



NATIONAL CENTER ON
Subsidy Innovation and Accountability



National Center on Tribal
Early Childhood Development

Cause and Effect: How Changes to Eligibility and Payment Rates Can Impact Your Program

Presentation for Medium- and Large-Allocation Grantees

Agenda

- ◆ Review: subsidy eligibility
- ◆ Equal access
 - Family contribution to payment
 - Child care market rates
- ◆ Changes to eligibility criteria
- ◆ Wait lists and enrollment freeze



Presenters



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Review: Subsidy Eligibility

◆ Introduction to subsidy administration

- Overview of child care subsidy
- Eligibility requirements
- Record keeping
- Presentation slides:

<https://childcareta.acf.hhs.gov/resource/subsidy-eligibility-american-indian-and-alaska-native-child-care-and-development-fund-1>

How Subsidy Works: An Example



Eligible parent



Eligible child



Certificates or vouchers and family contribution



Eligible provider



Provider and child

Source: Child Care State Capacity Building Center. (2018). *An introduction to the fundamentals of CCDF administration* [PowerPoint slides]. Office of Child Care. <https://ccdf-fundamentals.icfcloud.com/sites/default/files/public/pdf/CCDF-Fundamentals-PPT.pdf>

Definitions

- ◆ **Sliding fee scale** means the chart used by the Tribal Lead Agency (Tribal Lead Agency) to determine the fee schedule based on the income and size of the family.
- ◆ **Payment rate** means the amount authorized by the Tribal Lead Agency to pay to the eligible provider.
- ◆ **Parent copayment** means the portion of the care paid for by the parent as determined by the Tribal Lead Agency's sliding fee scale.

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

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



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Family Contribution to Payment

Sliding Fee Scales

- ◆ Tribal Lead Agencies must establish a sliding fee scale that varies based on the following:
 - Family income
 - Size of family

While Tribal Lead Agencies must establish sliding fee scales based on family income and family size, they have flexibility to consider other factors. Any additional factors must be described in their CCDF Plan. However, sliding fee scales may not be based on the cost of care or amount of subsidy payment.

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

Office of Child Care. (n.d.). Tribal CCDF Plan Preprint FFY 2017–2019. U.S. Department of Health and Human Services, Administration for Children and Families.
https://www.acf.hhs.gov/sites/default/files/occ/ty_2017_2019_ccdf_tribal_plan_preprint.pdf

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

Example Sliding Fee Scale: Percentage Based

100% of Grantee Median Income (GMI)		→		\$5,000	\$6,000		
Percentage	GMI or federal poverty level (FPL)	Copay % of income	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	
50.00	GMI	0.1%	\$2,500	\$2.50	\$3,000	\$3.00	
55.00	GMI	1.0%	\$2,750	\$27.50	\$3,300	\$33.00	
60.00	GMI	2.0%	\$3,000	\$60.00	\$3,600	\$72.00	
65.00	GMI	3.0%	\$3,250	\$97.50	\$3,900	\$117.00	
70.00	GMI	4.0%	\$3,500	\$140.00	\$4,200	\$168.00	
75.00	GMI	5.0%	\$3,750	\$187.50	\$4,500	\$225.00	
80.00	GMI	6.0%	\$4,000	\$240.00	\$4,800	\$288.00	
85.00	GMI	7.0%	\$4,250	\$297.50	\$5,100	\$357.00	

Note: Tribal Lead Agencies should contact their Office of Child Care (OCC) Regional Office for assistance with sliding fee scales.

Example Sliding Fee Scale: Fee Based

Family Size	0%–100% of FPL	101%–125% of FPL	126%–150% of FPL
 1	\$0–\$973	\$974–\$1,216	\$1,217–\$1,459
2	\$0–\$1,311	\$1,312–\$1,639	\$1,640–\$1,966
3	\$0–\$1,649	\$1,650–\$2,061	\$2,062–\$2,474
Monthly family copayment amount	<i>Family pays \$0</i>	<i>Family pays \$50</i> 	<i>Family pays \$85</i>

Note: Tribal Lead Agencies should contact their OCC Regional Office for assistance with sliding fee scales.

Stop and Share

FY 2020 State Median Income (SMI) and Federal Poverty Levels (FPL)

Wyoming



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)
1	45,136	3,761	38,365	3,196	12,760	1,063	1,316
2	59,024	4,919	50,170	4,181	17,240	1,437	1,722
3	72,912	6,076	61,975	5,164	21,720	1,810	2,127
4	86,800	7,233	73,780	6,148	26,200	2,183	2,532
5	100,688	8,391	85,584	7,132	30,680	2,557	2,937
6	114,576	9,548	97,389	8,115	35,160	2,930	3,342
7	117,180	9,765	99,603	8,300	39,640	3,303	3,418
8	119,784	9,982	101,816	8,484	44,120	3,677	3,494

