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Subsidy Innovation and Accountability



National Center on Tribal
Early Childhood Development

Subsidy Eligibility in American Indian and Alaska Native Child Care and Development Fund Programs: Part II

Presentation for Medium- and Large-Allocation Grantees

Agenda

- ◆ Subsidy eligibility: Part I review
- ◆ CCDF continuity of care
- ◆ Grantee median income
- ◆ Graduated phase-out
- ◆ Tools and resources



Review: Subsidy Eligibility Part I

◆ Topics

- Overview of Child Care and Development Fund (CCDF) subsidy
- Eligibility requirements
- Record keeping

◆ Presentation slides:

https://childcareta.acf.hhs.gov/sites/default/files/public/subsidy_eligibility_m_and_l_w_ebinar_part_i_052118.pdf

How Subsidy Works: An Example



Eligible parent



Eligible child



**Certificates/
vouchers and
family
contribution**



**Eligible
provider**



**Provider and
child**

Source: Child Care State Capacity Building Center. (2017). *Fundamentals of CCDF Administration*. Washington, DC: Office of Child Care. Retrieved from https://www.acf.hhs.gov/sites/default/files/occ/fundamentals_of_ccdf_administration_1.pdf



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CCDF Continuity of Care

Minimum 12-Month Eligibility Period

- ◆ Applies to ALL eligibility (redetermination) periods regardless of the following:
 - Changes in income, as long as income does not exceed 85 percent of grantee median income (GMI)
 - Temporary changes in work, education, or job training.

Tribal Lead Agencies are prohibited from allowing shorter eligibility periods within the minimum 12-month eligibility period.

Source: Child Care and Development Fund, 45 C.F.R § 98.21(a)(1)(2016).

Benefits of 12-Month Eligibility

- ◆ For families:
 - Promotes continuity of access to subsidy for low-income families
- ◆ For Tribal Lead Agencies:
 - Reduces the administrative burden for CCDF Lead Agency staff
 - Helps to align with other early childhood programs



Eligibility Period

- ◆ Grantees are **PROHIBITED** from redetermining a child's eligibility before 12 months following the initial determination.
- ◆ Families can voluntarily choose to end services at any time.

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



Sharing



Temporary Changes

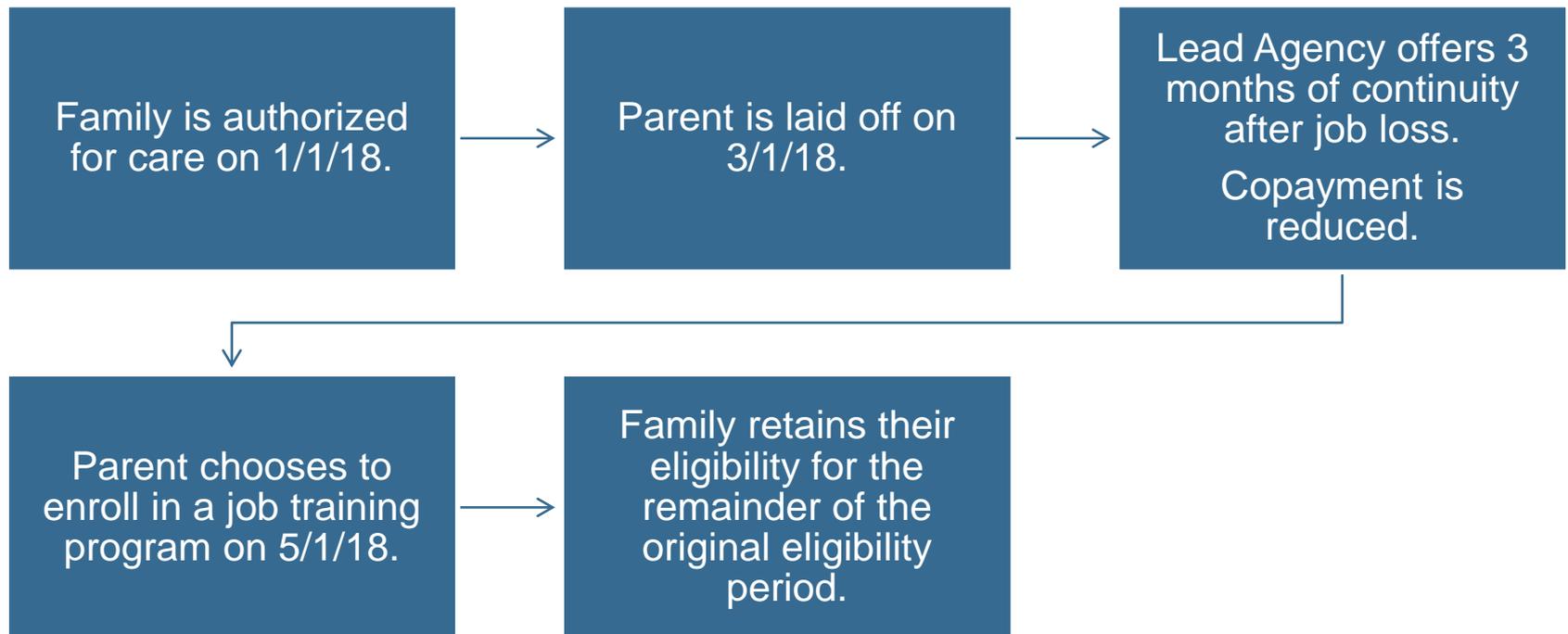
- ◆ Temporary changes include the following:
 - Time-limited absences from work or school
 - Interruption in work for a seasonal worker
 - Any student holiday or break for a parent in training or education
 - Reductions in work, education, or training hours
 - Other changes to work, education, or job 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
 - Change in residency within the tribal service area

