



NATIONAL CENTER ON
Subsidy Innovation and Accountability



National Center on Tribal
Early Childhood Development

Subsidy Eligibility and Equal Access in American Indian and Alaska Native Child Care and Development Fund Programs

Presentation for Medium and Large Allocation Grantees

Agenda

1. Overview of subsidy and equal access requirements for medium and large allocation AI/AN CCDF grantees
2. Training and technical assistance resources and tools

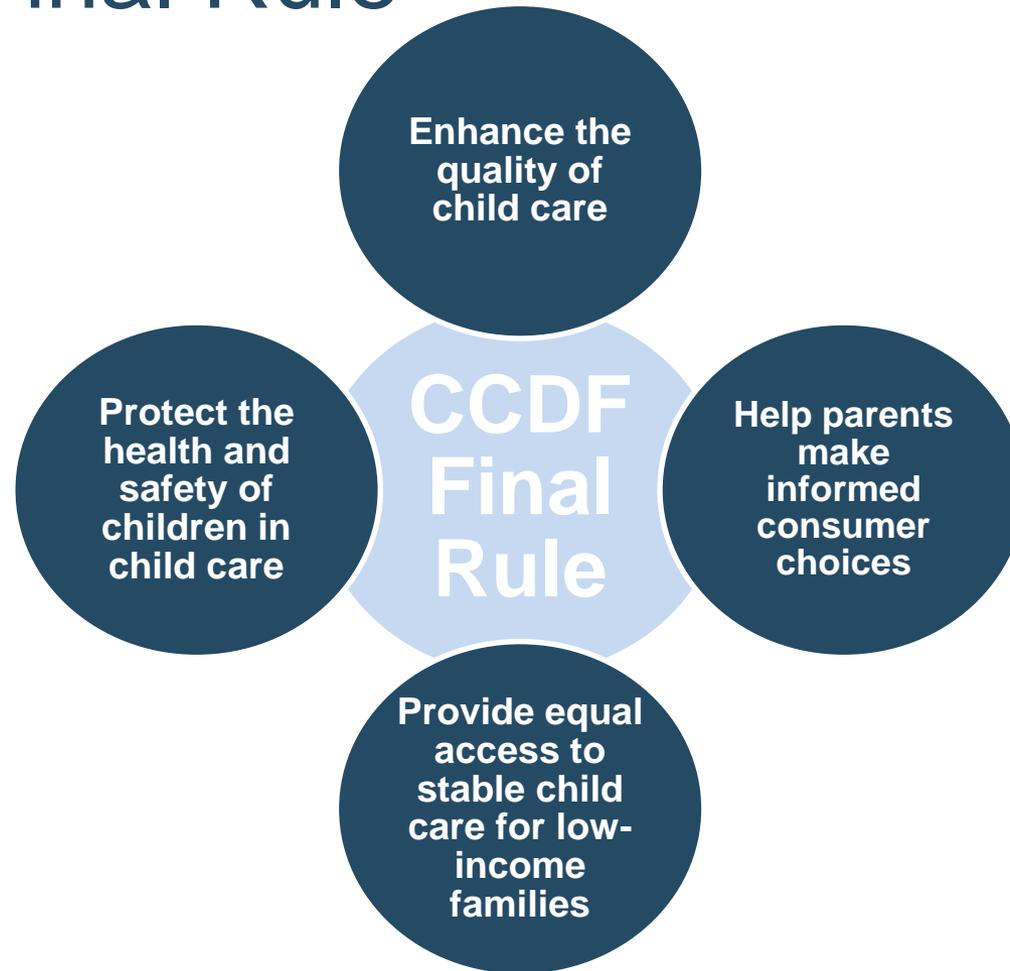


CCDF Reauthorization

- ◆ In November 2014, the Child Care and Development Block Grant (CCDBG) Act of 2014 was signed into law.
- ◆ The CCDBG Act reauthorized the Child Care and Development Fund (CCDF) program and introduced sweeping statutory changes to raise the health, safety, and quality of child care and provide more stable child care assistance to families.

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

CCDF Final Rule



Source: Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438, 67,441 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).

