the market rate survey, they are still required to establish provider payment rates that ensure eligible families' equal access to child care services comparable to those available to non-CCDF families.

The final rule requires AI/AN grantees to show in their CCDF Plans how their payment rates ensure equal access.⁵⁹ This information will include details about the following:

- ◆ How a full range of providers were made available;
- ◆ How payment rates and copayment rates are adequate to support care;
- ◆ How base payment rates will allow providers to meet all health, safety, staffing, and quality requirements;
- ◆ When appropriate, how the payment rates support culturally and linguistically appropriate care;
- ◆ How the AI/AN CCDF grantee took the cost of higher quality into account;
- ◆ How copayments are affordable and the extent to which providers charge above the copayment (if applicable);
- ◆ How payment practices support equal access to a range of providers by providing funding stability;
- ◆ What factors are used to differentiate payment rates; and
- ◆ Any additional relevant facts used in setting payment rates.

Grantees **may not** establish payment rates based on a family's eligibility status or circumstances (for example, a family is receiving Temporary Assistance for Needy Families or a parent is a student rather than working).

Differentiating Payment Rates

AI/AN grantees may set differential payment rates for providers in order build the supply of high-quality providers or providers serving underserved populations.⁶⁰ Examples of reasons differential rates might be set include the following:

- ◆ **Provider type:** Some AI/AN CCDF grantees may set rates higher for centers to take into account the higher cost of operation, or others may set rates higher for relative caregivers as a way of showing their appreciation for family providers.
- ◆ **Age:** AI/AN CCDF grantees have the ability to set different rates for different ages of children. It is more expensive to care for infants and toddlers because of the lower ratios needed to be attentive to their needs. It is also possible to have higher rates for certain difficult-to-place populations, such as for school-age and afterschool care.
- ◆ **Children with special needs:** It's also possible to have higher rates for providers who are caring for children with special needs who require an additional level of care and may require specialized, more expensive care.
- ◆ **Location:** AI/AN CCDF grantees have the flexibility to set different rates in different parts of the service area. Some grantees have services areas that include expensive urban centers and more rural areas with lower

⁵⁹ Child Care and Development Fund, 45 C.F.R. § 98.45(b) (2016).

⁶⁰ Child Care and Development Fund, 45 C.F.R. § 98.45(j) (2016).

operating costs. These grantees can set their rates appropriately as compared to the rates charged by providers serving children who may not be receiving child care assistance. This is also a great option when it comes to incentivizing care in an area that is otherwise a child care desert.

- ◆ **Nontraditional hours:** AI/AN CCDF grantees may pay providers offering care during nontraditional hours higher rates in order to provide an incentive for that care.
- ◆ **Quality:** It is possible to pay higher rates to account for higher-quality programs, such as programs meeting certain thresholds set by the AI/AN CCDF grantee or those who are participating in a state or tribal quality rating and improvement system.
- ◆ **Language and culture:** AI/AN CCDF grantees may choose to pay higher rates to those providers who speak only their tribal language to the children they serve (for example, relative providers or family child care home providers). Additionally, grantees may explore opportunities to pay higher rates to providers who encourage or conduct demonstrations of traditional culture with the children in their care.

Table 8 below provides an example of differentiated payment rates. In this example, the grantee has chosen to set the highest rates for children with special needs, regardless of where the care takes place. For other types of care, rates are highest for center-based care, where fixed costs are the highest for providers. In most tribal service areas, different rates will not apply based on what part of the service area the care is being provided in, as most grantees use the same rates throughout the entire service area. Some grantees may use other types of care—such as group homes or family child care—that aren’t represented in this example.

Table 8. Example: Differential Payment Rates by Provider Type (monthly rates)

Center-Based Care			In-Home Care		
Child’s Age	Full Time	Part Time	Child’s Age	Full Time	Part Time
0–12 months	\$1,000.00	\$500.00	0–12 months	\$675.00	\$337.50
13–36 months	\$800.00	\$400.00	13–36 months	\$600.00	\$300.00
37–60 months	\$700.00	\$350.00	37–60 months	\$487.50	\$243.75
61–144 months	\$600.00	\$300.00	61–144 months	\$412.50	\$168.75

Licensed Home Care			Differentiated Rates for Children with Special Needs		
Child’s Age	Full Time	Part Time	Child’s Age	Full Time	Part Time
0–12 months	\$900.00	\$450.00	0–12 months	\$1,012.50	\$506.25
13–36 months	\$800.00	\$400.00	13–36 months	\$900.00	\$450.00
37–60 months	\$650.00	\$325.00	37–60 months	\$731.25	\$365.63
61–144 months	\$550.00	\$225.00	61–144 months	\$618.75	\$253.13

Base Payment Rates

AI/AN CCDF grantees often set payment rates based on what providers in the area are charging. This practice helps support the cost of care, which includes all the things providers take into consideration when setting their rates—such as salaries, training, supplies, child-to-teacher ratios, and the costs associated with running the facility.