Lead Agencies must consider all changes on this list to be temporary. However, Lead Agencies 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.

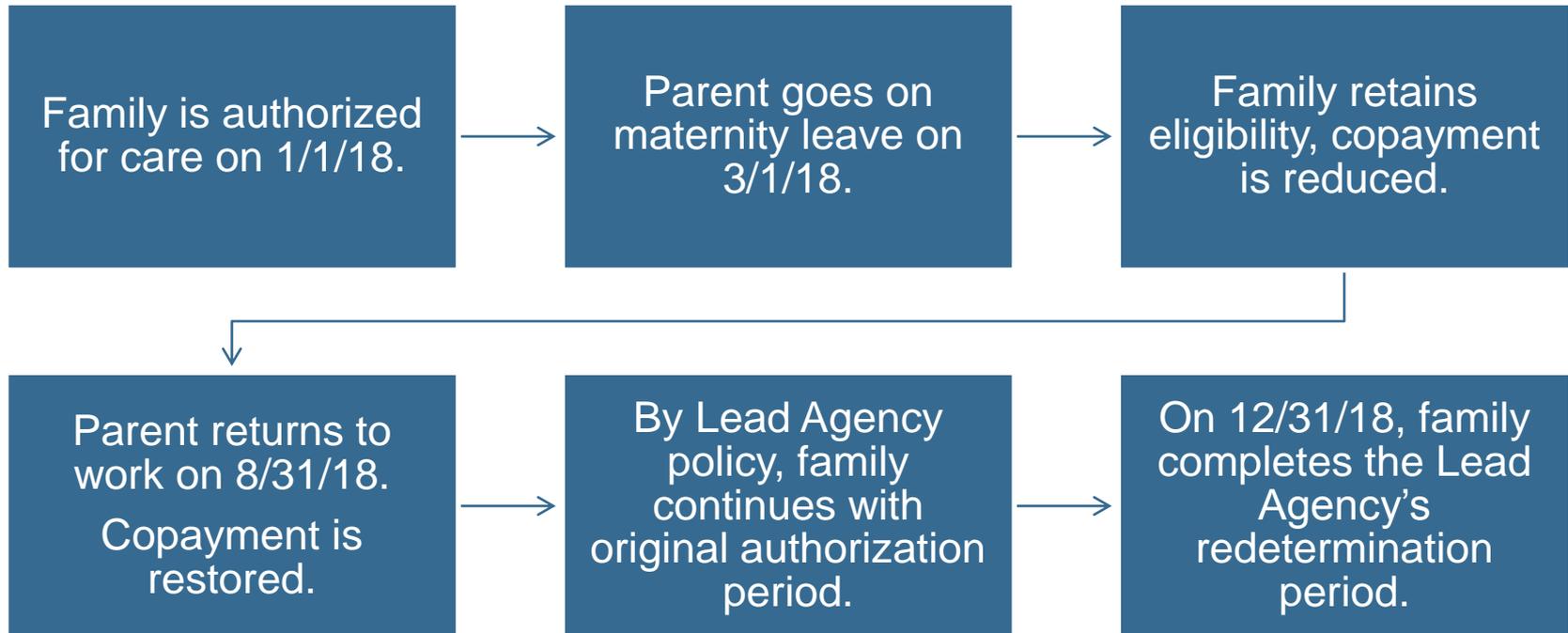
Source: Child Care and Development Fund, 45 C.F.R § 98.21(a)(1)(ii) (2016).