Tiered Allocation Framework for AI/AN Grantees

◆ Large allocation (more than \$1 million)

- Subject to the majority of CCDF requirements
- Exempt from some requirements
- Subject to the monitoring requirements, but allowed the flexibility to propose an alternative monitoring methodology in CCDF Plans
- Subject to the background check requirements, but allowed to propose an alternative background check approach in CCDF Plans

◆ Medium allocation (\$250,000 to \$1 million)

- Allowed the same exemptions as the large-allocation category
- Exempt from operating a certificate program

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

Tiered Allocation Framework for AI/AN Grantees

◆ Small allocation (less than \$250,000)

- Must spend CCDF funds in alignment with the goals and purposes of CCDF
- Exempt from the majority of CCDF requirements
- Subject to health and safety requirements, including the monitoring and background check requirements
- Subject to quality spending requirements (exempt from infant/toddler quality requirements)
- Subject to a 15 percent administrative cap
- Subject to eligibility definitions of Indian and Indian reservation or service area
- Subject to fiscal, audit, and reporting requirements
- Subject to any other requirement defined by the Secretary of Health and Human Services
- Required to submit an abbreviated CCDF Plan

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



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Overview of Subsidy Eligibility and Equal Access



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Child Care Subsidy

How Are Child Care Services Provided?

- ◆ **Certificate program:** Families may obtain certificates that they can use to purchase the child care of their choice from the full range of available providers that meet the eligibility requirements.
 - **American Indian and Alaska Native (AI/AN) grantees with small and medium allocations (\$1 million or less) are not required to operate a certificate program.**
- ◆ **Tribe-operated child care center:** AI/AN grantees can choose to operate their own child care facilities.
- ◆ **Contracts and grants:** AI/AN grantees can choose to contract with, or provide grants to, eligible providers to make child care slots available to families who participate in the child care assistance program.

Note: AI/AN CCDF grantees with small allocations are not required to provide direct services.

Child Eligibility Requirements for Medium and Large Allocation Grantees

Child Age	Residence	Indian Child
Must be younger than 13 years at the time of eligibility determination.	Children receiving services must live within the tribal service area*.	Children must meet the Tribal Lead Agency (TLA) definition of "Indian child*."
The TLA 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.	Children must reside with parents, legal guardians, foster parents, or individuals acting in loco parentis.	
A child will remain eligible through any change in age, including turning 13 years old during the eligibility period.	Children must reside with a family whose income does not exceed 85% of state or tribal median income; or Receive or be in need of receiving protective services.	

* AI/AN CCDF grantees with small allocations are required to define "Indian child" and "Indian reservation or tribal service area" for the purposes of determining eligibility.

Source: Child Care and Development Fund, 45 C.F.R §§ 98.20, 98.21, 98.81 (2016).

Parental Activities

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ For a child to be eligible for child care services, the child must reside in a family where the parents are:
 - working;
 - attending a job training program;
 - attending an education program; or
 - receiving, or needing to receive, protective services.

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

Definitions

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ In the CCDF Plan, AI/AN CCDF grantees must define eligibility based on:
 - working;
 - attending a job training program;
 - attending an education program; and
 - protective services.

Source: Child Care and Development Fund, 45 C.F.R §§ 98.16, 98.81 (2016).



Grantee Median Income

- ◆ State median income (SMI)
- ◆ Tribal median income (TMI)
- ◆ Grantee median income (GMI)



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

Basic Income Requirements

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ For a child to be eligible for child care services, the child must reside with a family:
 - whose income does not exceed 85% of the GMI, based on the most recent GMI data provided by the Census Bureau for a family of the same size; and
 - whose family assets do not exceed \$1,000,000 (as certified by each family member).

Note: AI/AN CCDF grantees may deduct or exclude certain types of income.

Source: Child Care and Development Fund, 45 C.F.R §§ 98.20, 98.81 (2016).

Income Exclusions

◆ Common income exclusions can include the following:

- Federal or state tax credits;
- Income from scholarships, grants, or loans;
- Income from Alaska Native Corporation dividends;
- Tribal per-capita income;
- Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program;
- In-kind income;
- Child support payments;
- One time lump sum benefits;
- Work deduction; and
- Income from certain family members.



Categorical Eligibility

- ◆ If the TMI is below 85% of the SMI, then, at the Tribe's discretion, any Indian child in the Tribe's service area shall be considered eligible to receive CCDF funds, regardless of the family's income, work, or training status.

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

Categorical Eligibility

- ◆ If the Tribe chooses to use this option, the Tribe must ensure that services are prioritized for those with the highest need.

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

Benefits of Categorical Eligibility

- ◆ Increased flexibility.
- ◆ Alignment opportunities with the following:
 - Early Head Start-Child Care Partnerships;
 - Tribal home visiting;
 - Early Head Start;
 - Head Start; and
 - State specific early learning programs.



Priority for Child Care Services

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ AI/AN CCDF grantees must give priority for child care services for the following:
 - Children with special needs, which may include any vulnerable population as defined by the Lead Agency; and
 - Children experiencing homelessness.