FAMILY SIZE

	1	2	3	4	5	6	7	8
35% of SMI and Below	\$ 1,707	\$ 2,232	\$ 2,758	\$ 3,283	\$ 3,808	\$ 4,333	\$ 4,432	\$ 4,530
Monthly Parent Fee								
55% of SMI and Below	\$ 2,682	\$ 3,508	\$ 4,333	\$ 5,158	\$ 5,984	\$ 6,810	\$ 6,964	\$ 7,119
Monthly Parent Fee	\$ 80	\$ 105	\$ 130	\$ 155	\$ 180	\$ 204	\$ 209	
75% of SMI and Below	\$ 3,658	\$ 4,784	\$ 5,909	\$ 7,034	\$ 8,160	\$ 9,286	\$ 9,497	\$ 9,707
Monthly Parent Fee	\$ 183	\$ 239	\$ 295	\$ 352	\$ 408	\$ 464	\$ 475	\$ 485
85% of SMI and Below	\$ 4,145	\$ 5,421	\$ 6,697	\$ 7,972	\$ 9,248	\$ 10,524	\$ 10,763	\$ 11,002
Monthly Parent Fee	\$ 290	\$ 379	\$ 469	\$ 558	\$ 647	\$ 737	\$ 753	\$ 770

Copayments

- ◆ Copayments are a family's contribution to the cost of care.
- ◆ Copayments should not be barriers to families receiving assistance.
- ◆ Copayments may not be based on the cost of care or subsidy payment.

In addition to the income and size of the family, the Tribal Lead Agency may use other factors when determining family contributions or copayments.

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

Waiving Copayments

Copayments can be waived under the following circumstances:

- ◆ For families at or below the federal poverty level
- ◆ On a case-by-case basis for families receiving or at risk of receiving protective services
- ◆ For families that meet other criteria established by the Tribal Lead Agency

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

Copayments during Eligibility Period

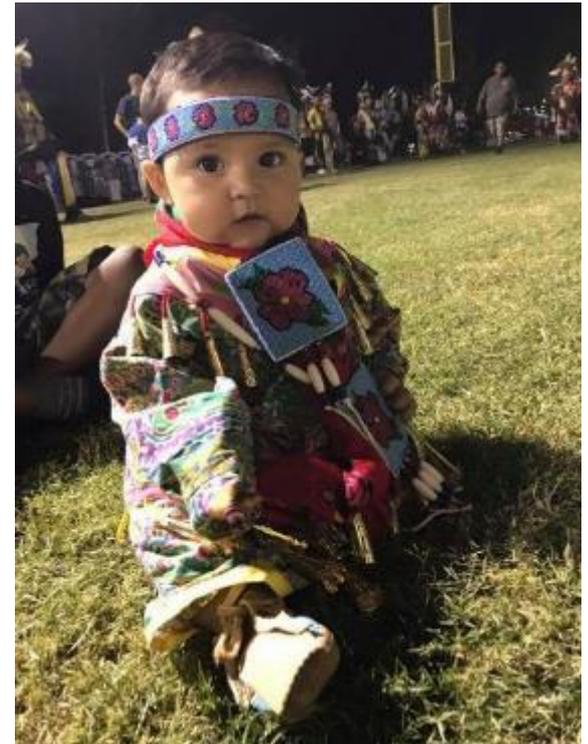
- ◆ Copayments cannot be raised during an eligibility period, unless the family is in a graduated phase-out of care.
- ◆ Copayments can be lowered in response to a family's change in circumstances.



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

Cliff Effect

Copayments should be set to minimize the abrupt termination of assistance due to an increase in family income.



Source: National Center on Subsidy Innovation and Accountability. (2018). *CCDF family co-payments and sliding fee scales*. Office of Child Care. https://childcareta.acf.hhs.gov/sites/default/files/public/family_co-payment_brief_0.pdf

Considerations for Copayments

- ◆ Does the copayment schedule vary by geographic location?
- ◆ Is the fee per child or per family?
 - Does the Tribal Lead Agency offer a discount for additional children?
 - Does the Tribal Lead Agency stop increasing the copayment amount after a certain number of children?

Fees Above the Copayment

If a Tribal Lead Agency allows providers to charge families in addition to the required copayment, it may leave families with a “hidden copayment,” rendering licensed or regulated care unaffordable, pushing families to use unlicensed or unregulated child care options.

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





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Child Care Market Rates

Payment Rates

- ◆ Tribal 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 a family's eligibility status or circumstances (for example, if a family is receiving Temporary Assistance for Needy Families or a parent is a student rather than working).
- ◆ Tribal grantees may set differential payment rates.

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

Considerations for Rate Setting

- ◆ Strategic goals
- ◆ Narrow cost estimate
- ◆ Market rate survey
75th percentile



Rate-Setting Poll Question

What data does your Tribal Lead Agency use when setting rates?