Source: Child Care and Development Fund, 45 C.F.R § 98.21(a)(1)(2016).

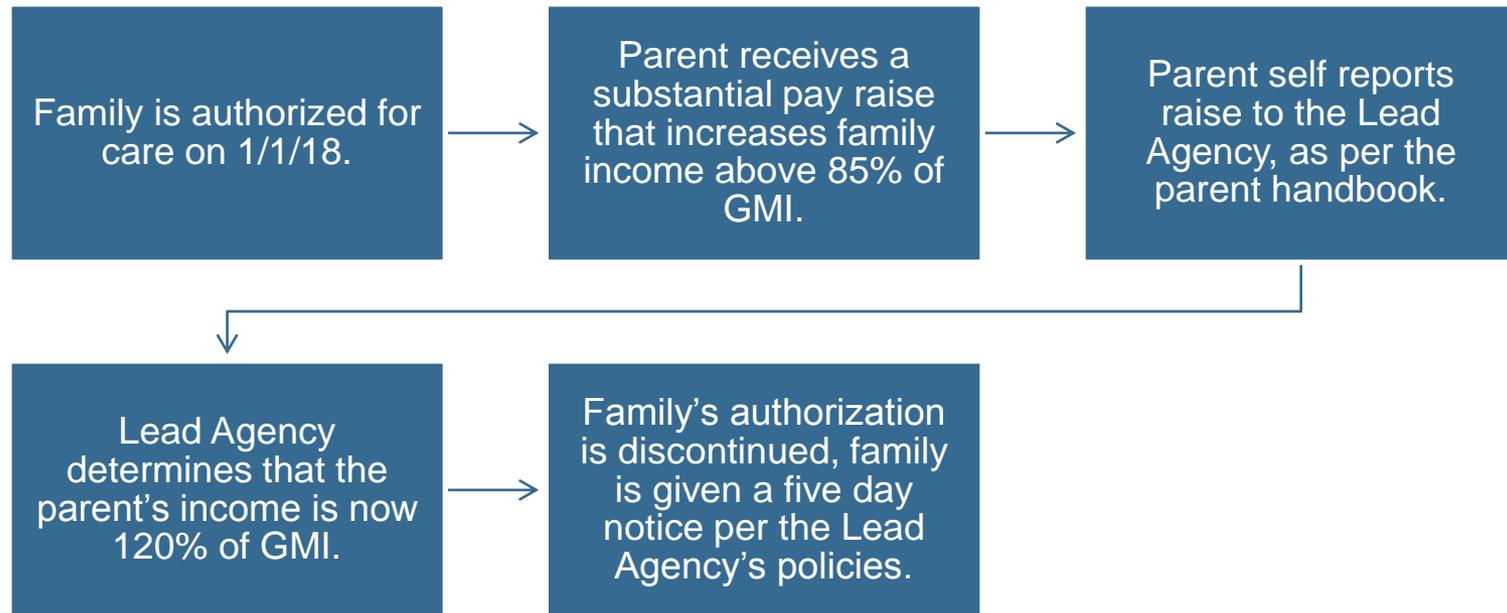
Eligibility Timeline Example #1



Eligibility Timeline Example #2



Eligibility Timeline Example #3



Note: Tribal Lead Agencies 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.