Source: Child Care and Development Fund, 45 C.F.R §§ 98.46, 98.83 (2016).

Additional Eligibility and Priority Limitations

◆ AI/AN CCDF grantees may not:

1. Discriminate against children on the basis of race, national origin, ethnic background, sex, religious affiliation, or disability;
2. Limit parental rights;
3. Discriminate based on the category or type of care that a parent selects or a parent's choice of a child care certificate; or
4. Impact eligibility other than at the time of eligibility determination or redetermination.

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



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Enhancing Stability for Parents

Minimum 12-Month Eligibility Period

- ◆ Applies to the initial and subsequent eligibility (redetermination) periods regardless of:
 - changes in income, as long as income does not exceed 85% of GMI; or
 - temporary changes in work, education, or job training.
- ◆ Shorter eligibility periods within the minimum 12 month eligibility period are prohibited.



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

Eligibility Period

- ◆ Medium and Large allocation grantees are **PROHIBITED** from redetermining a child's eligibility before 12 months following the initial determination.
- ◆ Families can chose to end services at any time.



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

Temporary Changes

- ◆ Temporary changes include the following:
 - Time-limited absences from work or school;
 - Interruption in work for a seasonal worker;
 - Any student holiday or break for a parent in training or education;
 - Reductions in work, education, or training hours;
 - Other changes to work, education, or job training status that last less than 3 months (or longer if established by the Lead Agency);
 - A change in age, including turning 13 during the eligibility period; and
 - Change in residency within the tribal service area.

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

Optional Reasons to Terminate Services

- ◆ The law gives the AI/AN CCDF grantees the *option* to end assistance prior to the end of the eligibility period due to the loss of work or cessation of attendance at a job training or educational program.
 - The TLA must provide *at least* 3 months of continued assistance at the same level after the job loss or education or job training cessation.
 - Job search can be used as an initial qualifying activity.

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

Optional Limited Circumstances for Discontinuation

- ◆ The final rule gave three additional reasons that AI/AN grantees could choose to discontinue services:
 1. Excessive, unexplained absences;
 2. A change in residency outside of the tribal service area; or
 3. Substantiated fraud or intentional program violations.

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

Irregular Fluctuations in Income

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ AI/AN grantees must take income fluctuations into account at initial determination and redetermination.
 - Temporary increases should not negatively impact a family.
 - Grantees can look at income that is more reflective of a family's earnings.
 - Includes income changes that temporarily exceed 85% of SMI.

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

Average Income

Month	Income	Percentage of SMI
100% of SMI for a family of the same size on a monthly basis	\$2,000	
January	\$495.00	25%
February	\$3,400.00	170%
March	\$210.00	11%
April	\$900.00	45%
May	\$8,000.00	400%
June	\$701.00	35%
July	\$502.00	25%
August	\$2,100.00	105%
September	\$500.00	25%
October	\$450.00	23%
November	\$1,600.00	80%
December	\$400.00	20%
Annual Total	\$19,258.00	
Average Monthly Income	\$1,604.83	80%

Reporting Between Determination Periods

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ AI/AN CCDF grantees must do the following:
 - Limit reporting requirements to:
 - changes that impact a child's federal eligibility; and
 - information that impacts a Lead Agency's ability to communicate with parents or providers.
 - Allow parents to report changes in income that would affect their copayment favorably.
 - Not require an office visit in order to fulfill notification requirements.
 - Offer a range of notification options (phone, e-mail, extended office hours).

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

Graduated Phase-Out

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ The law requires AI/AN CCDF grantees to have graduated phase-out policies and procedures for families who (at redetermination) exceed the Lead Agency's initial income threshold, if their income is still below 85% of GMI, provided they are also working or attending a job training or education program.

Note: If the Lead Agency's initial eligibility threshold is set at 85% of GMI, this requirement does not apply to them.

- ◆ The final rule requires two-tiered eligibility with 2nd tier at:
 - 85% of GMI; or
 - an amount lower than 85 percent of GMI for a family of the same size, but above the initial eligibility threshold.