- ◆ Local child care resource and referral data within its service area
- ◆ State market rate survey
- ◆ State alternative methodology
- ◆ Informal provider survey
- ◆ Other appropriate methods as determined by the Tribal Lead Agency

Base Payment Rates

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
- ◆ Facility costs



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

Examples of Differentiating Payment Rates

- ◆ Age
 - Infants and toddlers
 - School-age programs
- ◆ Special needs
- ◆ Service area
 - Urban versus rural



Examples of Differentiating Payment Rates (continued)

- ◆ Nontraditional hours
- ◆ Higher quality
 - Higher ratings based on state or tribal quality rating and improvement system (QRIS)
 - Accredited facilities
- ◆ Other
 - Native-language speakers
 - Providers who incorporate certain levels of language and culture into the program

Rate Add-Ons

Additional payments may be made to providers who meet certain criteria, including the following:

- ◆ Professional development milestones
- ◆ Provision of care during nontraditional hours
- ◆ Language and culture revitalization

Example: Differential Payment Rates by Provider Type (Monthly 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 Children with Special Needs

	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

Sharing





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Caseload Management

How Many Children Can Be Served?

- ◆ State-tribal coordination
- ◆ Tribal funds
- ◆ Waiting lists
- ◆ Enrollment Freeze

Rates and Copayments

Infants	40	Daily Rate	Daily Rate	Families Pay	CCDF Pays	
Center Based	10	\$40.23	\$40.23	\$6,000.00	\$80,896.80	
In-Home	5	\$30.23	\$38.28	\$3,000.00	\$38,342.40	
Family Home	25	\$32.79	\$32.79	\$15,000.00	\$162,066.00	
Toddlers	68			Infant Total	\$281,305.20	
Center Based	30	\$22.30	\$22.30	\$18,000.00	\$126,504.00	Average Co-Payment
In-Home	5	\$32.30	\$16.76	\$3,000.00	\$15,100.80	
Family Home	33	\$30.05	\$30.05	\$39,600.00	\$174,596.40	\$50.00
Preschool	53			Toddler Total	\$316,201.20	
Center Based	25	\$21.17	\$21.17	\$15,000.00	\$99,318.00	
In-Home		\$31.17	\$15.40	\$0.00	\$0.00	
Family Home	28	\$27.32	\$27.32	\$16,800.00	\$148,431.36	
School Age	177			School Age Total	\$247,749.36	
Center Based-Full Day	25	\$25.50	\$25.50	\$3,750.00	\$34,425.00	
Family Home-Part Day	72	\$24.32	\$24.32	\$10,800.00	\$94,556.16	
Center Based-Part Day	50	\$12.75	\$12.75	\$22,500.00	\$103,275.00	
In-Home Full Day	7	\$10.50	\$10.30	\$3,150.00	\$11,680.20	
In-Home Part Day	8	\$10.50	\$7.30	\$3,600.00	\$9,460.80	
Family Home-Part Day	15	\$12.15	\$12.15	\$6,750.00	\$29,524.50	
Total Children Served	338			Total	\$282,921.66	

Wait List

- ◆ Families continue to apply but are not considered until space is available.
- ◆ Wait list policies should allow the Tribal Lead Agency to move families into the program in a controlled manner.
- ◆ Wait list policies should include clearly defined priority groups.

Source: National Center on Subsidy Innovation and Accountability. (2017). *Wait lists vs. enrollment freeze*. Office of Child Care. https://childcareta.acf.hhs.gov/sites/default/files/public/wait_list_vs_enrollment_freeze.pdf

Enrollment Freeze

- ◆ An enrollment freeze is what happens when a Tribal Lead Agency stops accepting applications after they have met their fiscal limit of children that can be served.
- ◆ Enrollment freezes work best when the Tribal Lead Agency has authority to open and close the subsidy program for defined priority groups.

Source: National Center on Subsidy Innovation and Accountability. (2017). *Wait lists vs. enrollment freeze*. Office of Child Care. https://childcareta.acf.hhs.gov/sites/default/files/public/wait_list_vs_enrollment_freeze.pdf

Resources

- ◆ For more information on creating a wait list or freezing eligibility or enrollment, see the National Center on Subsidy Innovation and Accountability's *Wait List vs. Enrollment Freeze* (https://childcareta.acf.hhs.gov/sites/default/files/public/wait_list_vs_enrollment_freeze.pdf).
- ◆ The Provider Cost of Quality Calculator (<https://www.ecequalitycalculator.com/Login.aspx>) can help you estimate the cost of providing child care.
- ◆ For assistance with using the Provider Cost of Quality Calculator online tool, contact the National Center on Early Childhood Quality Assurance (<https://childcareta.acf.hhs.gov/centers/national-center-early-childhood-quality-assurance>).

Question and Answer Session

Tuesday, June 9th, from 2:00 p.m. to 3:30 pm EST: Question-and-Answer Session for Medium- and Large-Allocation Tribal CCDF Grantees. You can register via this Web link:

<https://ccssn.adobeconnect.com/eosgc8ncvk9/event/registration.html>



What's Next?

- ◆ *Tuesday, June 16, from 2:00 to 3:30 p.m. EDT* An Introduction to CCDF Program Integrity for Tribes of all allocation sizes. You can register via this Web link
<https://ccssn.adobeconnect.com/e85f48y4ad0l/event/registration.html>
- ◆ *Tuesday, June 30, from 2:00 to 3:30 p.m. EDT* An Introduction to Subsidy Eligibility and Equal Access for Tribes with Small allocations. You can register via this Web link
<https://ccssn.adobeconnect.com/esvzk1abgecr/event/registration.html>



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