Optional Reasons to Terminate Services

The CCDF final rule gives American Indian and Alaska Native (AI/AN) CCDF grantees the *option* to end assistance before the end of the eligibility period because of loss of work or cessation of attendance at a job training or educational program.

- ◆ The Lead Agency 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(a)(2) (2016).

Optional Limited Circumstances for Discontinuation

The CCDF 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
3. Substantiated fraud or intentional program violations

Source: Child Care and Development Fund, 45 C.F.R § 98.21(a)(2) (2016).

Irregular Fluctuations in Income

- ◆ AI/AN grantees must take income fluctuations into account at initial determination and redetermination.
 - Temporary increases should not negatively affect families.
 - Grantees can look at income that is more reflective of a family's earnings.
 - Includes income changes that temporarily exceed 85 percent of grantee median income (GMI).

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

Example of Averaging Income

GMI for a family of the same size on a monthly basis		
	\$2,000	
Month	Income	Percentage of GMI
January	\$495.00	24.8%
February	\$3,400.00	170.0%
March	\$210.00	10.5%
April	\$900.00	45.0%
May	\$8,000.00	400.0%
June	\$701.00	35.1%
July	\$502.00	25.1%
August	\$2,100.00	105.0%
September	\$500.00	25.0%
October	\$450.00	22.5%
November	\$1,600.00	80.0%
December	\$400.00	20.0%
Annual total	\$18,258.00	
Average monthly income	\$1,604.83	80.25%

Reporting between Determination Periods

- ◆ AI/AN CCDF grantees must do the following:
 - Limit reporting requirements to
 - changes that impact a child's federal eligibility, and
 - information that affects 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(e) (2016).

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Median Income and Graduated Phase-out

Grantee Median Income

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



Graduated Phase-Out

- ◆ The CCDF final rule 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 percent of GMI, provided they are also working or attending a job training or education program.