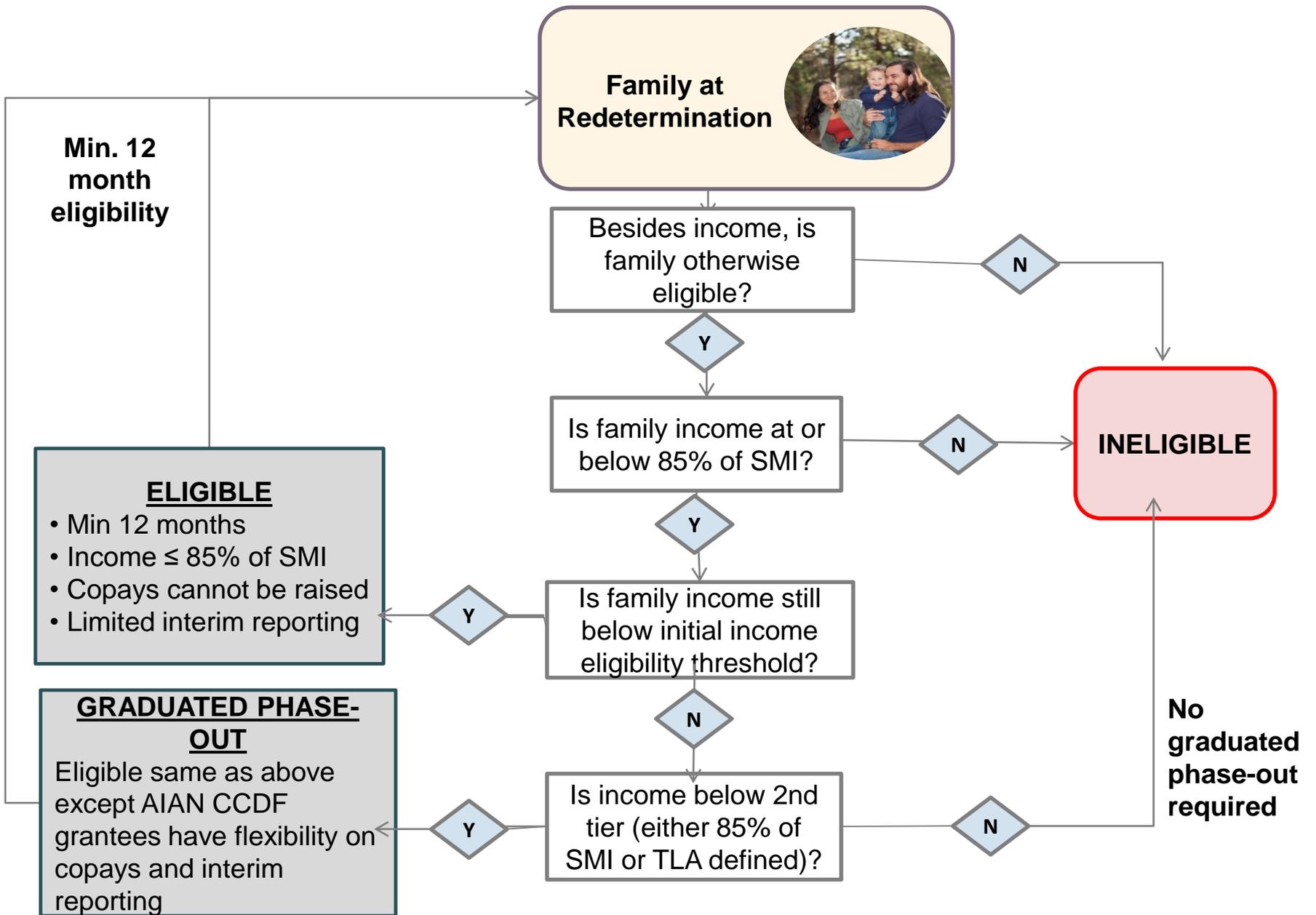
Source: Child Care and Development Fund, 45 C.F.R § 98.21 (2016).

Graduated Phase-Out

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ Once deemed eligible, a family shall receive a full eligibility period under the same conditions as a typical eligibility period.
- ◆ AI/AN CCDF grantees may increase copayments during graduated phase-out.
- ◆ A family shall be considered eligible for the full minimum 12 months eligibility period even if its income exceeds the 2nd eligibility threshold as long as it does not exceed 85% of GMI.

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







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Equal Access

Equal Access Requirements for Medium and Large Allocation Grantees

- ◆ Enhancing provider payment rates and timeliness of payments
- ◆ Copayments
- ◆ Improving payment practices and provider stability



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

Payment Rates

- ◆ AI/AN grantees are exempt from the market rate survey, but are still required to have rates that support quality.
- ◆ Grantees may not establish payment rates based on the family's eligibility status or circumstances (for example, a family is receiving TANF or a parent is a student vs. a parent that is working).
- ◆ AI/AN grantees may not set differential payment rates, but not based on eligibility for TANF or similar programs.

Source: Child Care and Development Fund, 45 C.F.R §§ 98.45, 98.83 (2016).

