PART 3

CHILD CARE SERVICES OFFERED

According to Child Care and Development Fund (CCDF) regulations, State and Territory CCDF Lead Agencies are required to ensure all families have equal access to different types of child care.[1] Specifically, Lead Agencies report in their CCDF Plans how they make a full range of providers available to all families, address how payment rates are adequate for providers and describe how family copayments are affordable for parents. States and Territories also provide information about child care service priorities and child care subsidy eligibility.[2]

Section 3.1 – Description of Child Care Services

Most States and Territories administer the bulk of Child Care and Development Fund service funds through child care certificates, but many Lead Agencies report they also negotiate contracts or grants for direct services and/or reserve slots for specific populations. States and Territories indicate they award grants or contracts for a variety of purposes, including before- and after-school child care, services to children with special needs, wraparound care for children in Head Start and prekindergarten programs and child care targeted to teen parents, migrant workers and Temporary Assistance for Needy Families participants. States and Territories report that they limit the use of in-home care in some way, mostly for financial reasons due to minimum wage laws or the Fair Labor Standards Act. Limitations include restricting payments for in-home care to arrangements with a minimum number of children in care and care for children with special needs or medical conditions.

Section 3.1.1 – Certificate Payment System

Describe the overall child care certificate payment process, including, at a minimum:

(1) A description of the form of the certificate **(98.16(k))**

(2) A description of how the certificate program permits parents to choose from a variety of child care settings by explaining how a parent moves from receipt of the certificate to the choice of provider **(658E(c)(2)(A)(iii), 658P(2), 98.2, 98.30(c)(4) & (e)(1) & (2))**

(3) If the Lead Agency is also providing child care services through grants and contracts, estimate the mix of §98.50 services available through certificates versus grants/contracts, and explain how it ensures that parents offered child care services are given the option of receiving a child care certificate. **(98.30(a) & (b))** *This may be expressed in terms of dollars, number of slots, or percentages of services.*[3]

The Lead Agency must offer certificates for payment of subsidized child care. A child care certificate is a check, voucher or other disbursement that is issued by the Lead Agency directly to a parent who

1 CCDF Final Rule, 45 CFR Section Parts 98 and 99. *Federal Register* 63:142 (24 July 1998).
2 Data provided for American Samoa, Massachusetts and the Virgin Islands are from Fiscal Year 2004-2005 CCDF Plans.
3 Child Care and Development Fund Plan Preprint text appears in italics throughout this report. References to relevant laws and regulations appear in bold.

may use it only to pay for child care services or, if required, as a deposit for services.[4] The certificate is designed to ensure parents have a variety of child care choices, including community and faith-based providers (center-based, group home, family child care and in-home child care). The certificate typically is used to inform officially both the parent and the child care provider that the child is eligible for subsidy.

Certificate Description

Lead Agencies describe their certificate as a service authorization or notice of eligibility for child care assistance. In most cases, the certificate contains information about the approved reimbursement rate and the total number of hours of child care authorized. The certificate must be flexible enough to follow the child to whatever child care program or provider is selected by the parents, as long as the provider is eligible to receive subsidy payments under State, Territory and Federal policies.

> The Certificate in **Alabama** is a negotiable instrument with which the parent can purchase child care services from any legally operating child care provider who is registered with the Child Care Management Agency. Parents who have not chosen a provider when eligibility is determined are allowed 10 calendar days to select and enroll the child with a provider. Additional time may be given if parents indicate difficulty finding a provider that meet their child care needs.

> A certificate in **Kentucky** is used to enroll a child in the subsidized child care program, is issued to a parent upon successful application for participation in the subsidy program and, upon redetermination of eligibility, is used to update information for billing and payment purposes and record termination of participation in the program.

> In **North Dakota**, a client first chooses from the variety of child care settings then identifies the chosen provider to the child care assistance eligibility worker. Thereafter, the parent is issued a series of monthly certificates, for as long as eligibility continues, each with the value determined by the sliding fee scale. If another provider is chosen, the client notifies the eligibility worker, who names the new provider on the certificate.

Communication with Parents About the Certificate and Child Care Choices

States and Territories have policies that require intake staff to explain, verbally and in writing, that parents may select the type of child care that is most appropriate for their family and child, as part of the application process for the child care subsidy program. Most Lead Agencies contract or coordinate with child care resource and referral agencies to help parents select appropriate child care. Procedures vary in States and Territories.

> In **Delaware**, parents are informed by letter as well as by a child care worker that they can use a certificate to select any licensed contract or noncontract provider of their choice or any legally exempt provider. Parents who choose a certificate take the form to a provider of their

[4] CCDF Final Rule, 45 CFR Section Parts 98 and 99. *Federal Register* 63:142 (24 July 1998).

choice who completes the form and submits a copy to the Department of Social Services to be processed for provider payment.

In **Florida**, resource and referral services typically are included at initial eligibility to advise parents of all care options that best meet their family needs. Child care resource and referral agency staff is often located at one-stop centers.

In **New Jersey**, the subsidy program is administered locally by child care resource and referral agencies, which provide consumer information about child care services to applicants and providers. Information is available in parent and provider handbooks, or by contacting the local county child care resource and referral agency.

A few States maintain large contract systems and typically require intake staff to inform parents about both contracts and certificates.

In **Connecticut**, expenditures are split between certificates and contracted slots. All Lead Agency contractors are required, as a condition of funding, to advise parents with whom programs have contact about the availability of child care certificates.

In **Illinois**, families eligible for child care assistance and needing help to locate care receive a list of providers who may meet their individual needs or preferences (type of care, schedule and location), including referrals to both contracted programs and certificate providers.

Section 3.1.2 – Child Care Grants and Contracts

In addition to offering certificates, does the Lead Agency also have grants or contracts for child care slots?

The following describes the types of child care services, the process for accessing grants or contracts, and the range of providers that will be available through grants or contracts: **(658A(b)(1), 658P(4), §§98.16(g)(1), 98.30(a)(1) & (b))**

Use of grants and contracts showed little change since the Fiscal Year (FY) 2004-2005 Child Care and Development Fund (CCDF) Plans, with slight increases in the number of States and Territories that use contracts and grants for before- and after-school child care, child care programs serving children with special needs, migrant child care and/or teen parents.

Twenty-three States (AR, AZ, CA, CO, CT, DC, FL, HI, IL, IN, KY, MA, ME, MS, NH, NJ, NV, NY, OR, PA, SD, VT, WI) and three Territories (GU, PR, VI) report that they award grants or contracts for child care slots. Many of these initiatives are limited to specific populations or are not available statewide.

Arizona contracts are limited to specialized child care services for children with special needs. These contracts are issued through a competitive Request for Proposal process.

In the **District of Columbia**, services offered through contracts are provided to approximately 10 percent of the total population of children who receive subsidized child care annually. The District contracts with the District of Columbia Department of Parks and Recreation and the District of Columbia Public Schools Head Start Program for services. The Department of Parks and Recreation operates 34 sites and serves an estimated 1,200 children (infants through school age). The District's Public Schools Head Start Program serves 82 infants, toddlers and preschoolers at five sites.

Illinois reports serving an estimated 14,000 children through contracts. The Lead Agency contracts with child care centers and family child care homes through child care networks to supply full-time and part-time care, before- and after-school care and inclusive child care for children with special needs. In FY 2006, Illinois is piloting a project to allow parents who work nontraditional hours to select full-time child care during traditional work hours so their children can participate in early education programs that normally operate during daytime hours.

Vermont contracts with licensed child care centers for full-day/full-year services in collaboration with Head Start and Parent Child Centers. In addition, contracts are used to promote more stable services for infants and toddlers, school-age children and children with special needs. All providers interested in entering into a contract to serve subsidized children must agree to meet higher standards of quality.

Eight States (CT, DC, FL, HI, IL, MA, NV, VT) and two Territories (GU, PR) contract with before- and after-school child care programs.

Eight States (AZ, DC, HI, IL, MA, NY, OR, VT) contract with programs to serve children with special needs.

Six States (DC, KY, MA, ME, OR, VT) and three Territories (GU, PR, VI) contract for wraparound child care for children in Head Start or prekindergarten programs. These contracts are intended to meet the full-day/full-year needs of working parents.

Four States (HI, MA, OR, PA) contract for child care for teen parents.

Four States (AR, CA, IN, VT) contract with programs meeting higher quality standards.

Four States (HI, MA, SD, WI) contract for child care for families participating in Temporary Assistance for Needy Families or welfare reform activities.

Three States (OR, PA, WI) contract for child care for migrant worker families.

Three States (CA, MA, ME) and one Territory (PR) contract with family child care networks.

Five States (CO, FL, NY, PA, WI) allow local agencies the option of negotiating contracts with child care programs.

Section 3.1.3 – Limitations on In-Home Care

The Lead Agency must allow for in-home care but may limit its use. Does the Lead Agency limit the use of in-home care in any way?

States and Territories describe how the Lead Agency limits in-home care, specifying the minimum number of children who must be served, requiring parents to pay the difference between the maximum rate and the minimum wage, requiring caregiver background checks or mandating training.[5] Information on health and safety requirements applying to in-home care can be found in Section 6.4 on page 267 and Section 6.5 on page 272.

A comparison with Fiscal Year 2004-0005 Child Care and Development Fund (CCDF) Plan data shows that the same number of States report they do not limit in-home care.

Seventeen States (AK, AZ, CO, CT, IL, LA, MD, MN, MO, MS, NM, OH, OK, OR, PA, UT, WY) and three Territories (CNMI, GU, VI) report they do not limit in-home care in any way.

Thirty-four States (AL, AR, CA, DC, DE, FL, GA, HI, IA, ID, IN, KS, KY, MA, ME, MI, MT, NC, ND, NE, NH, NJ, NV, NY, RI, SC, SD, TN, TX, VA, VT, WA, WI, WV) and two Territories (AS, PR) report they limit the use of in-home care in some way.

Limitations Based on Minimum Wage Laws

Eleven States (AL, AR, CA, FL, GA, HI, NC, ND, NE, VA, WV) indicate that parents using in-home providers are required to meet State minimum wage laws and/or Fair Labor Standards Act requirements.[6]

In **Alabama**, in-home care is restricted only to the extent that the Lead Agency mandates such care be provided in compliance with applicable Fair Labor Standards Act requirements. Under this act, a parent (employer) who chooses this type of care is solely responsible for ensuring all applicable requirements are met, including paying any difference between the CCDF subsidy and the amount needed to comply with the minimum wage requirement.

Hawaii's Lead Agency requires caretakers to meet Internal Revenue Service and State requirements regarding provider compensation, including paying State minimum wage and all applicable payroll taxes.

5 Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services. (2005, July). *CCDF state and territories plan preprint guidance, FFY 2006-2007*. Retrieved May 11, 2006, from http://www.acf.hhs.gov/programs/ccb/policy1/current/ACF118/guidance_2006_final.doc.

6 The Fair Labor Standards Act establishes minimum wage, overtime pay, recordkeeping and child labor standards affecting full-time and part-time workers in the private sector and in Federal, State and local governments. For more information about the Fair Labor Standards Act, visit the U.S. Department of Labor's web site at http://www.dol.gov/esa/whd/flsa/.

Limitations Based on a Minimum Number of Children

Eight States (DE, IA, ID, IN, NE, NV, SC, WI) set restrictions related to the minimum number of children in care. Of those, six (IA, ID, IN, NE, SC, WI) set the minimum number of children at three; one (DE) sets the minimum number of children at four and one (NV) sets the minimum number at two children.

Idaho indicates budgetary reasons for limits on in-home care. Special circumstances allow the use of in-home care when other options are not reasonable.

The **Iowa** Administrative Code requires there be three or more children in the home children's home) for the child care provider to receive the in-home payment rate, which is the equivalent of the minimum wage.

Other Limitations

Some States and Territories allow use of in-home care under certain circumstances.

Seven States (DE, ID, ND, NE, NV, WI, WV) and one Territory (PR) allow use of in-home care when a child's special needs or medical condition warrant it.

Delaware allows in-home care for some children as a last resort, such as when care is needed during a late shift in a rural area where other types of care are not available, or where there is a child with special needs for whom it is impossible to find any other child care arrangement.

Wisconsin allows in-home care for some children as a last resort when other licensed or certified care is not available within a reasonable geographic area; child care is needed during hours when no other care is available, such as second or third shift hours or the weekend; special needs of a child can be met only in his or her home or a temporary illness of the child or provider prevents the child from attending the regular care.

Eight States (FL, KY, MA, ME, MT, SC, SD, TN) set minimum age limitations for in-home providers, ranging from 16 to 21 years old.

In **Maine**, child care providers are required to be at least 18 years old, have a working telephone or active mobile phone and verify within 30 days they are free from active tuberculosis.

Section 3.1.4 – Extent of Service

Are all of the child care services described in 3.1.1 above (including certificates) offered throughout the State? **(658E(a), §98.16(g)(3))**

While States and Territories are not required to offer all services statewide or territory-wide, most do.

Only three States (HI, KY, WA) indicate child care services are not offered uniformly in all parts of the State, while the remaining States and all Territories report child care services are offered statewide or territory-wide.

Hawaii reports that infant and toddler care contract sites for teen parents attending high school and drop-in care contracts for Temporary Assistance for Needy Families participants are available only in certain areas. Otherwise, child care certificates are offered statewide for all types of legal care.

Kentucky indicates that contracted services in conjunction with the Head Start collaborative effort are available at seven sites.

Washington provides seasonal child care primarily to migrant populations in targeted areas.

Section 3.2 – Payment Rates for the Provision of Child Care

The statute at **658E(c)(4)** *and the regulations at* **§98.43(b)(1)** *require the Lead Agency to establish payment rates for child care services that ensure eligible children equal access to comparable care.*

Lead Agencies were asked to include their payment rate schedule with their Fiscal Year (FY) 2006-2007 Child Care and Development Fund (CCDF) Plans. State and Territory payment rate schedules outline the reimbursement rate ceiling, which can vary by age of child, care setting, period of time and geographic area. The reimbursement rate ceiling is the maximum rate set by the State that a provider can receive for child care services through CCDF. Table 3.2 summarizes the reimbursement rate ceilings by age range for center-based facilities in the largest urban area in each State or Territory. Because of variation in the child care market, these rate ceilings may not always be the highest rates paid within each State or Territory. For States and Territories with tiered reimbursement schedules, which pay a higher rate for higher quality care, the base rate was used in this summary.

TABLE 3.2
Child Care Center Reimbursement Rate Ceilings by Age Range[1]

State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
Alabama	infant/ toddler	$105.00/ week	infant/ toddler	$105.00/ week	preschool	$99.00/ week	school	$83.00/ week	Rates vary by region. Rates for Birmingham given.
Alaska	birth–18 months	$647.00/ month	19–36 months	$615.00/ month	37 months–6 years	$550.00/ month	7–12 years	$537.00/ month	Rates vary by area. Rates for Anchorage/Mat-Su Metropolitan Area given.
American Samoa*	infant	$180.00/ month	toddler	$180.00/ month	preschool	$180.00/ month	school age	$180.00/ month	Rates are territory-wide.
Arizona	birth < 1 year	$29.00/ day	1 year < 3 years	$25.58/ day	3 years < 6 years	$23.20/ day	6 years < 13 years	$22.00/ day	Rates vary by district. Rates for District 1, Maricopa County, given.
Arkansas	infant	$18.00/ day	toddler	$17.00/ day	day care	$17.00/ day	school age	$15.20/ day	Rates vary by county. Rates for Pulaski County given.
California	birth–24 months	$209.37/ week	2–5 years	$159.88/ week	2–5 years	$159.88/ week	school age	$138.29/ week	Rates vary by groups of zip codes identified as “market areas.” Rates for Market Profile 17 given. Market profiles are based on groups of zip codes with similar socioeconomic characteristics.
Colorado	younger than 2 years	$30.00/ day	2 years and older	$24.00/ day	2 years and older	$24.00/ day	2 years and older	$24.00/ day	Rates vary by county/groups of counties. Rates for Denver metro counties given.
Commonwealth of the Northern Mariana Islands	birth–2 years	$300.00/ month	3–4 years	$300.00/ month	5–6 years	$250.00/ month	7–13 years	$250.00/ month	Rates are territory-wide.