Base payment rates typically include the following:

- ◆ Staff salaries and benefits;
- ◆ Training and professional development costs;
- ◆ Cost of curricula and supplies;
- ◆ Group sizes and ratios; and
- ◆ Facility costs.

Rate Add-Ons

In addition to rate differences based on variations in provider prices and program level costs, AI/AN CCDF grantees can choose to set **tiered payment rates** or create **rate add-ons** (on top of their regular payment rates). These tiered rates and add-ons are additional amounts paid to providers as a way to increase payment rates for targeted needs.

Rate add-ons are funds added on top of base payment rates. This approach is similar to differentiated rates, but instead of having a different set rate for each possible area, the grantee pays a percentage in addition to the base rate. For example, AI/AN CCDF grantees could choose to provide additional payments for providers that do the following:

- ◆ Reach professional development milestones (for example, earning a Child Development Associate credential);
- ◆ Provide care during nontraditional hours; and/or
- ◆ Incorporate language and culture revitalization into their programming.

Rate add-ons can be a powerful tool to provide incentives for certain types of care and help AI/AN CCDF grantees meet their strategic tribal goals. For example, if a tribe's goal is to have a more educated workforce, they can reward providers who have achieved certain educational benchmarks with a rate add-on.

Payment Practices and Timeliness of Payments

In order to provide stability of funding and encourage more child care providers to participate in the subsidy program, provider payment methods should reflect the generally accepted practices of providers who care for children not receiving subsidies.⁶¹

“Generally accepted payment practices” are practices that align with the private-paying child care market. Use of these practices encourages providers to accept children receiving CCDF child care assistance and enables families to retain child care services. Generally accepted payment practices commonly include paying prospectively based on enrollment and paying for all days in which the provider is open in a given month. Many

⁶¹ Child Care and Development Fund, 45 C.F.R. § 98.45(l) (2016).

AI/AN CCDF grantees have developed streamlined, provider-friendly payment policies and administrative processes, such as paying providers when a child is absent because of an illness or other reasons.

Other payment-related practices include the following:

- ◆ Giving prompt notice to child care providers of changes to a family's eligibility status that may affect payment;
- ◆ Allowing providers to receive payment for registration fees and other fees charged to private-paying families;
- ◆ Paying providers prospectively rather than only on a reimbursement basis (which may be tied to required enrollment levels or other reporting on a regular basis);
- ◆ Establishing a dedicated phone line, web portal, or other access point for providers to easily reach the subsidy agency for questions and assistance regarding payments;
- ◆ Ensuring timely appeal and resolution processes for payment disputes;
- ◆ Using automated billing and payment mechanisms, including direct deposit; and
- ◆ Providing materials on payment practices in multiple languages to promote participation of diverse child care providers.

AI/AN CCDF grantees must implement enrollment and eligibility policies that support the fixed costs of providing child care services by delinking provider payment rates from an eligible child's occasional absences related to holidays or unforeseen circumstances such as illness.

Paying for days when the child is occasionally absent helps promote continuity of care by allowing the provider to retain the slot for the child without a financial penalty to the provider. Child care programs have fixed costs (staff, facilities, and so forth) that must be paid regardless of whether a child is present on any particular day. Private-paying parents generally pay for an entire period (a week or month) even if the child is out sick within that period.

AI/AN CCDF grantees must implement this provision "to the extent practicable." This means that each grantee is expected to implement policies, including policies that require payment for absence days, to the extent practicable for that grantee. A refusal to implement any such policies as being "impracticable" will not be accepted, nor will policies that set unreasonable limitations on providers using such policies.