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

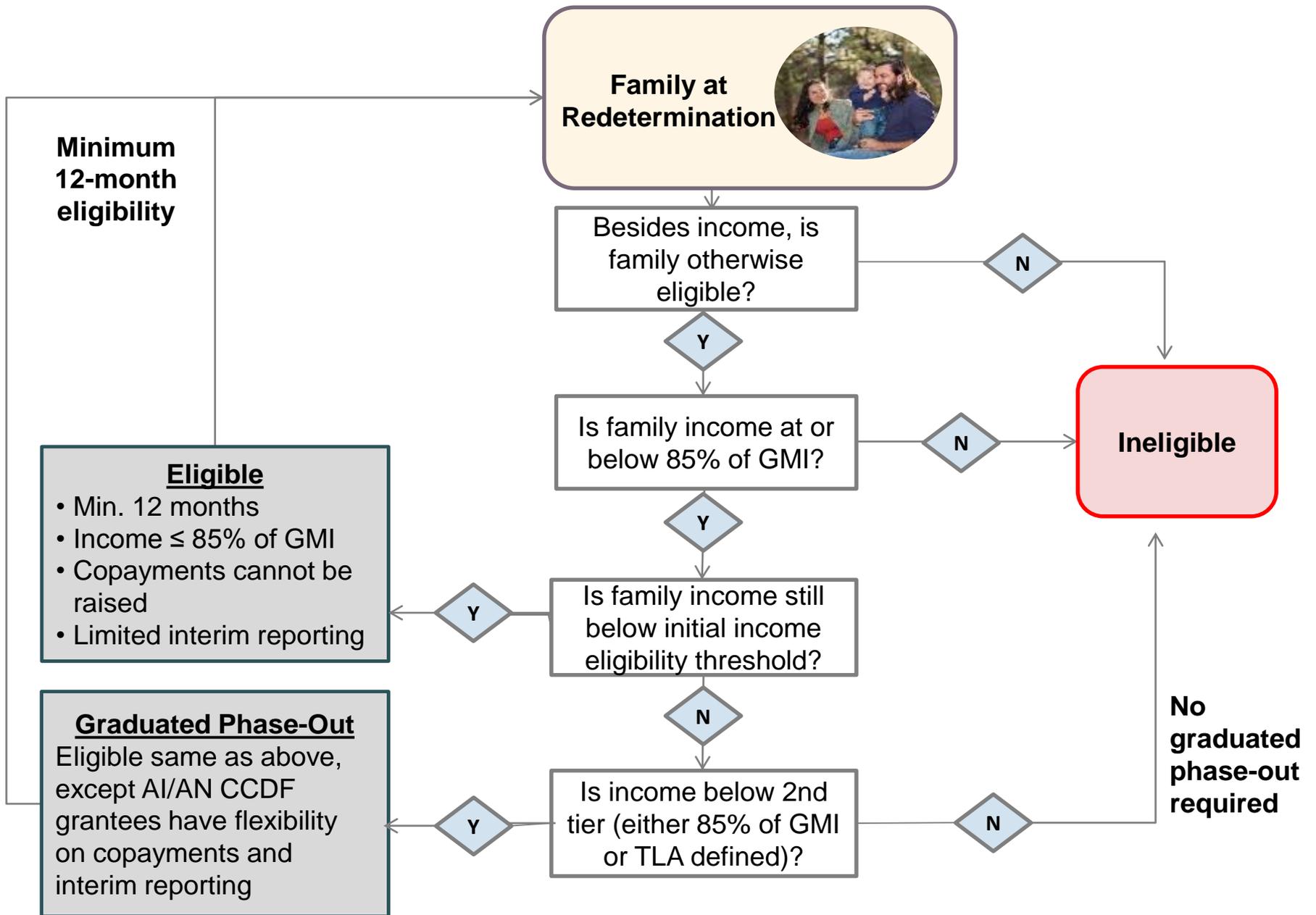
- ◆ The final rule requires two-tiered eligibility, with the second tier at:
 - 85 percent of GMI, or
 - an amount lower than 85 percent of GMI for a family of the same size, but above the initial eligibility threshold.

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

Graduated Phase-Out

- ◆ 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-month eligibility period even if its income exceeds the second eligibility threshold, as long as it does not exceed 85 percent of GMI.

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



Poll Question

Does your eligibility threshold currently use 85% of the current year's GMI?

Table 2.1.4(c): Tribal CCDF Income Eligibility Levels

	(a)	(b)	(c)	(d)	(e)	(f)
Family Size	100% of Grantee Median Income (GMI)	85% of GMI	(IF APPLICABLE) Maximum Income Level if lower than 85% Current GMI		(IF APPLICABLE) Maximum "Exit" Income Level (cannot exceed 85% GMI)	
	\$/month	\$/month [Multiply (a) by 0.85]	\$/month	% of GMI [Divide (c) by (a), multiply by 100]	\$/month	% of GMI [Divide (f) by (a), multiply by 100]
1*						
2						
3						
4						
5						
6						
7						
8						

Source: 2017-2018 Tribal CCDF Plan



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Resources and Tools

FY 2018 State Median Income (SMI) and Federal Poverty Levels (FPL) Compared to Various SMI Percentages Michigan

(85% of SMI compared to variations in SMI percentages)