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State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
Connecticut	infant/ toddler	$227.00/ week	infant/ toddler	$227.00/ week	preschool	$179.00/ week	school age	$162.00/ week	Rates vary by region. Rates for Southwest region given.
Delaware	birth–1 year	$145.00/ week	1–2 years	$122.00/ week	2–5 years	$104.60/ week	6 and older	$104.60/ week	Rates vary by county. Rates for New Castle County given.
District of Columbia	infant	$31.10/ day	toddler	$31.10/ day	preschool	$23.55/ day	school age before and after	$19.85/ day	Rates are district-wide, but vary by tier level. Rates for Bronze-tiered centers given.
Florida	birth–12 months	$130.00/ week	13–23 months 24–35 months	$120.00/ week $110.00/ week	36–47 months 48–59 months	$103.00/ week $100.00/ week	elementary school age (summer/ holiday) FT	$90.00/ week	Rates vary by early learning coalition area. Rates for early learning coalition of Duval County given.
Georgia	6 weeks–12 months	$125.00/ week	13–36 months	$120.00/ week	3–5 years	$105.00/ week	before and after school	$65.00/ week	Rates vary by zone. Rates for Zone 1 (greater metro Atlanta counties) given.
Guam	birth–1year	$170.00/ week	2–5 years	$150.00/ week	2–5 years	$150.00/ week	6–12 years	$125.00/ week	Rates are territory-wide.
Hawaii	all ages	$425.00/ month	all ages	$425.00/ month	all ages	$425.00/ month	before school after school	$60.00/ Month $80.00/ month	Rates are statewide.

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State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
Idaho	birth–12 months	$594.00/ month	13–30 months	$539.00/ month	31–60 months	$492.00/ month	61–72 months 73 months and older	$440.00/ month $440.00/ month	Rates vary by region. Rates for Region IV (Ada, Boise, Elmore and Valley counties) given.
Illinois	younger than 2½ years	$33.77/ day	2½ and older	$24.34/ day	2½ and older	$24.34/ day	school age–day	$12.17/ day	Rates vary by groups of counties. Rates for Group IA (Cook, DuPage, Kane, Kendall, Lake and McHenry counties) given.
Indiana	infant	$44.00/ day	toddler	$34.00/ day	3–5 years	$30.00/ day	before school after school	$32.00/ month $29.00/ month	Rates vary by county. Rates for Marion County given.
Iowa	infant/ toddler	$14.50/ half-day	infant/ toddler	$14.50/ half-day	preschool	$12.00/ half-day	school age	$10.50/ half-day	Rates are statewide.
Kansas	younger than 1 year	$4.48/ hour	13–30 months	$3.85/ hour	31 months –5 years	$3.12/ hour	6 years or older	$2.98/ hour	Rates vary by urban, near urban and rural groups of counties. Rates for Group 1 (Douglas and Johnson counties) given.
Kentucky	infant/ toddler	$25.00/ day	infant/ toddler	$25.00/ day	preschool	$22.00/ day	school age	$21.00/ day	Rates vary by region and urban/nonurban area. Urban rates for Central Region given.
Louisiana	all ages	$16.50/ day	all ages	$16.50/ day	all ages	$16.50/ day	all ages	$16.50/ day	Rates are statewide.

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Child Care Center Reimbursement Rate Ceilings by Age Range[1]

State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
Maine	infant	$185.00/ week	toddler	$181.00/ week	preschool	$162.00/ week	school age–summer school age–before/ after school	$135.00/ week $85.00/ week	Rates vary by county. Rates for Cumberland County given.
Maryland	infant	$771.00/ month	regular	$433.00/ month	regular	$433.00/ month	regular	$433.00/ month	Rates vary by region. Rates for Region BC (Baltimore City) given.
Massachusetts*	infant	$46.50/ day	toddler	$41.50/ day	preschool	$31.50/ day	school age blended	$18.50/ day	Rates vary by region and tier levels. Rates for Region 4 and 6 (Metro West and Metro Boston) Tier 1 given.
Michigan	birth–2½ years	$2.85/ hour	2½ years and older	$2.25/ hour	2½ years and older	$2.25/ hour	2½ years and older	$2.25/ hour	Rates vary by shelter areas, which include multiple counties. Rates for Shelter Area IV (20 counties) given.
Minnesota	infant	$82.00/ day	toddler	$61.00/ day	preschool	$55.00/ day	school age	$52.00/ day	Rates vary by regional groups of counties. Rates for Hennepin County given.
Mississippi	birth–12 months	$84.00/ week	13–36 months	$80.00/ week	3–5 years	$77.00/ week	school age–summer (5–13 years)	$76.00/ week	Rates are statewide, but vary by tiered quality level. Rates for Tier 1 given.

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State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
Missouri	infant	$25.75/ day	infant	$25.75/ day	preschool	$15.30/ day	school age	$15.00/ day	Rates for infant care vary by metro, sub-metro, and “rest of State;” rates for preschool and school-age vary by groups of counties. Rates given are for Saint Louis County.
Montana	infant	$25.00/ day	2 years and older	$20.00/ day	2 years and older	$20.00/ day	2 years and older	$20.00/ day	Rates vary by resource and referral district. Rates for Billings District given.
Nebraska	infant	$32.00/ day	toddler	$25.00/ day	preschool	$25.00/ day	school age	$25.00/ day	Rates vary by groups of counties; for accredited care, rates are statewide. Rates for unaccredited care in Douglas and Sarpy counties given.
Nevada	birth–1 year	$31.00/ day	1–3 years	$28.00/ day	3–6 yrs	$23.00/ day	6 years and older	$19.00/ day	Rates vary by counties and a group of rural area counties. Rates for Clark County given.
New Hampshire	younger than 3 years	$30.35/ day	younger than 3 years	$30.35/ day	3 years and older	$25.60/ day	3 years and older	$25.60/ day	Rates are statewide, but vary by program step level. Rates given for contract/licensed care, for Step 1 Income Limit (Temporary Assistance for Needy Families recipients only).

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Child Care Center Reimbursement Rate Ceilings by Age Range[1]

State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
New Jersey	birth–2½ years	$152.20/ week	2–2½ yrs	$152.20/ week	2½–5 years	$125.60/ week	5–13 years	$125.60/ week	Rates are statewide, but may vary by assistance group; rates given for care provided to participants in the Work First New Jersey and transitional child care programs in nonaccredited, licensed centers.
New Mexico	infant	$467.84/ month	toddler	$417.19/ month	preschool	$386.48/ month	school age	$337.11/ month	Rates vary by metro and rural areas. Metro rates given.
New York	younger than 1½ years	$67.00/ day	1½–2 years	$64.00/ day	3–5 years	$45.00/ day	6–12 years	$44.00/ day	Rates vary by groups of counties. Rate for Group E counties (Bronx, Kings, New York, Queens and Richmond) given.
North Carolina	infant/ toddler	$536.00/ month	2 years	$490.00/ month	3–5 years	$477.00/ month	school age	$423.00/ month	Rates vary by county and tiered quality level. Rates for one-star centers in Mecklenburg County given.
North Dakota	birth–2 years	$115.00/ week	2 years	$110.00/ week	3–13 years	$100.00/ week	3–13 years	$100.00/ week	Rates are statewide.
Ohio	infant	$166.06/ week	toddler	$146.07/ week	preschool	$130.77/ week	school age	$100.00/ week	Rates vary by groups of counties classified as large and mid-size and rural areas. Rate for large metropolitan areas given.

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State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
Oklahoma	birth–1 year	$15.00/ day	13–24 months	$15.00/ day	25–72 months	$13.00/ day	73 months–13 years	$11.00/ day	Rates vary by geographic area. Five-day weekly rates paid on a monthly basis for one-star Metro Area (Canadian, Cleveland, Kay, Oklahoma, Tulsa, Wagoner and Washington counties) centers given.
Oregon	birth–1 year	$525.00/ month	1 year–30 months	$509.00/ month	31 months–5 years	$372.00/ month	6 years and older	$372.00/ month	Rates vary by groups of zip codes. Rates for Group Area A (Portland, Eugene, Corvallis, Monmouth and Ashlands areas) given.
Pennsylvania	infant	$38.32/ day	young toddler old toddler	$36.40/ day $34.80/ day	preschool	$32.44/ day	young school age old school age	$26.00/ day $26.00/ day	Rates vary by county. Rates for Bucks County given.
Puerto Rico	infant/ toddler	$249.00/ month	infant/ toddler	$249.00/ month	preschool	$243.00/ month	school age	$147.00/ month	Rates are commonwealth-wide.
Rhode Island	1 week–3 years	$182.00/ week	1 week–3 years	$182.00/ week	3 years–1st grade	$150.00/ week	1st grade–13 years	$135.00/ week	Rates are statewide.
South Carolina	birth–2 years	$93.00/ week	birth–2 years	$93.00/ week	3–5 years	$83.00/ week	6–12 years	$78.00/ week	Rates vary by urban and rural areas and whether the center is licensed-only, “enhanced” or accredited. Licensed center rates for urban areas given.

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State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
South Dakota	younger than 3 years	$3.10/ hour	younger than 3 years	$3.10/ hour	3 years and older	$2.55/ hour	3 years and older	$2.55/ hour	Rates vary by county. Rates for Minnehaha County given.
Tennessee	infant	$110.00/ week	toddler	$105.00/ week	preschool	$91.00/ week	school age in school age out	$50.00/ week $75.00/ week	Rates vary by Top 20 Counties (highest average populations and incomes) and 75 other counties, as well as by tiered quality level. State rate for Top 20 Counties given.
Texas	infant	$24.00/ day	toddler	$21.00/ day	preschool	$19.00/ day	school age	$18.00/ day	Rates vary by Workforce Development Board. Gulf Coast Board given.
Utah	birth < 24 months	$533.00/ month	2–3 years	$441.00/ month	4–5 years	$412.00/ month	school age in school age out	$260.00/ month $372.00/ month	Rates are statewide.
Vermont	younger than 3 years	$24.00/ day	younger than 3 years	$23.80/ day	3 years and older	$21.20/ day	3 years and older	$21.20/ day	Rates are statewide.
Virgin Islands*	infant	$255.00/ month	toddler	$255.00/ month	preschool	$255.00/ month	before/ after school	$150.00/ month	Rates are territory-wide.

TABLE 3.2
Child Care Center Reimbursement Rate Ceilings by Age Range[1]

State/ Territory	Infant Age Range	Infant Rate	Toddler Age Range	Toddler Rate	Preschool Age Range	Preschool Rate	School Age Range[2]	School Age Rate	Rate Area
Virginia	infant	$63.00/ day	toddler	$60.00/ day	preschool	$52.00/ day	school age	$40.00/ day	Rates vary by regions and also by county. Rates for Fairfax County/City–Level 2 given.
Washington	birth–11 months	$37.82/ day	12–29 months	$31.59/ day	30 months–5 years	$26.50/ day	5–12 years	$23.86/ day	Rates vary by region. Rates for Region IV (King County) given.
West Virginia	younger than 2 years	$24.00/ day	younger than 2 years	$24.00/ day	2 years and older	$18.00/ day	2 years and older	$18.00/ day	Rates are statewide, but vary by tier quality level. Rates for base level given.
Wisconsin	birth–2 years	$7.83/ hour	2–3 years	$6.87/ hour	4–5 years	$5.93/ hour	6 years and older	$5.70/ hour	Rates vary by county. Rates for Milwaukee County given.
Wyoming	birth–23 months	$3.00/ hour	2–3 years	$2.95/ hour	4–5 years	$2.43/ hour	6–12 years	$2.35/ hour	Rates are statewide.

* Data provided for AS, MA and VI are from the FY 2004-2005 CCDF Plans.

[1] Rate and age range information is based on subsidy rate tables included in FY 2006-2007 CCDF Plans. Rates provided are for full-time, standard-hour care in licensed centers. Rates are not necessarily the highest rates paid in the State or Territory, but are the rates prevailing in the largest urban area. For some States and Territories, specific age ranges are not defined in the rate schedule submitted with the CCDF Plan. For those with tiered reimbursement systems, which pay higher rates for higher levels of quality, the base rate for licensed child care centers is given. The actual reimbursement amount is a function not only of the amount of care provided, but also the family's share of fees (i.e., copayment).

[2] Some States and Territories have multiple reimbursement rates for school-age care including before- or after-school, summer, holidays and occasional care. For these States and Territories, the before- and after-school rates are included in this table.

Payment Rate Units

States and Territories pay providers in different payment rate units: hours, days, weeks, months or a combination of units. Nearly two-thirds of States and Territories use part-time as well as full-time units of service.

Sixteen States (CO, FL, IA, KS, MD, MI, MN, MT, NH, NV, NY, OH, TN, VA, WI, WV) and one Territory (AS) report only one unit of service, without a full- or part-time distinction.

Twenty-six States (AK, AL, AR, AZ, CA, CT, DC, GA, HI, IL, IN, KY, MO, MS, ND, NJ, NM, OK, OR, PA, RI, SC, TX, VT, WA, WY) and two Territories (CNMI, GU) list part- and full-time units of service for either daily, weekly or monthly payment.

Seven States (DE, HI, ID, MD, NC, NM, UT) and three Territories (CNMI, PR, VI) report rate ceilings in monthly service units.

Seven States (AL, CT, FL, MS, RI, SC, TN) and one Territory (AS) report rate ceilings in weekly service units.

Sixteen States (AR, AZ, CO, DC, IA, IL, KY, LA, MA, MO, NV, OK, PA, TX, VT, WA) report rate ceilings in daily service units.

Three States (KS, MI, SD) report rate ceilings in hourly service units.

Eighteen States (AK, CA, GA, IN, ME, MN, MT, ND, NE, NH, NJ, NY, OH, OR, VA, WI, WV, WY) and one Territory (GU) use a combination of hourly, daily, weekly and monthly units of service.

Chart 3.2-A illustrates the percentage of States and Territories that use the different types of payment units.