As a way of ensuring that payment practices are fair to providers and support high-quality services, AI/AN CCDF grantees should examine their current administrative mechanisms. A few approaches to consider are establishing a timeframe to issue payments, using administrative data to track progress, and seeking input from providers on ways to improve payment practices. The following administrative improvements are examples of strategies that grantees have implemented to improve payment practices:

- ◆ Direct deposit;
- ◆ Online training for providers for electronic voucher payments;
- ◆ Provider self-service components in an automated system; and
- ◆ Web-based electronic attendance and billing systems.

Family Contribution to Payment

Families are required to make a contribution to the cost of care through a copayment. AI/AN CCDF grantees must establish, and periodically revise, a sliding fee scale for copayments based on two criteria:

- ◆ Family size and

- ◆ Family income⁶².

Although AI/AN CCDF grantees must establish sliding fee scales based on family income and family size, they also have flexibility to consider other factors. For example, they may choose to consider factors such as the following:

- ◆ **Geographic location:** Some areas of the service area may be more expensive than others, and this is something the grantee can take into account to ensure equal access when setting the sliding fee scale.
- ◆ **Whether care is full-time or part-time:** Full-time care costs more than part-time care. This is something that can be considered when setting the sliding fee scale. For example, a parent may work full time, but only need care during a certain portion of the work day. AI/AN CCDF grantees could consider this when determining the family copayment.
- ◆ **The number of children in care:** AI/AN CCDF grantees may choose to offer a discount to families that enroll more than one child or may choose to stop increasing the copayment amount after a certain number of children.

However, sliding fee scales **may not** be based on the cost of care or amount of subsidy payment. Sliding fee scales can be either percentage-based or fee-based:

- ◆ **Percentage-based sliding fee scales** give grantees the flexibility to determine copayments based on exact percentages of a family's income. For example, if a family's monthly income is \$1,000, and the copayment percentage is 7 percent of the family's income, the parent's contribution to the cost of care is \$70 per month.
- ◆ **Fee-based sliding fee scales** allow grantees to group families into certain categories of income. For example, all families earning between \$1,000 and \$1,500 monthly would pay a flat fee of \$50. Families earning between \$1,501 and \$2,000 would pay a flat fee of \$75.

Sample sliding fee scales are provided in [Appendix B](#).

AI/AN CCDF grantees should ensure that family copayments are affordable and are not a barrier to families receiving assistance. Further, copayments should be set to minimize an abrupt termination of assistance caused by an increase in family income. This abrupt termination of assistance is referred to as "the cliff effect." The goal is to make the family's copayment gradually shift toward the full price they would pay if they weren't receiving a child care subsidy. AI/AN CCDF grantees must consider what might happen once a family's income exceeds 85 percent of GMI.

Reminder: Copayments cannot be raised during an eligibility period unless the family is in graduated phase-out of care, but they can be lowered in response to a family's change in circumstances.

Fees above Copayment

AI/AN CCDF grantees have the option of allowing providers to charge families additional amounts above the required copayment in instances where the providers' prices exceed the subsidy payment paid to the provider by the AI/AN CCDF grantee. This can leave families with a 'hidden copayment' that may render the child care provider unaffordable, pushing families to use unlicensed or unregulated child care options. AI/AN CCDF grantees that choose to allow this practice must detail in their CCDF Plan or policies and procedures why this practice is allowable within their service area.

⁶² Child Care and Development Fund, 45 C.F.R. § 98.45(k) (2016).

Waiving of Copayments

The CCDF final rule specifies certain circumstances where copayments can be waived for families.⁶³ These circumstances include the following:

- ◆ Families with incomes at or below the federal poverty level; and
- ◆ On a case-by-case basis for families receiving or at risk of receiving [protective services](#).

AI/AN CCDF grantees have the flexibility to waive copayments for families based on other criteria established by the grantee. Examples include children attending an Early Head Start–Child Care Partnership program, children who live in a certain part of the service area, families with an income of less than 150 percent of the federal poverty level, children experiencing homelessness, victims of human trafficking, families receiving Temporary Assistance for Needy Families, and migrant workers.

⁶³ Child Care and Development Fund, 45 C.F.R. § 98.45(k) (2016).

Appendix A. Documentation Examples for Eligibility Determination

AI/AN CCDF grantees have the flexibility to determine what documents they will require when determining eligibility. There are no federal requirements that specify what documents must be used.