Family Size	100% of SMI (annual)	100% of SMI (monthly)	85% of SMI (annual)	85% of SMI (monthly)	100% of FPL (annual)	100% of FPL (monthly)	35% of SMI (monthly)	45% of SMI (monthly)	55% of SMI (monthly)	65% of SMI (monthly)	75% of SMI (monthly)	85% of SMI (monthly)
1	41,120	3,427	34,952	2,912	12,140	1,012	1,199	1,542	1,885	2,228	2,570	2,912
2	53,772	4,481	45,706	3,808	16,460	1,372	1,568	2,016	2,465	2,913	3,361	3,808
3	66,425	5,535	56,460	4,704	20,780	1,732	1,937	2,491	3,044	3,598	4,151	4,704
4	79,077	6,590	67,215	5,601	25,100	2,092	2,307	2,966	3,625	4,284	4,943	5,601
5	91,729	7,644	77,969	6,497	29,420	2,452	2,675	3,440	4,204	4,969	5,733	6,497
6	104,382	8,698	88,724	7,393	33,740	2,812	3,044	3,914	4,784	5,654	6,524	7,393
7	106,754	8,896	90,740	7,561	38,060	3,172	3,114	4,003	4,893	5,782	6,672	7,561
8	109,126	9,094	92,757	7,729	42,380	3,532	3,183	4,092	5,002	5,911	6,821	7,729
9	111,499	9,292	94,773	7,898	46,700	3,892	3,252	4,181	5,111	6,040	6,969	7,898
10	113,871	9,489	96,790	8,065	51,020	4,252	3,321	4,270	5,219	6,168	7,117	8,065
11	116,243	9,687	98,806	8,233	55,340	4,612	3,390	4,359	5,328	6,297	7,265	8,233
12	118,616	9,885	100,823	8,402	59,660	4,972	3,460	4,448	5,437	6,425	7,414	8,402
13	120,988	10,082	102,839	8,569	63,980	5,332	3,529	4,537	5,545	6,553	7,562	8,569
14	123,360	10,280	104,856	8,738	68,300	5,692	3,598	4,626	5,654	6,682	7,710	8,738

Note: Calculated 85% of SMI amounts are rounded down to the nearest dollar. All other amounts are rounded to the nearest dollar.

This chart is provided as a service without any warranty of accuracy or suitability. Please confirm ALL calculations prior to using.

The FY2018 SMI chart (effective 6/26/17) can be found online at:
<https://www.acf.hhs.gov/ocs/resource/liheap-im2017-03>

The FY2018 FPL chart (effective 1/13/18) can be found online at:
<https://www.gpo.gov/fdsys/pkg/FR-2018-01-18/pdf/2018-00814.pdf>



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FY 2018 State Median Income (SMI) Compared to Various Federal Poverty Level (FPL) Percentages

Maine

(85% of SMI compared to variations in FPL percentages)

Family Size	100% of SMI (annual)	100% of SMI (monthly)	85% of SMI (annual)	85% of SMI (monthly)	100% of FPL (annual)	100% of FPL (monthly)	125% of FPL (monthly)	150% of FPL (monthly)	175% of FPL (monthly)	200% of FPL (monthly)	225% of FPL (monthly)	250% of FPL (monthly)
1	41,203	3,434	35,022	2,918	12,140	1,012	1,265	1,518	1,770	2,023	2,276	2,529
2	53,881	4,490	45,798	3,816	16,460	1,372	1,715	2,058	2,400	2,743	3,086	3,429
3	66,559	5,547	56,575	4,714	20,780	1,732	2,165	2,598	3,030	3,463	3,896	4,329
4	79,237	6,603	67,351	5,612	25,100	2,092	2,615	3,138	3,660	4,183	4,706	5,229
5	91,915	7,660	78,127	6,511	29,420	2,452	3,065	3,678	4,290	4,903	5,516	6,129
6	104,593	8,716	88,903	7,408	33,740	2,812	3,515	4,218	4,920	5,623	6,326	7,029
7	106,970	8,914	90,924	7,576	38,060	3,172	3,965	4,758	5,550	6,343	7,136	7,929
8	109,347	9,112	92,945	7,745	42,380	3,532	4,415	5,298	6,180	7,063	7,946	8,829
9	111,724	9,310	94,965	7,913	46,700	3,892	4,865	5,838	6,810	7,783	8,756	9,729
10	114,101	9,508	96,986	8,081	51,020	4,252	5,315	6,378	7,440	8,503	9,566	10,629
11	116,478	9,707	99,006	8,250	55,340	4,612	5,765	6,918	8,070	9,223	10,376	11,529
12	118,856	9,905	101,027	8,419	59,660	4,972	6,215	7,458	8,700	9,943	11,186	12,429
13	121,233	10,103	103,047	8,587	63,980	5,332	6,665	7,998	9,330	10,663	11,996	13,329
14	123,610	10,301	105,068	8,755	68,300	5,692	7,115	8,538	9,960	11,383	12,806	14,229

Note #1: Poverty level amounts shown with bold strikethroughs are over 85% of SMI for a family of the same size.