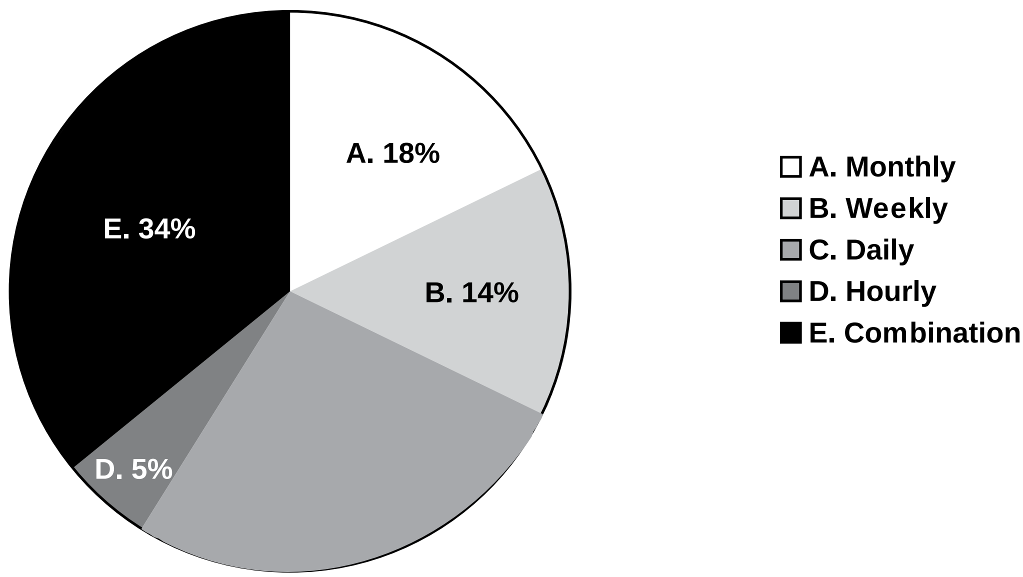
Geographic Rate Areas

Geographic boundaries of the market within which rates are grouped and for which the rate ceiling is established vary widely. Eighteen States and Territories establish statewide or territory-wide rate structures, while the remaining use regional, county, zip code or rural/urban geographic areas for setting rates. In determining whether rates will apply uniformly statewide or territory-wide or vary by county, region or other area, States and Territories balance multiple factors (demographic, economic, fiscal and political).

Thirteen States (DC, HI, IA, LA, MS, ND, NH, NJ, RI, UT, VT, WV, WY) and five Territories (AS, CNMI, GU, PR, VI) establish statewide/territory-wide reimbursement rate ceilings.

Sixteen States (AK, AL, AZ, CT, FL, GA, ID, IL, KS, MA, MD, MI, MT, NY, TX, WA) set regional rate ceilings.

CHART 3.2-A
Units of Service States and Territories Use to Pay Providers



A	CNMI, DE, HI, ID, MD, NC, NM, PR, UT, VI
B	AL, AS, CT, FL, MS, RI, SC, TN
C	AR, AZ, CO, DC, IA, IL, KY, LA, MA, MO, NV, OK, PA, TX, VT, WA
D	KS, MI, SD
E	AK, CA, GA, GU, IN, ME, MN, MT, ND, NE, NH, NJ, NY, OH, OR, VA, WI, WV, WY

N=56 (Data provided for AS, MA and VI are from the FY 2004-2005 CCDF Plans.)

In **Maryland**, rates are established within the seven regions for family child care and center-based care, and for children younger than 2 years of age and older than 2 years. Jurisdictions are grouped into seven regions based on similarity of child care market rates and other economic indicators.

Nine States (AR, DE, IN, ME, MN, NC, PA, SD, WI) establish rate ceilings that vary by county.

In **Wisconsin**, maximum reimbursement rates reflect individual rates for the full range of providers. Each county conducts an annual rate survey of licensed child care providers. Reimbursement rates are set to allow low-income families financial access to approximately three-quarters of all child care slots in each county.

Five States (NM, OH, OK, SC, TN) establish rate ceilings for urban and rural areas.

A goal of **Ohio's** market rate survey (MRS) was to develop reasonable estimates of the distribution of unsubsidized rates charged within well-defined service categories. A secondary goal was to identify unique market sectors or regions within the State where the distributions of rates are both statistically and meaningfully different across the regions. Market sectors were estimated statewide and by county for large metropolitan areas, mid-size cities and rural areas.

Two States (CA, OR) collect rate information based on zip code and establish rate ceilings by groups of zip code areas.

The **California** 2005 regional MRS of licensed centers and family child care homes based measurements of child care rates on similar socioeconomic conditions rather than geographic proximity, creating price profiles of similar zip codes.

Six States (CO, KY, MO, NE, NV, VA) use a mix of geographic areas.

Nebraska's base rates are established by groups of counties and the rates for accredited programs are established statewide.

Chart 3.2-B shows the geographic boundaries of the market within which State rates are grouped and for which the rate ceiling is established.

Summary of Facts Used to Determine Payment Rates

The following is a summary of the facts relied on by the State to determine that the attached rates are sufficient to ensure equal access to comparable child care services provided to children whose parents are not eligible to receive child care assistance under the CCDF and other governmental programs.

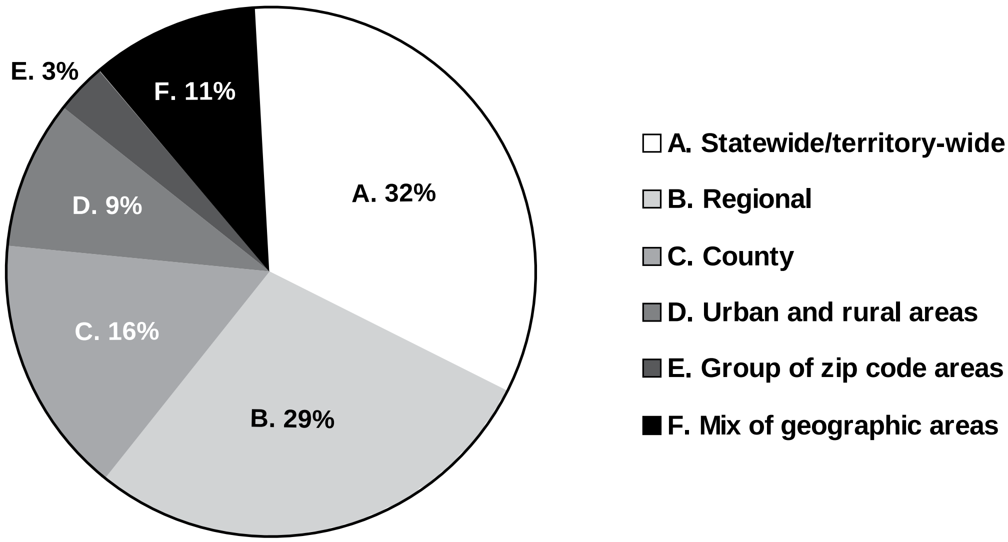
Market Rate Surveys

- *Include, at a minimum:*
- *The month and year when the local market rate survey(s) was completed.* **(§98.43(b)(2))**
- *A copy of the Market Rate Survey instrument and a summary of the results of the survey.*

States and Territories must ensure that families receiving child care assistance have equal access to comparable care purchased by private-paying parents, and the MRS is a tool States use to achieve this. States and Territories must conduct a local MRS every 2 years to determine child care rates being charged by local market providers who care for children. The results must be used to demonstrate that the payment rates are adequate to ensure equal access.[7]

[7] CCDF Final Rule, 45 CFR Section Parts 98 and 99. *Federal Register* 63:142 (24 July 1998).

CHART 3.2-B
Geographic Boundaries for State and Territory Child Care Reimbursement Rates



A	AS, CNMI, DC, GU, HI, IA, LA, MS, ND, NH, NJ, PR, RI, UT, VI, VT, WV, WY
B	AK, AL, AZ, CT, FL, GA, ID, IL, KS, MA, MD, MI, MT, NY, TX, WA
C	AR, DE, IN, ME, MN, NC, PA, SD, WI
D	NM, OH, OK, SC, TN
E	CA, OR
F	CO, KY, MO, NE, NV, VA

N=56 (Data provided for AS, MA and VI are from the FY 2004-2005 CCDF Plans.)

States and Territories are required to provide a copy of the MRS instrument and a summary of results. In addition, most States and Territories describe the survey methodology and response rate. Some States and Territories conduct the MRS using in-house staff, while others partner with consulting firms, universities and child care resource and referral agencies to acquire and analyze market rate data. The types of child care providers included in the survey sample also vary across States and Territories.

How Are Payment Rates Adequate to Ensure Equal Access

- *Include, at a minimum:*
- *How the payment rates are adequate to ensure equal access based on the results of the above noted local market rate survey (i.e., the relationship between the attached payment rates and the market rates observed in the survey).* **(§98.43(b))**
- *If the payment rates do not reflect individual rates for the full range of providers—center-based, group home, family and in-home care—explain how the choice of the full range of providers is made available to parents.*

In promulgating the Final Rule, the Child Care Bureau suggested a benchmark that payments established at least at the 75th percentile of the MRS would be regarded as providing equal access.[8] At the 75th percentile, the rate ceiling would equal or exceed the rate charged by three out of every four of the providers who responded to the State or Territory MRS. All States and Territories report that a full range of providers is made available.

Percentile of MRS at Which Rate Ceilings Are Set

- *Include, at a minimum:*
- *At what percentile of the current Market Rate Survey is the State rate ceiling set? If it varies across categories of care, please describe.*

Lead Agencies are required to report how payment rates are adequate based on a local MRS conducted no earlier than 2 years prior to the effective date of the currently approved CCDF Plan.[9] Lead Agencies also are asked to report the percentile of the local market rate at which the rates are set and whether the rates vary by area of the State or Territory. States and Territories establish multiple rate ceilings that vary by age of child, care setting and geographic area.

Nine States (AR, CA, IN, ME, MT, NY, SD, WI, WY) and two Territories (CNMI, GU) indicate that reimbursement rate ceilings are set at the 75th percentile or higher, as determined by a local MRS conducted no earlier than 2 years prior to the effective date of the currently approved CCDF Plan.

California's rate ceilings are established according to estimates of the 85th percentile of child care rates for groups of centers and family child care homes.

Indiana payment rates are based on a local MRS of licensed care with rates established at the 75th percentile.

South Dakota's MRS was conducted in 2005 in preparation for the CCDF Plan. Survey data will be used to set the rate ceiling paid to child care providers on behalf of families receiving child care assistance to ensure they have access to a wide variety of child care options. A rate for each county was established at the 75th percentile.

Twenty-seven States (AL, CO, DC, DE, FL, GA, IL, KS, MA, MD, MI, MN, MO, ND, NM, NV, OK, OR, PA, RI, SC, TN, TX, UT, VA, VT, WV) indicate that the rates vary across categories of care.

- Fourteen of these States (DC, DE, IL, MA, ND, NV, OK, PA, RI, SC, TN, VA, VT, WV) report that at least some of the rate ceilings are at or above the 75th percentile of the market rate.

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8 CCDF Final Rule, 45 CFR Section Parts 98 and 99. *Federal Register* 63:142 (24 July 1998).

9 Ibid.

In **Illinois**, provider reimbursement rates vary from less than 25 percent to more than 75 percent of the market rate, depending on region, type of care and age of child. In the majority of areas in Illinois, provider reimbursement rates purchase less than 33 percent of the market rate.

Nevada's Lead Agency developed rates to ensure adequate compensation to child care providers and offers incentives to provide infant and toddler services, therefore Nevada's rates vary across categories of care. However, the statewide averages per category are 85th percentile for infant care, 74th percentile for toddler and preschool care and 73rd percentile for school-age care.

According to the MRS conducted in May 2005, **West Virginia's** base rates vary from the 35th percentile of the market rate to the 75th percentile. However, rates for programs that are accredited, or provide services during nontraditional hours, vary from the 65th percentile to the 95th percentile of the market rate.

Three States (CO, FL, TX) report devolving rate setting to the counties or other local jurisdictions.

Colorado sets the State ceiling guideline at the 75th percentile of the MRS. Counties use this information to set their own rates or as a guideline to set rates based on local conditions.

The **Texas** Lead Agency does not establish statewide reimbursement rates. Instead, local Workforce Development Boards establish maximum reimbursement rates. Each Workforce Development Board has 24 maximum reimbursement rates, a full-time rate and a part-time rate for each of four age groups in each of three provider types, for a total of 625 reimbursement rates in Texas. Boards establish these rates based on local factors, including the most recent MRS.

Exempt Provider Rates

Many Lead Agencies report it is difficult to conduct an accurate MRS among legally exempt child care providers because they are not systematically part of any known database. Therefore, some States and Territories index or tie informal care rate ceilings to regulated family child care rates or minimum wage standards, ensuring the rate ceiling increases at the same rate as regulated family child care or minimum wage standards.

Nineteen States (AZ, CT, FL, HI, ID, IN, KS, MD, ME, MN, MT, NC, NV, NY, OK, PA, SC, VA, WI) and one Territory (CNMI) report that their exempt provider rate ceilings are indexed.

- In 14 of these States (AZ, FL, HI, KS, MD, ME, MN, MT, NC, NV, NY, OK, SC, WI), rates for unregulated care are set as a percentage of the rate for family child care, ranging from 50 percent to 100 percent of the family child care rate.

Hawaii's rates for unregulated family child care home providers are established at approximately 65 percent of the rates for the same type of regulated care.

In **Maryland**, the rates for informal child care are established at 50 percent of the regulated family child care rate in each region to allow for adequate compensation of informal child care providers.

- Five States (CT, ID, IN, VA, WI) and one Territory (CNMI) tie the rates for exempt care to minimum wage standards.

  Connecticut's payment rates for providers exempt from licensing, including relatives and in-home providers, are set as a percentage of the State minimum wage as of January 2002. For one child, payment is one-third of the minimum wage; for two children, payment is two-thirds; and for three children, payment is the full minimum wage.

  In **Indiana**, the reimbursement rate for in-home care is calculated per family on an hourly rate consistent with the current Federal minimum wage, with one rate for all siblings. Reimbursement is limited to no more than 40 hours of care per week, Sunday through Saturday.

  Wisconsin's maximum reimbursement rates for Level 1, regularly certified family child care providers, are set at 75 percent of the licensed family maximum reimbursement rates. Level 2 rates for provisionally certified family child care providers are set at 50 percent of the licensed family maximum reimbursement rates. These percentages are established by State statute. Maximum reimbursement rates for care provided in the child's own home for 15 or more hours per week are subject to minimum wage requirements.

Additional Facts

- *Include, at a minimum:*
- *Additional facts that the Lead Agency relies on to determine that its payment rates ensure equal access.* **(§98.43(d))**

States and Territories report additional strategies to help ensure equal access, such as differential reimbursement rates for care that is more difficult to find, more expensive to provide or is of higher quality. Lead Agencies also point to provider participation rates as an indication that equal access requirements are met.

Tiered Reimbursement Systems

Tiered reimbursements include higher payments for providers who demonstrate they provide higher quality child care, who care for children with disabilities or other special needs and/or who care for children during nontraditional hours.[10]

[10] Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services. (2005, July). CCDF state and territories plan preprint guidance, FFY 2006-2007. Retrieved May 11, 2006, from http://www.acf.hhs.gov/programs/ccb/policy1/current/ACF118/guidance_2006_final.doc.

Tiered Reimbursement Rates for Quality

- *Does the State have a tiered reimbursement system (higher rates for child care centers and family child care homes that achieve one or more levels of quality beyond basic licensing requirements)?*

States and Territories provide higher rates for child care centers and family child care homes that achieve one or more levels of quality beyond basic licensing requirements. Some tiered reimbursement systems include only two levels: the first level (or tier) generally ties its lower reimbursement rate to the provider meeting basic licensing requirements, while the second level provides a higher rate, typically based on achieving accreditation by a national organization. However, a growing number of States are adopting tiered reimbursement systems that involve two or more levels of quality with criteria that are between basic licensing requirements and achieving the high standards of national accreditation. Reimbursement rates are raised for each level of quality a program achieves.

> Thirty States (AZ, CO,[11] CT, DC, FL, HI, IN, KS, KY, LA, MD, ME, MO, MS, MT, NC, NE, NH, NJ, NM, NV, NY, OK, SC, TX, UT, VT, WA, WI, WV) and one Territory (GU) report that the Lead Agency maintains a tiered reimbursement system.

The following are examples of States that have a two-level tiered reimbursement system, where the higher rates are paid to programs that have achieved national accreditation.