Eligibility Criteria	Documentation Examples
A child must be under 13 years of age at the time of eligibility.	<ul style="list-style-type: none"> ◆ Birth certificate ◆ Tribal identification card ◆ Hospital records
An AI/AN CCDF grantee may serve a child up to the age of 19 if the child is mentally or physically incapable of self-care or is under court supervision.	<ul style="list-style-type: none"> ◆ Court order ◆ Doctor's letter ◆ School verification
A child will remain eligible through any change in age, including turning 13 years old during the eligibility period.	<ul style="list-style-type: none"> ◆ Birth certificate ◆ Tribal identification card ◆ Hospital records
A child must reside with parents, legal guardians, foster parents, or individuals acting in loco parentis.	<ul style="list-style-type: none"> ◆ If residing in loco parentis or foster care: court order, Indian Custodianship affidavit, or power of attorney
A child receiving services must live within the tribal service area.	<ul style="list-style-type: none"> ◆ Utility bill ◆ Parent's identification ◆ Mail addressed to the parent or guardian ◆ Housing documentation (from mortgage, lease, etc.)
A child must reside with a family whose income does not exceed 85 percent of grantee median income, or must receive or be in need of receiving protective services.	<ul style="list-style-type: none"> ◆ Parent's pay stubs ◆ Parent's tax returns ◆ Parent's 1099s ◆ Parent's W-2s ◆ Court order ◆ Indian Child Welfare Act (ICWA) referral
A child must meet the AI/AN grantee's definition of "Indian child."	<ul style="list-style-type: none"> ◆ Tribal identification card ◆ Letter describing pending eligibility ◆ Certificate of Degree of Indian Blood (CDIB) ◆ Birth certificate
Family asset limit	<ul style="list-style-type: none"> ◆ Self-certification

Eligibility Criteria	Documentation Examples
Work	<ul style="list-style-type: none"> ◆ Pay stubs ◆ Employer verification ◆ Employer schedule ◆ Self-employment documentation or business license ◆ Self-certification ◆ Affidavit
Job training	<ul style="list-style-type: none"> ◆ School schedule ◆ Letter of acceptance ◆ Transcripts ◆ Letter from training supervisor ◆ Letter from language mentor ◆ Affidavit
Education program	<ul style="list-style-type: none"> ◆ School schedule ◆ Letter of acceptance ◆ Transcripts
Protective services	<ul style="list-style-type: none"> ◆ ICWA referral ◆ Letter from supervising physician ◆ Self-certification ◆ Tribal or state court document ◆ Signed affidavit of need

Appendix B. Sliding Fee Scale Examples

Sample Sliding Fee Scale: Percentage Based

100% of Grantee Median Income (GMI)			\$5,000	\$6,000		
Percentage	GMI or Federal Poverty Level (FPL)	Copayment % of Income	Two-Person Family Gross Monthly Income	Two-Person Family Copayment Amount	Three-Person Family Gross Monthly Income	Three-Person Family Copay Amount
100	FPL	0.0%	\$1,372	\$0	\$1,732	\$0
50	GMI	0.1%	\$2,500	\$2.50	\$3,000	\$3.00
55	GMI	1.0%	\$2,750	\$27.50	\$3,300	\$33.00
60	GMI	2.0%	\$3,000	\$60.00	\$3,600	\$72.00
65	GMI	3.0%	\$3,250	\$97.50	\$3,900	\$117.00
70	GMI	4.0%	\$3,500	\$140.00	\$4,200	\$168.00
75	GMI	5.0%	\$3,750	\$187.50	\$4,500	\$225.00
80	GMI	6.0%	\$4,000	\$240.00	\$4,800	\$288.00
85	GMI	7.0%	\$4,250	\$297.50	\$5,100	\$357.00

Sample Sliding Fee Scale: Fee Based

Family Size	0%–100% of FPL	101%–125% of FPL	126%–150% of FPL
1	\$0–\$1,012	\$1,013–\$1,265	\$1,266–\$1,518
2	\$0–\$1,372	\$1,373–\$1,715	\$1,716–\$2,058
3	\$0–\$1,732	\$1,733–\$2,165	\$2,166–\$2,598
Monthly family copayment amount	Family pays \$0	Family pays \$50	Family pays \$85

Appendix C. Resources

Early Childhood Training and Technical Assistance System


The Administration for Children and Families' [Early Childhood Training and Technical Assistance System \(ECTTAS\)](#) provides training, resources, and materials to multiple stakeholder groups at the state, tribal, regional, and local levels to support high-quality services for children and families.