Note #2: Calculated 85% of SMI amounts are rounded **down** to the nearest dollar. All other amounts are rounded to the nearest dollar.

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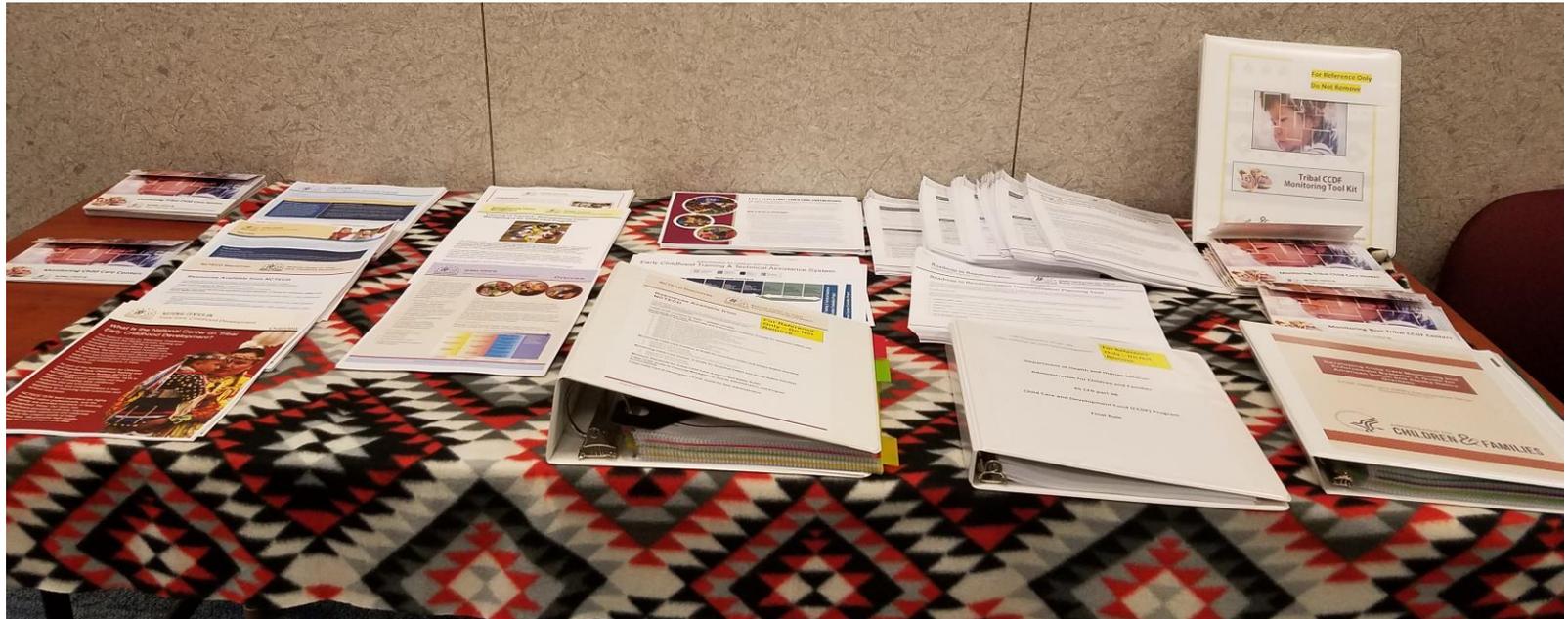


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Demonstration: State Median Income and Federal Poverty Level Calculation Tool

Resource Request



Questions



What's Next?

- ◆ Sliding fee scales
- ◆ Rate setting
- ◆ Provider practices



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