> The intent of **Arizona's** Enhanced Rate for Accredited Programs is two-fold: to make higher-quality (accredited) child care slots available to subsidized children whose parents may not be able to afford this care, and to encourage more providers to become accredited. This approach allows parents who are eligible for child care subsidies to enroll their children in programs providing higher quality of care by reimbursing nationally accredited providers 10 percent more than Lead Agency maximum rates.
>
> **Connecticut** provides a tiered rate that is 5 percent higher than the State maximum rate per child for licensed facilities achieving and maintaining national accreditation standards.
>
> In **Indiana**, separate payment rates were established for licensed, accredited and legally exempt child care. Accredited providers can be paid up to 10 percent more than the licensed rate.
>
> Child care centers in **West Virginia** who achieve accreditation by the National Association for the Education of Young Children, and family child care homes that are accredited by the National Association for Family Child Care, receive an additional $4 per child, per day.

The following are examples of States with multi-level tiered reimbursement systems.

> The **District of Columbia's** Tiered Rates Reimbursement System, named Going for the Gold!, was established June 1, 2000 and provides fair and equitable reimbursement rates to

[11] Colorado does not establish or require tiered reimbursement systems, but counties in Colorado may use tiered reimbursement rates to promote higher quality. To date, Denver County has established tiered reimbursement rates across all provider types.

child care providers participating in the District of Columbia's Child Care Subsidy Program. The system is tied to quality indicators, and participants are awarded higher rates based on their ability to meet specified quality criteria for each of three tiers. The Going for the Gold! program is divided into Bronze, Silver and Gold tiers, with the Gold tier representing the highest level of quality achievement. Participants who are awarded the Gold status also receive the highest reimbursement rate.

North Carolina's market rates were established for each star-rated license so as providers increase their star rating, they have an opportunity to receive a higher subsidy payment rate.

Oklahoma's Reaching for the Stars program was implemented in February 1998 to provide higher payment rates for providers meeting additional quality criteria. Rates vary based on age of the child, child care setting, geographic area and star status.

Vermont pays higher subsidy rates for providers who participate in the Step Ahead Recognition System or who are accredited (programs that are nationally accredited receive a 17.5 percent rate differential), with rate increases depending on the number of stars awarded as follows: one-star providers receive a 4 percent rate increase, two-star providers receive a 12 percent rate increase, three-star providers receive a 17.5 percent rate increase and five-star providers receive a 20 percent rate increase.

Other Types of Differential Rates

Many States and Territories choose to set higher rate ceilings for care that is more difficult to find or more expensive to provide. Typically, such differential rates apply for care for children with special needs, care provided during nontraditional hours or on weekends and for infant and toddler care.

Twenty-four States (CO, DE, FL, IA, KS, KY, LA, MN, MO, MS, MT, NC, NJ, NY, OK, OR, SC, SD, UT, VA, WA, WI, WV, WY) and two Territories (AS, GU) report paying a higher rate for care provided to children with special needs.

In **Louisiana**, a higher special needs rate may be paid for children up to age 18 if a physician or licensed psychologist verifies that special care is required, and verification is obtained that the provider is delivering that special care. Special needs care includes specialized facilities and equipment, lower staff ratio or specially trained staff.

Minnesota's special needs rates are established by the county as necessary to secure appropriate care for the individual child. When four or more providers offer the same type of care for the same special needs population, the 75th percentile is calculated in the geographic area.

Montana has established a rate system to serve children with special needs based on the actual cost to care for the child. Once a child has been identified as having a special need, the eligibility worker contacts the early childhood specialist who completes a special needs rating scale with the parent. This scale is used to determine whether the cost of care for the child with special needs warrants an increase rate over and above the normal district rate. These costs must be for accommodations that, in the absence of financial supports, would place an undue burden on the provider.

Ten States (AR, DC, KY, MA, ME, MN, MO, MT, NM, WV) report establishing a differential rate for care provided during nontraditional hours and on weekends.

Maine's rates for children served during nontraditional hours are calculated by applying an adjustment factor of 1.35 to the hours of care provided after 6 p.m. and before 6 a.m., Monday through Friday and anytime on Saturday and Sunday.

In **New Mexico**, the Lead Agency pays a differential rate equivalent to 5 percent, 10 percent or 15 percent of the applicable full-time or part-time rate to providers who offer care during nontraditional hours. Providers caring for children during nontraditional hours are paid an additional 5 percent for the first 1–10 hours per week, an additional 10 percent for 11–20 hours per week and 15 percent for 21 or more hours per week.

Eight States (AR, IL, LA, MI, MO, NV, SC, SD) indicate the Lead Agency established a differential rate for infant and toddler care.

The Lead Agency in **Illinois** continues to administer the Infant/Toddler Incentive Program for child care centers that expand their capacity for infants and toddlers enrolled in the child care assistance program. These providers can qualify for a 10 percent add-on to the standard reimbursement rate. This reimbursement rate cannot exceed the child care rate paid by the general public for children of the same age. The goal of the program is to increase the number of infant and toddler child care spaces available for children from low-income families.

In **South Carolina**, all full-time infant and toddler rates in centers are $10 more per child per week than other age groups in the same provider categories. The South Carolina Lead Agency offers this $10 more per child per week incentive to providers to encourage better access to infant and toddler care.

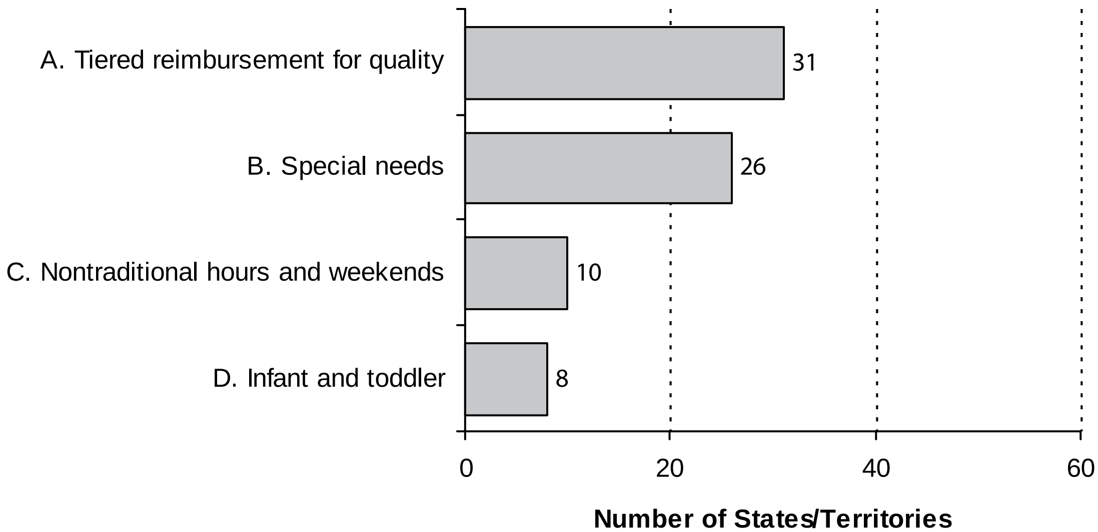
Chart 3.2-C illustrates the number of States and Territories that indicate the Lead Agency established differential rates for care for children with special needs, care provided during nontraditional hours or on weekends and infant and toddler care and tiered reimbursement systems for care provided in child care centers and family child care homes that achieve one or more levels of quality beyond basic licensing requirements.

Provider Participation Rate

Provider participation in the child care assistance program is considered by some States and Territories an indication that parents have access to a full range of providers.

Thirteen States (AZ, DC, DE, IL, KY, MA, MI, ND, NM, OH, RI, VT, WA) and one Territory (AS) point to the extent to which providers participate in the child care subsidy program, or to the mix of types of providers participating, as an indication of reasonable access to the range of child care services available.

CHART 3.2-C
State and Territory Rate Differentials for Child Care Services



A	AZ, CO, CT, DC, FL, GU, HI, IN, KS, KY, LA, MD, ME, MO, MS, MT, NC, NE, NH, NJ, NM, NV, NY, OK, SC, TX, UT, VT, WA, WI, WV
B	AS, CO, DE, FL, GU, IA, KS, KY, LA, MN, MO, MS, MT, NC, NJ, NY, OK, OR, SC, SD, UT, VA, WA, WI, WV, WY
C	AR, DC, KY, MA, ME, MN, MO, MT, NM, WV
D	AR, IL, LA, MI, MO, NV, SC, SD

Data provided for AS and MA are from the FY 2004-2005 CCDF Plans.

The **District of Columbia** reports that 64.8 percent of all licensed family child care homes and 71.9 percent of all licensed child development centers participate in the child care subsidy program.

The **Illinois** statewide child care resource and referral provider database has shown a steady increase in the number of providers willing to care for children enrolled in the Child Care Assistance Program. In FY 2000, 65 percent of providers in the database indicated they would accept children participating in the assistance program. This percentage grew to 73 percent in FY 2004.

Rhode Island's 2004 MRS indicated the rate of participation in the State Child Care Assistance Program for regulated child care providers was very high; at least 90 percent of certified family child care homes and centers accept subsidized children. Since 2002, both homes and centers increased the number of assisted children served.

Section 3.3 – Eligibility Criteria for Child Care

States and Territories describe the various criteria used to determine eligibility, including income eligibility threshold and definition, priority rules and other specific criteria required in the Child Care and Development Fund (CCDF) Plan Preprint.

Section 3.3.1 – Income Eligibility Limits

Eligibility for CCDF services is limited to families with income at or below 85 percent of the State Median Income (SMI) for a family of the same size. Whether or not the Lead Agency offers services to families with income up to 85 percent of SMI, this upper eligibility level must be provided. In addition, States and Territories are required to provide their actual income eligibility level in dollar terms and as a percentage of SMI.

States and Territories are required to indicate the year of the SMI on which they base eligibility level in the CCDF Plan. Lead Agencies have flexibility in determining SMI; however, they are encouraged to use the most recent Fiscal Year (FY) information provided by the Bureau of Census.[12]

As reported in FY 2006-2007 CCDF Plans, child care assistance income eligibility thresholds ranged from 34 percent to 85 percent of SMI. Overall, States report an average income eligibility level equivalent to 61 percent of SMI.

Table 3.3.1 shows the income eligibility level for a family of three at 85 percent of SMI, as reported in FY 2004-2005 and FY 2006-2007 CCDF Plans. The table also shows the upper income level for a family of three that Lead Agencies use to limit eligibility, if that upper income level is lower than 85 percent of SMI.

Tiered Eligibility Thresholds

Several States implemented tiered income eligibility thresholds, one for families newly entering the subsidy program and a higher level for families already receiving child care assistance. In some States, more than two levels are used to permit families to experience wage increases and make progress toward self-sufficiency without being forced to exit the subsidy program altogether.

> Twelve States (AL, DC, FL, KY, MA, MN, MT, NJ, PA, VA, WI, WV) use tiered eligibility thresholds.
>
> > The **District of Columbia's** top entry level of eligibility is 250 percent of the Federal Poverty Level. Customers remain eligible until they reach 300 percent of poverty.
> >
> > In **Florida**, once determined eligible for services at 150 percent of the Federal Poverty Level, families may remain eligible for financial assistance up to 200 percent of poverty.

12 Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services. (2005, July). *CCDF state and territories plan preprint guidance, FFY 2006-2007*. Retrieved May 11, 2006, from http://www.acf.hhs.gov/programs/ccb/policy1/current/ACF118/guidance_2006_final.doc.

TABLE 3.3.1
Child Care Assistance Income Eligibility Thresholds, Family of Three[1]

State/Territory	FY 2004-2005 CCDF Plans			FY 2006-2007 CCDF Plans			
	85% of Monthly SMI	Monthly Income Eligibility Level Lower Than 85% of SMI *if* Used to Limit Eligibility	Monthly Income Eligibility Level as a Percentage of SMI[2]	85% of Monthly SMI	Monthly Income Eligibility Level Lower Than 85% of SMI *if* Used to Limit Eligibility[2]	Monthly Income Eligibility Level as a Percentage of SMI[2]	SMI Year
Alabama	$3,248.00	$1,653.00	43%	$3,198.00	$1,743.00	46%	2005
Alaska	$4,263.00	$3,853.00	77%	$4,263.00	$3,853.00	77%	2002
American Samoa*	$925.00	NA	85%	NR	NR	NR	NR
Arizona	$3,336.00	$2,099.00	53%	$3,464.00	$2,213.00	54%	2005
Arkansas	$2,846.43	$2,009.25	60%	$2,948.25	$2,081.17	60%	2005
California	$3,315.00	$2,925.00	75%	$3,315.00	$2,925.00	75%	2000
Colorado	$3,964.00	$2,862.00	61%	$4,258.00	$3,017.00	60%	2006
Commonwealth of the Northern Mariana Islands	NA	$1,533.00	NA	NA	$1,341.00	76%	2005
Connecticut	$4,910.00	$2,889.00	50%	$5,117.00	$3,010.00	50%	2006
Delaware	$4,127.00	$2,544.00	52%	$4,134.00	$2,612.00	54%	2005
District of Columbia	$3,773.00	$3,470.00	78%	$3,773.00	$3,472.00	78%	2003
Florida	$3,293.00	$2,543.00	66%	$3,381.00	$2,682.00	67%	2004
Georgia	$3,792.00	$2,035.00	46%	$3,706.00	$2,035.00	47%	2006
Guam	NA	$1,908.00	NA	NA	$2,011.00	NA	2005
Hawaii	$3,678.00	NA	85%	$3,927.00	NA	85%	2004
Idaho	$3,197.00	$1,706.00	45%	$3,230.00	$1,706.00	45%	2005

TABLE 3.3.1
Child Care Assistance Income Eligibility Thresholds, Family of Three[1]

State/Territory	FY 2004-2005 CCDF Plans			FY 2006-2007 CCDF Plans			
	85% of Monthly SMI	Monthly Income Eligibility Level Lower Than 85% of SMI *if* Used to Limit Eligibility	Monthly Income Eligibility Level as a Percentage of SMI[2]	85% of Monthly SMI	Monthly Income Eligibility Level Lower Than 85% of SMI *if* Used to Limit Eligibility[2]	Monthly Income Eligibility Level as a Percentage of SMI[2]	SMI Year
Illinois	$3,958.00	$2,328.00	50%	$4,306.00	$2,533.00	50%	2006
Indiana	$3,694.00	$1,615.00	37%	$3,750.00	$1,703.00	39%	2005
Iowa	$3,669.00	$1,780.00	41%	$3,828.00	$1,944.00	43%	2006
Kansas	$3,379.00	$2,353.00	59%	$3,685.00	$2,481.00	57%	2005
Kentucky	$3,232.00	$1,908.01	50%	$3,165.00	$2,012.00	54%	2006
Louisiana	$2,942.00	$2,596.00	75%	$3,006.00	$2,653.00	75%	2006
Maine	$3,343.09	NA	85%	$3,545.99	NA	85%	2006
Maryland	$4,249.00	$2,499.00	50%	$4,249.00	$2,499.00	50%	2001
Massachusetts*	$4,104.00	$2,414.01	50%	NR	NR	NR	NR
Michigan	$4,090.00	$1,990.00	41%	$4,082.00	$1,990.00	41%	2006
Minnesota	$4,322.00	$2,225.01	44%	$4,566.00	$2,347.00	44%	2006
Mississippi	$2,513.00	NA	85%	$2,513.00	NA	85%	2004
Missouri	$3,631.00	$1,482.00	35%	$3,816.00	$1,518.00	34%	1990
Montana	$2,861.00	$1,878.00	56%	$2,923.00	$2,011.00	58%	2005
Nebraska	$3,394.00	$1,463.00	37%	$3,786.00	$2,481.00	56%	2006
Nevada	$3,527.00	$3,112.00	75%	$3,749.00	$3,308.00	75%	2006
New Hampshire	$4,264.00	$2,407.00	48%	$4,306.00	$2,482.00	49%	2005