- ◆ [The National Center on Tribal Early Childhood Development \(NCTECD\)](#) provides training and technical assistance to AI/AN CCDF grantees. It supports AI/AN grantees in their efforts to increase the quality, affordability, and availability of child care in AI/AN communities. NCTECD training and technical assistance focuses on supporting AI/AN CCDF grantees with meeting the requirements of the CCDF final rule and implementing early childhood best practices, systems, and infrastructure.
- ◆ [The National Center on Child Care Subsidy Innovation and Accountability \(SIAC\)](#) provides resources and technical assistance focused on developing child care subsidy systems that are child-focused, family-friendly, and fair to providers. SIAC works with grantees to help them reach goals related to subsidy eligibility, integrating quality and subsidy, strengthening program integrity, payment rules, rate setting, and other policies and practices that support providing high-quality care to more children from low-income families.

Additional Resources on Subsidy Administration

- ◆ [Subsidy Administration Resource List](#) (NCTECD, 2018)
This annotated resource list provides a compilation of key resources from the ECTTAS related to the administration of a CCDF subsidy program. It includes resources on topics such as CCDF requirements, eligibility, waiting lists, assessing child care rates and costs, copayments, and equal access.
- ◆ Subsidy Eligibility and Equal Access in American Indian and Alaska Native Child Care and Development Fund Programs: Webinar Series for Medium- and Large- Allocation Grantees
 - [Subsidy Eligibility in American Indian and Alaska Native Child Care and Development Fund Programs: Part I](#) (2018, NCTECD)
This webinar provided an overview of CCDF subsidy eligibility for medium- and large-allocation AI/AN CCDF grantees. Topics included eligibility requirements, definitions, and record-keeping examples.
 - [Subsidy Eligibility in American Indian and Alaska Native Child Care and Development Fund Programs: Part II](#) (2018, NCTECD)
This webinar provides an overview of CCDF subsidy eligibility for medium- and large-allocation AI/AN CCDF grantees. Topics include CCDF continuity of care, grantee median income, and graduated phase-out of assistance.
 - [Equal Access in American Indian and Alaska Native Child Care and Development Fund Programs](#) (2018, NCTECD)
This webinar provides an overview of CCDF equal access requirements for medium- and large-allocation AI/AN CCDF grantees. Topics include sliding fee scales, copayments, child care market rates, and payment practices and provider stability. The webinar includes a spotlight on the Child Care Data Tracker, a comprehensive case management tool designed to support the collection, management, and utilization of the case-level information needed for the required ACF-700 reports.
- ◆ [CCDF Family Co-payments and Sliding Fee Scales](#) (2018, SIAC)
Affordable co-payments are an important component of equal access and help to ensure that the cost of child care is not a barrier to low-income families' access to CCDF services. This discussion brief focuses on the requirements contained in the CCDF final rule and programmatic objectives for CCDF Lead Agencies to consider when designing their sliding fee scales.

- ◆ [Guidance on Estimating and Reporting the Costs of Child Care](#) (2018, National Center on Early Childhood Quality Assurance and SIAC)
Lead Agencies must analyze the cost of providing care and consider both the base costs of operating a child care home or center and the costs of higher quality at each level of care. This brief outlines the purpose of estimating costs and the components of these costs, offers guidance on how to identify the components and approaches for calculating the costs, and provides tools and resources that can assist states with these estimates.
- ◆ [Promoting Partnerships in Tribal Programs](#) (2017, SIAC)
Tribal communities, often serving the same children but in different programs, benefit from strategies to bridge the differences between programs. This brief highlights areas in which CCDF and Head Start and Early Head Start policies closely align and can support partnerships in tribal communities. It reflects changes that are required under the Child Care and Development Block Grant (CCDBG) Act of 2014 and new regulations specific to AI/AN CCDF grantees receiving medium and large CCDF allocations.
- ◆ [Serving Children Experiencing Homelessness with Child Care and Development Fund Subsidies](#) (2018, SIAC)
Young children experiencing homelessness are among the most vulnerable needing child care. This brief discusses requirements in the CCDBG Act and CCDF final rule regarding homelessness, and explores policy and practice options for Lead Agencies.
- ◆ [State Median Income and Federal Poverty Level Calculation Tool](#) (2018, SIAC)
This document contains instructions for the State Median Income and Federal Poverty Level Calculation Tool. This tool is designed to assist Lead Agencies with calculating the annual and monthly SMI estimates and FPL levels used to determine income eligibility and family copayments for their child care subsidy programs.



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