Ways to Differentiate Payment Rates

Center-Based Care

	Full Time	Part Time
0-12 months	\$1,000.00	\$500.00
13-36 months	\$800.00	\$400.00
37-60 months	\$700.00	\$350.00
61-144 months	\$600.00	\$300.00

In-Home Care

	Full Time	Part Time
0-12 months	\$675.00	\$337.50
13-36 months	\$600.00	\$300.00
37-60 months	\$487.50	\$243.75
61-144 months	\$412.50	\$168.75

Licensed Home Care

	Full Time	Part Time
0-12 months	\$900.00	\$450.00
13-36 months	\$800.00	\$400.00
37-60 months	\$650.00	\$325.00
61-144 months	\$550.00	\$225.00

Differentiated Rates for Special Needs Children

	Full Time	Part Time
0-12 months	\$1,012.50	\$506.25
13-36 months	\$900.00	\$450.00
37-60 months	\$731.25	\$365.63
61-144 months	\$618.75	\$253.13

Copayment

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ AI/AN CCDF grantees must have a sliding fee scale.
- ◆ Copayments are the family's contribution to the cost of care.
- ◆ Copayments cannot be based on the type of care.
- ◆ Affordable copayments are generally less than 7% of the family income.
 - Copayments can be waived in specific circumstances.
- ◆ Copayments cannot be based on the cost, price of care, or subsidy payment.
- ◆ Copayments cannot be increased during the eligibility period, unless the family is in graduated phase-out.

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

Sliding Fee Scale

100% of State Median Income						
			\$5,000	\$6,000		
Percentage	SMI or Federal Poverty Level (FPL)	Copay %	Two Person Family Gross Monthly Income	Two Person Family Copay Amount	Three Person Family Gross Monthly Income	Three Person Family Copay Amount
100.00	FPL	0.0%	\$2,085	\$0	\$2,625	\$0
0.50	SMI	0.1%	\$2,500	\$1	\$3,000	\$2
0.55	SMI	1.0%	\$2,750	\$28	\$3,300	\$33
0.60	SMI	2.0%	\$3,000	\$60	\$3,600	\$72
0.65	SMI	3.0%	\$3,250	\$98	\$3,900	\$117
0.70	SMI	4.0%	\$3,500	\$140	\$4,200	\$168
0.75	SMI	5.0%	\$3,750	\$188	\$4,500	\$225
0.80	SMI	6.0%	\$4,000	\$240	\$4,800	\$288
0.85	SMI	7.0%	\$4,250	\$298	\$5,372	\$376

Payment Practices

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ Practices should reflect the generally accepted practices of local providers.
- ◆ Payments must be delinked from children's occasional absences.
 - Make payments based on enrollment vs. attendance;
 - Provide full payment if 85% attendance or if absent for 5 or fewer days in a month; or
 - Use an alternative approach.
- ◆ Prompt notice to provider must be given when there is a change to a family's eligibility status that will effect payment.
- ◆ Payment policies must support providers' fixed costs.

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

Timeliness of Payments

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ AI/AN CCDF grantees must ensure timeliness of payments by:
 - paying providers **before** care is provided; or
 - paying within **no more** than 21 calendar days of receipt of a complete invoice.



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

Equal Access AI/AN CCDF Plan Components

- ◆ Applies to medium and large allocation AI/AN CCDF grantees
- ◆ A description of the Tribe's payment rates, how they are established, and how they support quality including, where applicable, cultural and linguistic appropriateness
- ◆ How a choice of the full range of providers is available
- ◆ How the base payment rate allows providers to meet health, safety, staffing, and quality requirements
- ◆ How the TLA took the cost of higher quality into account
- ◆ How copayments are affordable and the extent providers charge above the copay (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
- ◆ Any additional relevant facts used in setting payment rates

Source: Child Care and Development Fund, 45 C.F.R §§ 98.45, 98.81 (2016).



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Available Training and Technical Assistance Resources

Where Do We Start?

National Center on Tribal Early Childhood Development Resources

- ◆ *Coming Soon!* Differentiated Rate Worksheet
- ◆ *Coming Soon!* Sliding Fee Scale Worksheet
- ◆ *Coming Soon!* Eligibility Determination Worksheet
- ◆ *Coming Soon!* Subsidy Administration and Equal Access Guide for AIAN CCDF Grantees

CCDF Final Rule Resources

- ◆ [CCDF Final Rule](#) (Federal Register)
- ◆ [CCDF Final Rule Tribal Fact Sheet](#) (Office of Child Care, 2016)
- ◆ [Child Care and Development Fund Final Rule: Overview for Tribes](#) (Office of Child Care, 2016)

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