TABLE 3.3.1
Child Care Assistance Income Eligibility Thresholds, Family of Three[1]

State/Territory	FY 2004-2005 CCDF Plans			FY 2006-2007 CCDF Plans			
	85% of Monthly SMI	Monthly Income Eligibility Level Lower Than 85% of SMI *if* Used to Limit Eligibility	Monthly Income Eligibility Level as a Percentage of SMI[2]	85% of Monthly SMI	Monthly Income Eligibility Level Lower Than 85% of SMI *if* Used to Limit Eligibility[2]	Monthly Income Eligibility Level as a Percentage of SMI[2]	SMI Year
New Jersey	$4,674.00	$3,179.00	58%	$5,201.00	$3,352.00	55%	2005
New Mexico	$3,016.27	$2,543.33	72%	$2,945.25	$2,011.25	58%	2006
New York	$3,839.00	$2,543.00	56%	$3,895.00	$2,682.00	59%	2005
North Carolina	$3,339.00	$2,946.00	75%	$3,362.00	$2,966.00	75%	2004
North Dakota	$3,281.00	$2,463.00	64%	$3,397.00	$2,463.00	62%	2006
Ohio	$3,825.00	$1,272.00	28%	$3,931.00	$2,481.00	54%	2006
Oklahoma	$2,883.00	$2,825.01	83%	$3,057.00	$2,925.00	81%	2005
Oregon	$3,495.00	$1,908.00	46%	$3,662.00	$2,011.00	47%	2006
Pennsylvania	$3,934.74	$2,543.33	55%	$4,080.39	$2,681.67	56%	2006
Puerto Rico	$1,279.00	NA	85%	$1,279.00	NA	85%	1994
Rhode Island	$4,192.00	$2,861.00	58%	$4,230.00	$3,016.00	61%	2005
South Carolina	$3,349.00	$1,908.00	48%	$3,339.00	$2,011.00	51%	2005
South Dakota	$3,553.00	$2,544.00	61%	$3,527.00	$2,682.00	65%	2006
Tennessee	$3,336.00	$2,355.00	60%	$3,297.00	$2,327.00	60%	2006
Texas	$3,368.00	NA	85%	$3,246.00	NA	85%	2005
Utah	$3,406.00	$2,244.00	56%	$3,691.00	$2,432.00	56%	2006
Vermont	$2,664.00	$2,586.00	83%	$2,664.00	$2,586.00	83%	1999

TABLE 3.3.1
Child Care Assistance Income Eligibility Thresholds, Family of Three[1]

State/Territory	FY 2004-2005 CCDF Plans			FY 2006-2007 CCDF Plans			
	85% of Monthly SMI	Monthly Income Eligibility Level Lower Than 85% of SMI *if* Used to Limit Eligibility	Monthly Income Eligibility Level as a Percentage of SMI[2]	85% of Monthly SMI	Monthly Income Eligibility Level Lower Than 85% of SMI *if* Used to Limit Eligibility[2]	Monthly Income Eligibility Level as a Percentage of SMI[2]	SMI Year
Virgin Islands*	$2,022.50	NA	85%	NR	NR	NR	NR
Virginia	$4,141.00	$1,908.00	39%	$4,266.00	$2,419.00	40%	2006
Washington	$3,821.00	$2,544.00	57%	$3,999.00	$2,682.00	57%	2005
West Virginia	$2,943.00	$1,769.00	51%	$2,747.00	$1,769.00	55%	2006
Wisconsin	$3,894.00	$2,353.01	51%	$3,986.00	$2,481.00	53%	2005
Wyoming	$3,324.00	$2,544.00	65%	$3,336.00	$2,682.00	68%	2006

NR=Not Reported; NA=Not Applicable; NK=Not Known

*CCDF Plan data for FY 2006-2007 are not available for AS, MA or VI.

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[1] Fourteen States (AZ, DC, FL, GA, ID, KY, MA, MN, MT, NJ, PA, RI, VA, WI) and two Territories (CNMI, GU) report using Federal Poverty Income Guidelines instead of SMI. Puerto Rico reports using the Housing and Urban Development Administration median income established for Section 8 applicants. American Samoa and the Virgin Islands use the Territories' median income to determine the income eligibility threshold for child care services.

[2] The numbers for the monthly income eligibility level as a percentage of SMI are rounded to the nearest whole number.

Section 3.3.2 – Income Definitions for Eligibility Determination

Whose Income Is Included

How does the Lead Agency define "income" for the purposes of eligibility? Is any income deducted or excluded from total family income, for instance, work or medical expenses; child support paid to, or received from, other households; Supplemental Security Income (SSI) payments? Is the income of all family members included, or is the income of certain family members living in the household excluded? **(§§98.16(g)(5), 98.20(b))**

Lead Agencies commonly use gross income when determining eligibility for child care assistance. However, many States and Territories exclude or exempt certain income or allow deductions to income for certain expenses. States and Territories differ regarding whose income they elect to count, but many count the income of all family members when determining if a family is eligible for subsidized child care.

Thirty-seven States (AR, AZ, CA, CO, CT, DE, FL, GA, IA, ID, IL, KY, MA, MD, ME, MI, MN, MO, MT, NC, ND, NE, NH, NM, NY, OH, OR, PA, RI, SC, SD, UT, VA, VT, WI, WV, WY) and one Territory (CNMI) count the income of all family members, except income of nonparent minors.

The **Commonwealth of the Northern Mariana Islands** defines income as any benefit in cash which is received by the individual as a result of current or past labor or services (before deductions), business activities, interest in personal property or as a contribution from persons, organizations or assistance agencies, such as wages and salary. Earnings of minor children who are members of the household are excluded.

Nebraska includes the income of all family members with the exception of three-generation families. When a minor parent lives with his or her parents, income of the minor's parents or of any siblings of the minor is not included.

Nine States (AL, IN, KS, MS, NV, OK, TN, TX, WA) and one Territory (GU) report that they count income of all family members.

In **Tennessee**, income is defined as the gross household income of those family members counted within the household, including counting the work income from any teenage family member who is residing in the home and not attending school or a training program.

Four States (AK, DC, LA, NJ) and three Territories (AS, PR, VI) count only parent income.

The income of family members other than the parents is not counted in **Alaska**, nor is income of household members who are not family members.

Puerto Rico defines income earned by both parents of blood, marriage, adoption or legal guardian or the person acting *in loco parentis*.

One State (HI) counts the income of parents and related children.

In **Hawaii**, monthly gross income of the family unit is used to determine eligibility for the Child Care and Development Fund program. Family unit means one or more adults and their minor children, if any, related by blood, marriage, adoption, judicial decree or residing in the same household. Related adults other than spouses or unrelated adults residing together are considered separate family units.

Income Exclusions or Deductions

States and Territories determine what income is counted when calculating income for eligibility purposes. Many States and Territories exclude or deduct certain income, including income received from some public assistance programs, such as Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), Food Stamps and energy and housing assistance.

Forty-five States (AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, KS, KY, MA, MD, ME, MN, MO, MS, MT, NC, ND, NE, NH, NM, NV, NY, OH, OK, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY) and two Territories (CNMI, PR) report permitting some kind of exclusion, exemption or deduction from income when determining eligibility.

- Thirty-five States (AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, IL, KS, MA, MD, ME, MN, MO, MT, NC, ND, NE, NH, NM, NV, NY, PA, RI, SC, TN, TX, VA, VT, WV, WY) exclude the value of scholarships, education loans, grants and/or income from work study programs.
- Thirty-three States (AR, AZ, CO, CT, DE, FL, GA, IA, IL, KY, MA, MD, ME, MN, MO, MS, MT, NC, ND, NE, NM, NV, NY, OH, PA, RI, SC, TN, TX, UT, VA, VT, WV) and one Territory (CNMI) exclude the value of some or all benefits from Federal food and nutrition programs, such as Food Stamps, the National School Lunch Program and the Child and Adult Care Food Program.
- Twenty-eight States (AK, AZ, CO, DC, GA, IA, ID, IL, KS, KY, MA, MD, ME, MN, MO, MT, NC, ND, NE, NH, NM, OH, PA, RI, SC, VT, WV, WY) report they exempt adoption subsidies, foster care payments or both from family income.
- Twenty-seven States (AR, AZ, CO, CT, DC, FL, GA, IA, IL, MA, MD, ME, MN, MO, MS, MT, NC, ND, NE, NM, NV, OH, PA, RI, UT, VA, WY) exclude the value of home energy assistance benefits and/or housing assistance benefits or allotments.
- Twenty-six States (AR, CA, CO, CT, DC, GA, ID, KS, KY, MD, MN, MO, MS, MT, NC, NM, ND, NE, NV, OH, SC, SD, UT, VA, VT, WY) and one Territory (CNMI) exclude SSI payments and/or TANF cash assistance from family income calculations.
- Twenty-two States (AK, AZ, CO, CT, DC, FL, ID, IL, MA, MD, ME, ND, OH, OK, PA, SD, TN, UT, VA, VT, WA, WI) and two Territories (CNMI, PR) exclude child support

paid by the eligible parent/applicant and/or child support payments received by the eligible parent.

- Twenty-two States (AK, AR, AZ, CO, CT, ID, IL, ME, MN, MO, MT, NC, ND, NE, NV, OH, PA, RI, SC, SD, UT, VT) exempt Federal and/or State Earned Income Tax Credits.
- Eighteen States (AZ, CO, DE, GA, ID, KS, MA, ME, MO, NC, NE, NH, NM, OH, PA, RI, SC, WY) exclude income from Volunteers in Service to America and/or AmeriCorps.

Five States (HI, IN, LA, MI, OR) and three Territories (AS, GU, VI) report the Lead Agency does not exclude or deduct any type of earned or unearned income when determining eligibility for child care services.

The following are examples of the types of income exclusions or deductions described by States.

Florida defines family income as the combined gross income, from all sources, of all members of the family unit who are 18 years of age or older, including earned and unearned income, and excluding Food Stamp benefits, documented child support payments, documented alimony paid and housing assistance payments issued directly to a landlord and associated utilities expenses. Since foster parents, shelter parents and court-ordered relative and nonrelative caregivers are not considered part of the child's family unit, their income is not considered for purposes of eligibility. Families in a natural disaster area are not required to include disaster relief or other forms of temporary assistance when calculating income thresholds for family eligibility purposes.

Mississippi's Lead Agency defines income for the purposes of eligibility as gross wages from employment, in addition to Social Security benefits, self- employment, foster board payment, paid child support/alimony, veterans benefits, military allotment and parents' SSI. Excluded are TANF payments, the child's SSI, refugee cash assistance, Food Stamps, housing allotments and medical/work expenses.

In **Nevada**, all income is counted for all household members with exceptions such as Pell grants and other education loans, SSI payments, Earned Income Tax Credits, Food Stamps, energy assistance, crime victim compensation payments and other income sources outlined in the policy manual. In addition, an Average Cost of Care deduction is allowed when a caretaker is caring for a relative child and receiving a foster grant or TANF as a Non-needy Caretaker, Kinship Care household.

Section 3.3.3 – Additional Eligibility Conditions

Has the Lead Agency established additional eligibility conditions or priority rules, for example, income limits that vary in different parts of the State, special eligibility for families receiving TANF, or eligibility that differs for families that include a child with special needs? **(658E(c)(3)(B), §98.16(g)(5), §98.20(b))**

Child Care and Development Fund (CCDF) regulations require Lead Agencies to include in CCDF Plans any additional eligibility criteria, priority rules and definitions that have been established.[13] As reported in Fiscal Year 2006-2007 CCDF Plans, 33 States and Territories established additional eligibility conditions or priority rules. Additional eligibility conditions may include cooperation with child support enforcement regulations, residency requirements or waiving copayment fees. Many States established priority rules to ensure access to child care services for targeted populations, such as children receiving protective services, teenagers with physical or mental disabilities, children under court supervision, children in Head Start programs, children in foster care and children in Temporary Assistance for Needy Families (TANF) families.

> Twenty-nine States (AK, AL, CO, CT, DE, FL, GA, IA, KY, LA, MA, MD, MI, MS, ND, NE, NH, NJ, NY, OK, RI, SC, SD, TN, TX, UT, VA, WA, WI) and four Territories (AS, CNMI, GU, VI) indicate that the Lead Agency established additional eligibility conditions or priority rules.
>
>> In **Alabama**, clients participating in an approved TANF work activity, or whose family assistance is terminated due to employment, are guaranteed a child care slot to maximize their efforts to achieve self-sufficiency. Clients who are at risk of welfare dependency are served as funds are available, and waiting lists are established to facilitate serving those families on a first-come, first-served basis.
>>
>> Families receiving child care services whose children attend a Head Start program in **Maryland** remain eligible for a subsidy until the end of the Head Start year, regardless of any change in a family's situation that affects subsidy eligibility.
>>
>> **Mississippi** requires eligible parents to cooperate with Child Support Enforcement regulations to be eligible for child care services, unless the parent is already receiving court-ordered child support.
>>
>> In **North Dakota**, children who are in TANF families, young parents participating in Crossroads and children whose parents are on Pro-Work Continuing Assistance (the transitional stage after TANF closure) have priority and also are eligible for 100 percent of the allowable maximum costs needed for the parents/caretakers to participate in allowable activities.
>>
>> In **Rhode Island**, CCDF-funded child care assistance may be provided due to the incapacity of either the parent or child under Short-term Special Approval Child Care. Authorization for this child care is limited to periods of 3 months duration, and no more than two periods may be authorized in any 12 consecutive months. Teen parents who want to complete their high school education are eligible for child care assistance as long as they participate in an Adolescent Self Sufficiency Collaborative and attend high school or a General Educational Development program. All other criteria under need for services must be met for child care assistance to be approved.

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13 Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services. (2005, July). *CCDF state and territories plan preprint guidance, FFY 2006-2007*. Retrieved May 11, 2006, from http://www.acf.hhs.gov/programs/ccb/policy1/current/ACF118/guidance_2006_final.doc.

Twenty-two States (AR, AZ, CA, DC, HI, ID, IL, IN, KS, ME, MN, MO, MT, NC, NM, NV, OH, OR, PA, VT, WV, WY) and one Territory (PR) indicate the Lead Agency has not established additional eligibility conditions or rules.

Section 3.3.4 – Waiving Fees and Requirements for Children in Protective Services

Has the Lead Agency elected to waive, on a case-by-case basis, the fee and income eligibility requirements for cases in which children receive, or need to receive, protective services, as defined in Appendix 2? **(658E(c)(3)(B), 658P(3)(C)(ii), §98.20(a)(3)(ii)(A))**

Thirty States (AK, AL, AZ, CA, DC, DE, FL, GA, HI, IA, IN, KS, KY, LA, MA, ME, MI, MO, MT, NE, NH, NJ, NV, NY, OK, SD, TX, VT, WA, WV) and four Territories (AS, GU, PR, VI) report the Lead Agency elected to waive fee and income eligibility requirements for children in protective services.

In **Delaware**, the Department of Social Services waives the 200 percent income eligibility limitation and parent fee for families on a case-by-case basis when the child is receiving, or needs to receive, protective services. The need for care in this instance is coordinated with the Division of Family Services and is part of a range of services being provided to, or required of, the parent to help ensure the protection of the child.

In **Florida**, when a child at risk of abuse or neglect is placed in an emergency shelter or placed by the court in foster care or in the custody of a relative or nonrelative caregiver, the income of the foster parent, shelter parent or caregiver is not included as family income for purposes of income eligibility or the imposition of a copayment. If the child or the child's family has income, a copayment may be assessed against that income. On a case-by-case basis, eligibility for a child at risk of abuse or neglect is continued even if the child's family fails or refuses to make assessed copayments.

Six States (CT, ID, MN, MS, PA, VA) do not waive the fee and income eligibility requirements for children in protective services.

Fifteen States (AR, CO, IL, MD, NM, NC, ND, OH, OR, RI, SC, TN, UT, WI, WY) and one Territory (CNMI) report that CCDF-funded child care is not provided in cases in which children receive, or need to receive, protective services.

Section 3.3.5 – Children Aged 13–19 Incapable of Self-Care

Does the Lead Agency allow CCDF-funded child care for children above age 13 but below age 19 who are physically and/or mentally incapable of self-care? (Physical and mental incapacity must then be defined in Appendix 2.) **(658E(c)(3)(B), 658P(3), §98.20(a)(1)(ii))**

Only two States (AZ, OH) and two Territories (AS, CNMI) indicate that the Lead Agency does not allow child care for children older than age 13 but younger than age 19 who are physically and/or mentally incapable of self care, while the remaining States and Territories report making such allowances.

Before approving a child with disabilities for child care after age 13, **Oklahoma's** Lead Agency requires a statement from a licensed health care professional verifying the child is physically or mentally incapable of age-appropriate self-care.

Section 3.3.6 – Children Aged 13–19 Under Court Supervision

Does the Lead Agency allow CCDF-funded child care for children above age 13 but below age 19 who are under court supervision? **(658P(3), 658E(c)(3)(B), §98.20(a)(1)(ii))**

Thirty-two States (AK, CT, GA, HI, ID, IL, IN, KS, KY, LA, MI, MO, MS, MT, NC, ND, NE, NH, NM, NY, OK, OR, SC, SD, TN, TX, UT, VA, VT, WA, WV, WY) and three Territories (GU, PR, VI) report that the Lead Agency allows child care for children older than age 13 but younger than age 19 who are under court supervision.

In **Idaho**, children may receive child care benefits until the month of their 18th birthday if a court order, probation contract, child protection or mental health case plan requires constant supervision.

New York allows Child Care and Development Fund funded child care for children who are under court supervision up to age 19 years if the child is in school; otherwise, the upper limit is 18 years.

Nineteen States (AL, AR, AZ, CA, CO, DC, DE, FL, IA, MA, MD, ME, MN, NJ, NV, OH, PA, RI, WI) and two Territories (AS, CNMI) report that the Lead Agency does not allow child care for children older than age 13 but younger than age 19 who are under court supervision.

Section 3.3.7 – Children in Foster Care Whose Foster Parents Are Not in Education/Training Activities

Does the State choose to provide CCDF-funded child care to children in foster care whose foster care parents are <u>not</u> working, or who are <u>not</u> in education/training activities? **(§§98.20(a)(3)(ii), 98.16(f)(7))**

Fourteen States (AZ, DE, FL, GA, LA, MA, ME, MO, MT, NH, SD, VT, WA, WI) and two Territories (AS, VI) report that they choose to provide care to children in foster care even if their foster parents are not working or are not in education/training activities.

Thirty-seven States (AK, AL, AR, CA, CO, CT, DC, HI, IA, ID, IL, IN, KS, KY, MD, MI, MN, MS, NC, ND, NE, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, WV, WY) and three Territories (CNMI, GU, PR) report that they do not provide child care assistance to children in foster care if their foster parents are not employed or are not participating in an approved training or education program.

Section 3.3.8 – Child Care Services for Children in Protective Services

Does the State choose to provide child care to children in protective services? **(§§98.16(f)(7), 98.20(a)(3)(ii)(A) & (B))**

Twenty-nine States (AK, AL, AZ, CA, DC, DE, FL, GA, IA, IN, KY, LA, MA, ME, MO, MS, MT, NE, NH, NV, NY, OK, SC, SD, TX, VA, WA, WI, WV) and four Territories (AS, GU, PR, VI) report they provide child care to children in protective services.

In **Alaska**, protective services child care is a support service designed to help keep families together. A social worker from the Office of Children's Services may authorize protective services for a child at risk of abuse or neglect and for whom child care during the day is part of a family treatment plan. The objective is to enable the child to remain with the biological family or return the child to his or her family following an out-of-home placement.

In **West Virginia**, children of parents who are unable to provide adequate care or supervision and who need support and assistance with child care responsibilities to prevent or alleviate child abuse or neglect are eligible to receive child care. Child care services are not an entitlement for recipients of child protective services; rather, it is a supportive service for recipients of child protective services to be used in conjunction with other needed services, such as parent education or counseling.

Twenty-two States (AR, CO, CT, HI, ID, IL, KS, MD, MI, MN, NC, ND, NJ, NM, OH, OR, PA, RI, TN, UT, VT, WY) and one Territory (CNMI) report the Lead Agency does not provide child care to children in protective services.

Section 3.4 – Priorities for Serving Children and Families

In addition to the Federal requirement that all States and Territories give priority to families with very low incomes and families of children with special needs, Lead Agencies have defined additional service priorities that encompass other groups of children and families.[14] Additional priorities often include families with children receiving protective services or teen parents, as well as families transitioning off Temporary Assistance for Needy Families.

Priorities matter most when the demand for child care assistance exceeds available funding; they can be a means for States and Territories to implement waiting lists of parents who have applied for the subsidy, and serve families in priority order as funding becomes available.

[14] CCDF Final Rule, 45 CFR Section Parts 98 and 99. *Federal Register* 63:142 (24 July 1998).

Section 3.4.1 – Prioritizing Services for Specific CCDF-Eligible Children

Describe how the State prioritizes service for the following CCDF-eligible children: (a) children with special needs, (b) children in families with very low incomes, and (c) other. **(658E(c)(3)(B))**

Although there are requirements about who must receive priority, there are no requirements for how Lead Agencies give priority. A summary of eligibility and priority terms submitted by the States and Territories appears in Appendix 2, page 319. Complete definitions are available from the National Child Care Information Center at 800-616-2242 and on the Web at http://nccic.acf.hhs.gov/pubs/stateplan/stateplan-intro.html.

While the list of priorities for services must include children with special needs and very-low-income children, they need not appear among the first priorities on the list. For example, priority can be achieved by setting aside specific funds or slots for very-low-income children or children with special needs. Special needs in this context may be broadly defined.[15]

All States and Territories identify multiple service priorities that encompass families with children with special needs and families with very low income. Some list multiple priorities in rank order and others report multiple priorities without rank.

> In **Colorado**, priority is given to families below 130 percent of the Federal Poverty Level, children of teen parents and children with special needs. Based on Colorado statute, counties must provide child care assistance to families whose income is not more than 130 percent of poverty, and counties may provide assistance to families above 130 percent of poverty. Additional priority is given to families transitioning from Temporary Assistance for Needy Families (TANF) child care to low-income child care.
>
> **Kentucky's** first priority is to serve children with special needs, children receiving protective services and children of teen parents or families who reside in homeless shelters, spouse abuse centers or transitional housing. The second priority is to serve TANF participants. The third priority is to serve other low-income working parents and parents in education or training programs leading to self-sufficiency, to the extent funding is available.
>
> If **North Dakota** has to develop a waiting list, children who meet one or more criteria (not in priority order) will be served before others on the list: children with special needs; children who are in families on TANF; children of young parents participating in the Crossroads program, which provides child care for eligible teen parents who are pursuing high school, General Educational Development or alternative high school education; children whose parents are on Pro-Work Continuing Assistance (the transitional stage after TANF closure); children whose single-parent families are at risk of becoming dependent on an assistance program; and children in families with very low income.

15 Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services. (2005, July). *CCDF state and territories plan preprint guidance, FFY 2006-2007*. Retrieved May 11, 2006, from http://www.acf.hhs.gov/programs/ccb/policy1/current/ACF118/guidance_2006_final.doc.

Child care assistance became an entitlement for low-income families in **Rhode Island** under two separate laws. The Rhode Island Family Independence Act requires the Lead Agency to provide appropriate child care to every parent who requires it in order to meet TANF work requirements, and to all other families with incomes at or below 185 percent of the Federal Poverty Level, if they are otherwise eligible, with no time limits. The Rhode Island Starting Right Act expands eligibility to all working families at or below 225 percent of the Federal Poverty Level. All families in this income range, whether receiving cash assistance and participating in approved activities, or low-income and employed, are eligible.

Virginia ensures that priority is given to families with very low income by mandating child care availability to recipients of TANF, families in the Transitional Fee program and children enrolled in Head Start. Additional priority is given to children with special needs and children who are homeless and meet eligibility criteria. The Lead Agency makes funds available to purchase child care for these groups and allows payment above the maximum reimbursement rates for special needs child care when appropriate.

Section 3.4.2 – Meeting the Needs of TANF Families

Describe how CCDF funds will be used to meet the needs of: (a) families receiving Temporary Assistance for Needy Families (TANF), (b) those attempting to transition off TANF through work activities, and (c) those at risk of becoming dependent on TANF. **(658E(c)(2)(H), Section 418(b)(2) of the Social Security Act, §§98.50(e), 98.16(g)(4))**

As reported in Fiscal Year 2006-2007 Child Care and Development Fund (CCDF) Plans, States and Territories implemented strategies to help meet the needs of families receiving TANF, those attempting to transition off TANF through work activities and those at risk of becoming dependent on TANF. States and Territories report using priority rules to meet the needs of TANF families and families at risk of becoming dependent on TANF. A large number of States and Territories waive parent fees for some or all families with open TANF cases. Coordination across programs is another way States and Territories ensure the child care needs of TANF families are met. Several States report that child care resource and referral agencies coordinate with the Lead Agency and the TANF office to help TANF families find quality child care.

Twenty-three States (AK, AZ, CO, CT, DC, DE, GA, IA, ID, KS, LA, MD, MI, MS, ND, NJ, NV, NY, OR, PA, SC, TN, UT) and one Territory (GU) waive fees for some or all families with open TANF cases.

Alaska waives copayments for families who are active recipients of TANF benefits.

The **District of Columbia** waives copayments for families with income below 50 percent of poverty, working foster families, child protective services families, families who have court referrals, families with adults or children with disabilities, nonemployed TANF recipients, teen parents, TANF payees and Vocational Rehabilitation clients who are not employed.

Guam waives copayments for families who are receiving TANF and working families terminated from TANF due to employment or child support payments.

The following are examples of additional strategies States follow to meet the needs of TANF families.

Georgia requires all adults who are served by a TANF program to participate in employment services unless they meet the exemption criteria. When needed to participate in a work activity, child care is available to all TANF applicants and recipients. Families leaving TANF for employment related reasons have access to subsidized child care for 1 year if they continue to meet program requirements for 6 months after leaving TANF. Thereafter, a fee is assessed based on the Lead Agency's fee chart. After 1 year of transitional care, they can continue in the program as long as they meet eligibility requirements and funds are available. Georgia allocates funds for families who are at risk of becoming dependent on TANF. These families can receive subsidized care if they meet program requirements and if funds are available.

Maine guarantees child care assistance to TANF families, if the family meets its employment and training plan, and families that have left TANF because of increased earnings. For families receiving TANF scholarships, child care is paid directly from Maine's TANF block grant. For families leaving TANF, child care subsidies are funded through a combination of CCDF and a TANF transfer to CCDF. Families transitioning from TANF receive a referral from their caseworker to one of the State's 11 Voucher Management Agencies, which assist families in completing necessary applications and provide payment to a family's provider of choice.

In **Pennsylvania,** TANF families who are involved in an approved work-related activity receive a child care subsidy for the actual cost up to the maximum allowance established by the Lead Agency, subject to the availability of funds. Employed TANF clients receive a child care subsidy and are responsible for a copayment based on the sliding fee scale. The subsidy begins with the date employment starts. The copayment requirement is waived for the period from the date employment begins to the month following the month in which the first pay is received to help ensure families can access child care as soon as they begin working. The Lead Agency increased the variety and distribution of consumer education materials and resource and referral services to assist TANF clients in locating child care to meet their needs.

Tennessee maintains a State subsidy for all TANF participants meeting participation requirements (Families First Child Care). Effective January 1, 2005, the Lead Agency introduced a new category of assistance, At-Risk Child-Only. As funding permits, this program makes child care assistance available for 1 year to caretakers in TANF child cases who meet work/education qualifications. The Lead Agency provides Transitional Child Care for families leaving TANF, up to 18 months following the termination of cash assistance. There is no lifetime limit for the Transitional Child Care assistance and a new eligibility period of 18 months is granted upon each instance of TANF closure. When funding permits, At-Risk Child-Only assistance is available for an additional 12 months following the expiration of the 18-month Transitional Child Care period.

In **Wyoming**, families receiving assistance through the TANF program are considered categorically eligible for child care when the parent or caretaker is working or in an approved educational activity. To help ensure employment longevity, the Wyoming TANF program continues to assist the family with one-half of the TANF grant for a period of 6 months if the family transitions off TANF due to earned income and continues to meet specified eligibility criteria. During this period, the family continues to be categorically eligible for child care assistance while paying the lowest required copayment for child care. After this 6-month period, the family can continue to receive child care assistance as long as the countable family income does not exceed 200 percent of the Federal Poverty Level.

Section 3.4.3 – Waiting Lists[16]

Does the Lead Agency maintain a waiting list?

If yes, for what populations? Is the waiting list maintained at the State level? Are certain populations given priority for services, and if so, which populations? What methods are employed to keep the list current?

If no, does the Lead Agency serve all eligible families that apply?

When faced with insufficient funding for child care subsidies to meet demand, some Lead Agencies implement a waiting list, which is kept at the Lead Agency office or its designee. Lead Agencies report a range of waiting list approaches. In most cases, waiting lists are managed locally through county or contracted agencies; however, some are maintained by the State or Territory. In certain cases, local waiting lists are linked to a central database or local administrative agencies provide regular waiting list counts to the Lead Agency.

Fourteen States (AL, AR, FL, GA, IN, LA, MD, ME, MN, MS, NJ, PA, TX, VA) and one Territory (PR) report the Lead Agency maintains a waiting list.

Most States indicate a routine process for updating waiting lists, typically at 6-month intervals. All States report that priorities for child care services determine which families are served and which are put on waiting lists. (See Section 3.4.1, page 140.)

Indiana requires each county intake agent to maintain a waiting list of clients eligible for the Child Care and Development Fund (CCDF) program but for whom no funding is available for enrollment. The waiting list is maintained in the State automated intake software system according to State priorities. County intake agents are required to have a process to keep the waiting list updated.

16 Data on waiting lists are not available for American Samoa, Massachusetts or the Virgin Islands.

In **Maryland,** each waiting list case is added to the Office of Child Care Management Information System. Declared family income, household size and approved activity are entered into the system. A report is produced each week that shows the number of families and children on the waiting list for each jurisdiction.

Thirty States (AK, AZ, CT, DC, DE, HI, IA, ID, IL, KS, KY, MI, MO, MT, ND, NE, NH, NM, NV, OH, OK, OR, RI, SD, UT, VT, WA, WI, WV, WY) and one Territory (CNMI) indicate the Lead Agency does not maintain a waiting list, and all eligible families who apply are served.

The **District of Columbia** indicates that a waiting list was established in June 2002 but suspended as of April 2005, and all eligible families that apply now are served.

Kentucky reports avoiding waiting lists through significant cost containment measures implemented during 2003. These changes included a reduction in income eligibility for initial application from 165 percent of the Federal Poverty Level to 150 percent, with reauthorization remaining at 165 percent; an increase in parental copays for families above 150 percent of the Federal Poverty Level and a requirement of a minimum 20-hour work week or 20 hours per week of student teaching, internship or practicum for families who are working or in an education or training program. New geographic mapping will help identify other areas of cost containment.

Vermont is prohibited from capping the subsidy program without legislative approval. If appropriated funds are insufficient, the Lead Agency seeks additional funds through the budget adjustment process. A waiting list for services only can be established with legislative approval.

Six States (CA, CO, NC, NY, SC, TN) and one Territory (GU) indicate the Lead Agency does not maintain a waiting list and not all eligible families that apply are served.

Are there other ways that the Lead Agency addresses situations in which funding is not sufficient to serve all families that are technically eligible under State policies? If so, describe.

When all eligible families cannot be served, States often develop additional funding or provide assistance to families to help address the situation.

Florida's Governor appointed a Child Care Executive Partnership Board, composed of business leaders from across the State, which has worked to link the funding commitment of businesses with early childhood programs and has expanded child care services, significantly increasing the number of children served.

Local Intake Agents refer **Indiana** families who cannot be served to child care resource and referral agencies, which have information about providers who may be willing to deliver services at a reduced fee or who have other sources of funding. Indiana also has a web site to assist parents in locating affordable, quality child care in their area.

Tennessee reports that families unable to receive child care assistance may be referred to the child care resource and referral agency in their area to explore less costly child care options, including the use of Head Start, prekindergarten, nonprofit community child care, community child care and regular child care programs that offer rates based on sliding fee scales or scholarships. Parents working at very-low-income employment are advised of the Federal Earned Income Tax credit through which 40 percent to 60 percent of their eligible tax credit can be taken out of their weekly paycheck to help offset child care expenses. Parents working in moderately higher-income employment are advised to take advantage of the Child Care Tax Credit to help offset costs.

Section 3.5 – Sliding Fee Scale for Child Care Services

For eligible families, the Child Care and Development Fund subsidizes the cost of care up to the reimbursement rate ceiling set by each Lead Agency, and families typically share the responsibility for child care costs by paying a copayment fee (or copay) directly to the provider according to a sliding fee scale established by the State or Territory. Lead Agencies are required to base the sliding fee scale on family size and income, but may waive copayments for specific populations. Lead Agencies also are required to ensure copayments are affordable.

Section 3.5.1 – How the Sliding Fee Scale Works

A sliding fee scale, which is used to determine each family's contribution for the cost of child care, must vary based on income and the size of the family.

In Child Care and Development Fund (CCDF) Plans, States and Territories provide a copy of the sliding fee scale for child care services and an explanation of how it works. While the sliding fee scale for all States and Territories is based on income and the size of the family, other factors may determine a family's contribution, including number of children in care, cost of care and/or whether care is full- or part-time.[17] The family's contribution to the cost of care, as specified in the State or Territory sliding fee scale, can be expressed as a dollar amount, a percentage of the family income, a percentage of the price of care or a percentage of the State reimbursement rate ceiling.

Thirty-three States (AK, AL, AZ, CA, CO, DC, FL, GA, IA, IL, KS, KY, MA, MN, MO, MS, MT, NE, NH, NJ, NM, OH, OK, OR, PA, SC, SD, TN, UT, WA, WI, WV, WY) and two Territories (PR, VI) express the family contribution to the cost of care in dollar terms.

Iowa's family contribution for the cost of child care (basic care) ranges from $0 to $3.50 per half-day unit (i.e., up to 5 hours of care). The maximum half-day fee is $6.50 if the child has a special need. The monthly income chart and sliding fee schedule for child care services are applied regardless of the services being provided by a licensed child care center, an exempt facility, a registered child development home, a nonregistered child care home or care provided in the child's home.

17 Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services. (2005, July). *CCDF state and territories plan preprint guidance, FFY 2006-2007*. Retrieved May 11, 2006, from http://www.acf.hhs.gov/programs/ccb/policy1/current/ACF118/guidance_2006_final.doc.

In **Kansas**, assigned copayments range from $0 to $243 per month for a family of three based on monthly gross income. The copayment also increases as income increases.

South Carolina designed a fee scale that includes affordable copayments. With the exception of clients receiving Temporary Assistance for Needy Families and children in foster care funded through a Social Security Block Grant, clients are required to make copayments based on the sliding fee scale. The fee scale allows clients with incomes up to 150 percent of poverty to receive services and pay a copayment of $4, $7, $9, $11 or $13 per week per child based on family size. Clients are eligible to continue to receive services until their incomes reach 175 percent of poverty.

Eight States (CT, IN, ME, NY, NC, RI, TX, VA) express the family contribution to the cost of care in their sliding fee scale as a percentage of family income, ranging from 0 percent to 17 percent of income.

Virginia's family contribution for the cost of care is 10 percent of gross income and applies to income-eligible families regardless of whether the care is full-time or part-time. There is a minimum copayment of $25 per month; as income increases or decreases, the fee changes accordingly.

Ten States (AR, DE, HI, ID, LA, MD, MI, ND, NV, VT) and two Territories (CNMI, GU) express the family contribution to the cost of care in their sliding fee scale as a percentage of the cost of care or the maximum reimbursement rate.

In **Arkansas**, the family contribution to the cost of care ranges from 0 percent to 80 percent of the cost of care. Because the State's sliding fee scale is set at 60 percent of the State Median Income, only 7 percent of recipients of child care assistance have to pay any fee.

In **Hawaii**, the family's contribution to the cost of care ranges from 0 percent to 20 percent of the Lead Agency's maximum reimbursement rate.

Maryland's copayments range from 5 percent to 50 percent of the cost of care for the first child in care. They range from 3 percent to 40 percent for the second and third child. Fourth and subsequent children require no copayment.

A summary of sliding fee scales submitted in Fiscal Year 2006-2007 CCDF Plans is presented in Table 3.5.

TABLE 3.5
Child Care Assistance Family Copayment Policies, Family of Three[1]

State/Territory	Monthly Upper Income Level at Which Maximum Fee Is Required[2]	Are Families at or Below Poverty Required to Pay a Fee?	Minimum Family Fee (Full-Time Care)[3]	Maximum Family Fee (Full-Time Care)	Is the Same Sliding Fee Scale Used in All Parts of the State?	Does the State Prohibit Providers from Charging Families Any Unsubsidized Portion of Providers' Normal Fees?
Alabama	$2,682.00	some	$5.00/week 50% of fee for each additional child	$72.50/week 50% of fee for each additional child	yes	no
Alaska	$3,854.00	some	$13.00/month	$766.00/month	yes	no
American Samoa*	NA	NA	NA	NA	NA	yes
Arizona	$2,213.00	some	$1.00/day $0.50/day 2nd child	$10.00/day $5.00/day 2nd child	yes	no
Arkansas	$2,081.00	none	0% of fee	80% of fee	yes	yes
California	$2,925.00	none	$2.00/day	$10.50/day	yes	no
Colorado	$3,050.00	some	$7.00/month	$427.00/month $40.00/month 2nd child	yes	yes
Commonwealth of the Northern Mariana Islands	$2,156.00	all	10% of cost of care	30% of cost of care	yes	no
Connecticut	$4,515.00	some	2% of income	10% of income	yes	no
Delaware	$2,612.00	some	1% of cost of care	80% of cost of care	yes	yes
District of Columbia	$2,892.00	some	$0.00	$13.08/day 1st child $9.81/day 2nd child	yes	yes

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State/Territory	Monthly Upper Income Level at Which Maximum Fee Is Required[2]	Are Families at or Below Poverty Required to Pay a Fee?	Minimum Family Fee (Full-Time Care)[3]	Maximum Family Fee (Full-Time Care)	Is the Same Sliding Fee Scale Used in All Parts of the State?	Does the State Prohibit Providers from Charging Families Any Unsubsidized Portion of Providers' Normal Fees?
Florida	varies by locality	some	$0.63/day	$14.00/day	no	no
Georgia	$2,200.00	some	$0.00	$45.00/week	yes	no
Guam	$2,011.00	some	10% of cost of care	50% of cost of care	yes	no
Hawaii	$3,678.00	none	0% of reimbursement rate ceiling	20% of reimbursement rate ceiling	yes	no
Idaho	$1,706.00	some	7% of cost of care	66% of cost of care	yes	no
Illinois	$2,532.00	all	$4.33/month, one child $8.67/month, two children	$186.32/month, one child $320.64/month, two children	yes	yes
Indiana	$1,703.00	none	$0.00	9% of income	yes	no
Iowa	$2,723.00	none	$0.00	$14.00/day for full-day	yes	yes
Kansas	$2,481.00	some	$0.00	$243.00/month	yes	no
Kentucky	$2,099.00	some	$0.00	$10.50/day, one child $11.50/day, two or more children	yes	no
Louisiana	$2,653.00	some	35% of cost of care	75% of cost of care	yes	no

TABLE 3.5
Child Care Assistance Family Copayment Policies, Family of Three[1]

State/Territory	Monthly Upper Income Level at Which Maximum Fee Is Required[2]	Are Families at or Below Poverty Required to Pay a Fee?	Minimum Family Fee (Full-Time Care)[3]	Maximum Family Fee (Full-Time Care)	Is the Same Sliding Fee Scale Used in All Parts of the State?	Does the State Prohibit Providers from Charging Families Any Unsubsidized Portion of Providers' Normal Fees?
Maine	$3,546.00	some	2% of income	10% of income 50% of applicable fee for 2nd child 25% of applicable fee for 3rd child	yes	no
Maryland	$2,499.00	some	5% of average cost of care 3% of average cost of care for 2nd & 3rd child	50% of average cost of care 40% of average cost of care for 2nd & 3rd child	yes	no
Massachusetts*	$4,104.00	none	$0.00	$120.00/week	yes	yes
Michigan	$1,990.00	some	5% of reimbursement rate ceiling	30% of reimbursement rate ceiling	yes	no
Minnesota	$3,352.00	some	$0.00/month	$737.00/month	yes	no
Mississippi	$2,917.00	some	$10.00/month, one child $20.00/month, two children	$212.00/month, one child $222.00/month, two children	yes	no
Missouri	$1,518.00	some	$1.00/year	$5.00/day/child	yes	yes
Montana	$1,959.00	some	$10.00/month	14% of income	yes	no

TABLE 3.5
Child Care Assistance Family Copayment Policies, Family of Three[1]

State/Territory	Monthly Upper Income Level at Which Maximum Fee Is Required[2]	Are Families at or Below Poverty Required to Pay a Fee?	Minimum Family Fee (Full-Time Care)[3]	Maximum Family Fee (Full-Time Care)	Is the Same Sliding Fee Scale Used in All Parts of the State?	Does the State Prohibit Providers from Charging Families Any Unsubsidized Portion of Providers' Normal Fees?
Nebraska	$2,481.00	none	$53.00/month, one child $106.00/month, two children	$241.00/month, one child $482.00/month, two children	yes	yes
Nevada	$3,308.00	some	0% of child care benefit	80% of child care benefit	yes	no
New Hampshire	$2,548.00	some	$0.00	$0.50/week	yes	no
New Jersey	$3,352.00	some	$9.10/month, 1st child $6.80/month, 2nd child	$294.90/month, 1st child $221.20/month, 2nd child	yes/no	yes
New Mexico	$2,700.00	some	$0.00	$218.00/month, one child $327.00/month, 50% of fee for each additional child	yes	yes
New York	varies by locality	some	varies by locality—lowest copay is less than 1% of income	varies by locality—highest copay is 16.2% of income	yes	no
North Carolina	$2,946.00	some	10% of income	10% of income	yes	no
North Dakota	$2,463.00	some	20% of reimbursement rate ceiling, up to a maximum of $42.00/month	80% of reimbursement rate ceiling, up to a maximum of $365.00/month	yes	no

TABLE 3.5
Child Care Assistance Family Copayment Policies, Family of Three[1]

State/Territory	Monthly Upper Income Level at Which Maximum Fee Is Required[2]	Are Families at or Below Poverty Required to Pay a Fee?	Minimum Family Fee (Full-Time Care)[3]	Maximum Family Fee (Full-Time Care)	Is the Same Sliding Fee Scale Used in All Parts of the State?	Does the State Prohibit Providers from Charging Families Any Unsubsidized Portion of Providers' Normal Fees?
Ohio	$3,592.00	some	$0.00/month	$314.00/month	yes	yes
Oklahoma	$2,425.00	some	$0.00	$154.00/month for one child $226.00/month for two children	yes	yes
Oregon	$2,010.00	some	$25.00/month	$454.00/month	yes	no
Pennsylvania	$3,151.00	some	$5.00/week	$70.00/week	yes	no
Puerto Rico	$1,279.00	all	$36.00/month	$48.00/month	yes	no
Rhode Island	$3.017.00	none	$0.00	14% of income	yes	yes
South Carolina	$2,347.00	some	$4.00/child/week	$13.00/child/week	yes	no
South Dakota	$2,682.00	none	$0.00	15% of family income	yes	no
Tennessee	$2,336.00	some	$1.00/week, one child $2.00/week, two children	$47.00/week, one child $82.00/week, two children	yes	no
Texas	varies by locality	some	varies by locality—7% of income, one child 9% of income, two children	12% of income, one child varies by locality—13% of income, two children	no	no

TABLE 3.5
Child Care Assistance Family Copayment Policies, Family of Three[1]

State/Territory	Monthly Upper Income Level at Which Maximum Fee Is Required[2]	Are Families at or Below Poverty Required to Pay a Fee?	Minimum Family Fee (Full-Time Care)[3]	Maximum Family Fee (Full-Time Care)	Is the Same Sliding Fee Scale Used in All Parts of the State?	Does the State Prohibit Providers from Charging Families Any Unsubsidized Portion of Providers' Normal Fees?
Utah	$2,432.00	some	$10.00/month, one child $15.00/month, two children	$255.00/month, one child $281.00/month, two children	yes	no
Vermont	$2,586.00	all	10% of reimbursement rate ceiling	90% of reimbursement rate ceiling	yes	no
Virginia	$2,481.00	some	$25.00/month	10% of income	no	no
Virgin Islands*	$1,826.00	none	$0.00	$10.00/week	yes	no
Washington	$2,682.00	some	$15.00/month	$50.00/month plus 44% of the difference between family income and 137.50% of Federal poverty level (calculated at $418.72/month at the highest income level)	yes	yes
West Virginia	$2,181.00	some	$0.00	$5.75 per child	yes	yes

TABLE 3.5
Child Care Assistance Family Copayment Policies, Family of Three[1]

State/Territory	Monthly Upper Income Level at Which Maximum Fee Is Required[2]	Are Families at or Below Poverty Required to Pay a Fee?	Minimum Family Fee (Full-Time Care)[3]	Maximum Family Fee (Full-Time Care)	Is the Same Sliding Fee Scale Used in All Parts of the State?	Does the State Prohibit Providers from Charging Families Any Unsubsidized Portion of Providers' Normal Fees?
Wisconsin	$2,682.00	some	$5.00/week, one child licensed care $2.00/week, one child certified care Higher fee for additional children	$59.00/week, one child licensed care $41.00/week, one child certified care Higher fee for additional children	yes	no
Wyoming	$2,682.00	all	$0.40/day per child	$4.00/day per child	yes	no

NA = Not Applicable

* In AS, all CCDF participants are at or below the Federal Poverty Income Guidelines and the Lead Agency chooses not to apply copayments to families at or below the Federal Poverty Income Guidelines. Data provided for MA and VI are from the FY 2004-2005 CCDF Plans.

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[1] Copayment fees included in this table apply to a family of three, including one or two children in full-time, center-based care who are not infants or children with special needs. Some States and Territories require different fee amounts for families with infants or children with special needs.

[2] When the Lead Agency provides information on an annual income, income is divided by 12 and reported as "monthly." When the Lead Agency reports information on a weekly income, it is multiplied by 4 and reported as "monthly." All monthly income levels are rounded to the nearest dollar. Typically, this is the maximum income at which families are eligible to receive child care assistance. These monthly income levels at which the maximum fee is capped are drawn from individual State or Territory sliding fee scales and do not necessarily correspond to the monthly income levels used to limit eligibility. (See Table 3.3.1.) In some States and Territories, the sliding fee scale is maintained and applied separately from the policies affecting income eligibility thresholds.

[3] Minimum copayment fees are based on sliding fee schedules (as submitted with CCDF Plans) for families paying a sliding fee and do not reflect waivers for specific populations.

Additional Factors Used to Determine Copayment Levels

Will the Lead Agency use additional factors to determine each family's contribution to the cost of child care? **(658E)(c)(3)(B), §98.42(b))**

States and Territories report using additional factors besides family size and income to determine a family's copayment requirement. While some States and Territories set copayments as a relationship to the cost of care or reimbursement rate ceilings, others also factor in the number of children in care or whether the child care provided was part-time.

Thirty-one States (AK, AL, AZ, CO, CT, DC, DE, FL, GA, IA, IL, KY, LA, MA, MD, ME, MO, NC, ND, NE, NJ, NY, OK, SC, SD, TX, UT, VA, WA, WI, WV) and one Territory (GU) report that the Lead Agency uses additional factors to determine a family's contribution to the cost of child care services.

Alabama reports that families with more than one child in care pay one-half the applicable fee for each additional child in care.

Illinois reduces the copayment by half if the majority of child care for the month is for fewer than 5 hours per day.

Iowa establishes copayments for half-day units to reduce family fees for part-time care.

Maine indicates that if a family has more than one child in care, the fee for the second child enrolled is reduced by 50 percent, the fee for the third child is reduced by 75 percent and no additional fee is assessed for any more children.

West Virginia requires that the same copayment is charged for the first three children in care, but there is no additional charge for more than three children.

Section 3.5.2 – Use of Statewide Sliding Scale Fees

Is the sliding fee scale provided used in all parts of the State? **(658E(c)(3)(B))**

The majority of States and Territories use the sliding fee scale in all parts of the State or Territory.

Only three States (FL, TX, VA) indicate that the sliding scale provided in the Child Care and Development Fund Plan is not used in all parts of the State. These States have different sliding scales for various geographic jurisdictions.

In **Texas**, the sliding fee scale is established by the Local Workforce Development Board.

In **Virginia**, local agencies may opt to establish their own sliding fee scale.

Section 3.5.3 – Waiving Copayments

The Lead Agency may waive contributions from families whose incomes are at or below the poverty level for a family of the same size. **(§98.42(c))**, *and the poverty level used by the Lead Agency for a family of 3 is: ________.*

Poverty Level

Lead Agencies in 30 States and Territories report using Federal Poverty Income Guidelines for Fiscal Year (FY) 2005 ($16,090 annually) for the poverty level for a family of three. Other States and Territories either report Federal Poverty Income Guidelines for previous fiscal years or did not specify the fiscal year used by the Lead Agency.

> Twenty-five States (AZ, CO, FL, GA, IA, LA, MD, MN, MT, NE, NH, NJ, NV, NY, OK, OR, PA, RI, SD, UT, VA, WA, WI, WV, WY) and two Territories (CNMI, GU) report using the poverty level at 100 percent of the FY 2005 Federal Poverty Income Guidelines. In addition, two States (NM, SC) report using the poverty level at 150 percent of the FY 2005 Federal Poverty Income Guidelines, and one State (AL) reports using the poverty level at 130 percent of the FY 2005 Federal Poverty Income Guidelines.

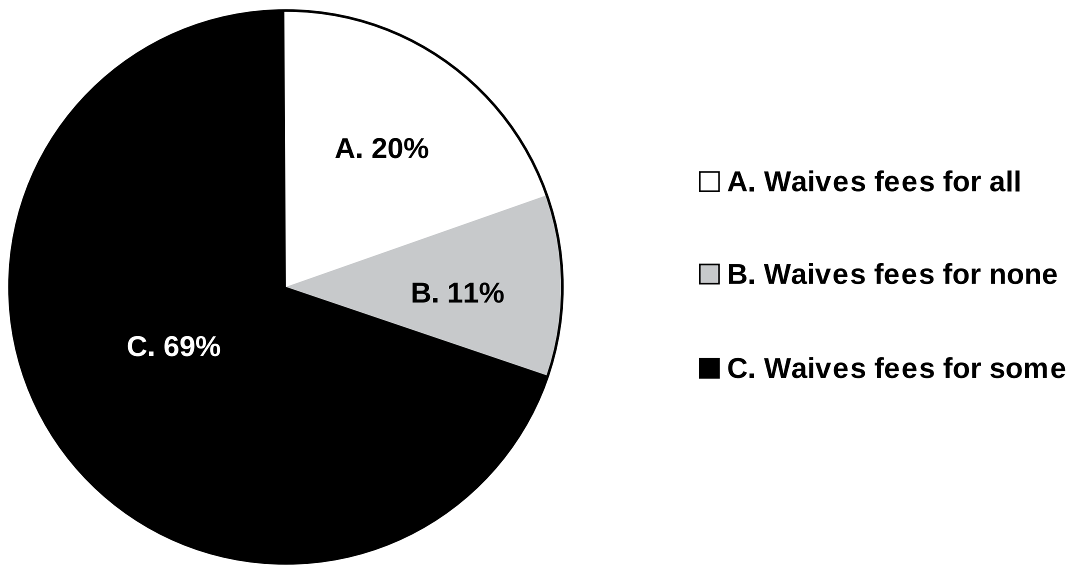
Waiving Copayment Options

The Lead Agency must elect ONE of these options:

- *ALL families with income at or below the poverty level for a family of the same size ARE NOT required to pay a fee.*
- *ALL families, including those with incomes at or below the poverty level for families of the same size, ARE required to pay a fee.*
- *SOME families with income at or below the poverty level for a family of the same size ARE NOT required to pay a fee. The following describes these families.*

As indicated in Chart 3.5, most States and Territories waive fees for some families with incomes at or below the poverty level. In addition, some States and Territories report that the Lead Agency waives fees or allows fees to be waived for families receiving protective services. (See Section 3.3.4, page 137.) In some States and Territories, fees also are waived for families receiving Temporary Assistance for Needy Families (TANF).

CHART 3.5
State and Territory Copayment Waiver Policies for Families at or Below Federal Poverty Income Guidelines



A	AR, AS, CA, HI, IA, IN, MA, NE, RI, SD, VI
B	CNMI, IL, MS, PR, VT, WY
C	AK, AL, AZ, CO, CT, DC, DE, FL, GA, GU, ID, KS, KY, LA, MD, ME, MI, MN, MO, MT, NC, ND, NH, NJ, NM, NV, NY, OH, OK, OR, PA, SC, TN, TX, UT, VA, WA, WI, WV

N=56 (Data provided for AS, MA and VI are from the FY 2004-2005 Child Care and Development Fund Plans.)

Nine States (AR, CA, HI, IA, IN, MA, NE, RI, SD) and two Territories (AS, VI) waive fees for all families with incomes at or below the poverty level.

Four States (IL, MS, VT, WY) and two Territories (CNMI, PR) require all families, including those with incomes at or below the poverty level, to pay a fee.

Thirty-eight States (AK, AL, AZ, CO, CT, DC, DE, FL, GA, ID, KS, KY, LA, MD, ME, MI, MN, MO, MT, NC, ND, NH, NJ, NM, NV, NY, OH, OK, OR, PA, SC, TN, TX, UT, VA, WA, WI, WV) and one Territory (GU) waive fees for some families with incomes at or below the poverty level.

Kansas waives the copayment for TANF recipients, families below 70 percent of Federal Poverty Income Guidelines, families receiving social service child care, Food Stamps and employment and training and work program participants.

In **Utah**, some families at or below 100 percent of the poverty level are not subject to the income adjustment scale and participate in the Family Employment Program. Families who transition off the Family Employment Program may receive up to 3 consecutive months of child care without being required to pay a fee. They must meet all other employment support eligibility factors.

In **Virginia**, recipients of TANF whose income is at or below the Federal poverty guideline are not required to pay a fee for child care. A family with a child enrolled in Head Start does not pay a fee for that child's care if the family income is at or below the Federal poverty guideline. If siblings of the Head Start child also receive a subsidy, the fee applies. The income eligibility period for families with a child in Head Start continues without re-determination for as long as the child remains enrolled in a Head Start program.

Section 3.5.4 – Prohibitions on Charging Additional Fees

Does the Lead Agency have a policy that prohibits a child care provider from charging families any unsubsidized portion of the provider's normal fees (in addition to the contributions discussed in 3.5.1)? **(§98.43(b)(3))**

As shown in Table 3.5 (See Section 3.5.1, page 147.), most States and Territories do not prohibit providers from charging families for the unsubsidized portion of providers' normal fees, in addition to the copayment/sliding fee. Some of the unsubsidized fees that providers are allowed to charge in these States and Territories include activity fees, late fees and registration fees.

Fifteen States (AR, CO, DC, IA, IL, MA, MO, NE, NJ, NM, OH, OK, RI, WA, WV) and one Territory (AS) report having a policy prohibiting providers from charging families for the unsubsidized portion of providers' normal fees, in addition to the copayment/sliding fee.

In **Arkansas**, providers are required to sign the Child Care System Participant Agreement attesting to the following: "the Provider agrees to accept the Lead Agency Certificate of Authorization as authorization to provide services. The Provider agrees to accept reimbursement received from the Lead Agency as payment in full for all services covered by this Agreement except the collection of fees expressly authorized by the Lead Agency."

Iowa requires a subsidized child care assistance provider to sign a Child Care Assistance Provider Agreement. By signing this agreement, the provider accepts payment through the Lead Agency's payment system and cannot request additional payment from the parent, except for the fees from the sliding fee scale. However, the cost of care provided beyond the approved hours, which is not covered by the number of approved units of service, is the responsibility of the parent.

Thirty-six States (AK, AL, AZ, CA, CT, DE, FL, GA, HI, ID, IN, KS, KY, LA, MD, ME, MI, MN, MS, MT, NC, ND, NH, NV, NY, OR, PA, SC, SD, TN, TX, UT, VA, VT, WI, WY) and four Territories (CNMI, GU, PR, VI) do not prohibit providers from charging families for the unsubsidized portion of providers' normal fees, in addition to the copayment/sliding fee.

Delaware implemented a Purchase of Care Plus option that allows a provider to charge parents the difference between the Lead Agency rate and the provider's private rate. Providers must agree to accept Lead Agency participants who are not required to pay a fee and who cannot be charged the difference between the provider's rate and the Lead Agency rate. This change also allows self-arranged parents whose provider does not have a subsidy slot available to opt to pay only the difference between the Lead Agency rate and the provider's private rate, eliminating the wait for client reimbursement.

In **Maryland**, if a caregiver has a policy of requiring a one-time deposit, registration fee or application fee for all clients, the parent is responsible for an amount up to the assessed parent fee, and the voucher management agency or provider must pay the difference up to the market rate. The deposit or fee is paid in addition to the agreed upon weekly rate. Special activity fees are the responsibility of the parent. If the parent elects not to pay, the caregiver is responsible for providing alternative child care for children who do not participate in the activity. Transportation fees, late pickup fees and other fees of this nature are the responsibility of the parent.

Section 3.5.5 – Affordable Copayments

The following is an explanation of how the copayments required by the Lead Agency's sliding fee scale(s) are affordable. **(§98.43(b)(3))**

In Fiscal Year 2006-2007 Child Care and Development Fund Plans, many States and Territories describe specific strategies to ensure child care is affordable for all families. The most frequently reported strategy focuses on the percentage of family income that eligible parents contribute toward the cost of care. This percentage varies depending on family size and income, number and age of children in care, actual amount of care used, actual cost and reimbursement level of care and additional provider charges. Some States report they include multiple levels in the sliding fee scale to ensure family fees increase gradually so families can afford care as their income increases.

Twenty-seven States (AK, AL, AR, CA, CT, DC, IL, IN, KS, KY, MA, ME, MI, MS, MO, MT, NC, NJ, NM, NV, OH, PA, TN, UT, WI, WV, WY) and one Territory (VI) report that family fee is affordable because it is does not exceed 10 percent of the family income for all or the vast majority of families receiving child care assistance.

All **Connecticut** families with earnings are required to pay a fee ranging from 2 percent to 10 percent of their annual or monthly gross income. If there is more than one child, the family is not required to pay any additional fee. In establishing the sliding fee scale, the Lead Agency reviewed national studies on the amount families can pay at various income levels.

In **Indiana**, families above 100 percent of the Federal Poverty Level have copayments based on income and family size. In all cases, the required copayment is less than 10 percent of family income.

Seven States (CO, DE, KS, ME, MN, MT, VT) indicate that the sliding fee scale has multiple levels to ensure the family contribution to the cost of care increases gradually as income increases.

Vermont adjusted its distribution on the sliding fee scale to reduce gradually the family's subsidy amount as their income increases.

The following are examples of other strategies States use to ensure affordability. Some States and Territories indicate they waive fees for very-low-income families, as described in Section 3.5.3 on page 155. Other States reduce the amount of the family contribution for additional siblings receiving subsidies.

In **Iowa**, fees are not charged to families at or below 100 percent of the Federal Poverty Level, those participating in the PROMISE JOBS program or those receiving services without regard to income due to a protective services situation.

Maryland's copayment is calculated as a percent of the average cost of care. Copayments range from 5 percent to 50 percent for the youngest child in the family receiving care, and from 3 percent to 40 percent for the second and third children receiving care (fourth and subsequent children in care require no copayment). When expressed as a percent of total gross income, copayments range from 1 percent to 14.7 percent of annual total gross income for the youngest, and from 1 percent to 12.1 percent for second and third children. The average copayment in January 2005 was 9.36 percent of a family's gross income (considering only families with copayments).

To ensure the copayment is affordable, **North Dakota** uses the family cap to set the client's copayment when the family has high child care expenses because there is a large number of children, or a number of children younger than 3 years old. After the family's copayment is determined, based on the sliding fee scale, it is compared to the family cap and the family pays the lower amount. The sliding fee scale includes the cap amount for each family size along with the percentage on the sliding fee scale.

Rhode Island calculates copayments for families according to income level and family size. At each of five established levels, a certain percent of gross family income is assigned. At incomes at or below 200 percent of poverty, this percent does not exceed 10 percent, which is generally recommended as an acceptable affordability test. At income levels between 200 percent and 225 percent of the poverty level, copayment is assigned as 14 percent of the family's income.

In **Texas**, Local Workforce Development Boards determine the family's share of cost based on the local economy and local cost of living indicators. The sliding fee scales are no more than 11 percent to 14 percent of the family's gross monthly income, with a majority of Boards establishing rates between 9 percent and 11 percent of the family's income. Boards or their child care contractors may, on a case-by-case basis, temporarily reduce fees when extenuating circumstances jeopardize a family's self-sufficiency.