



VIRGINIA DEPARTMENT OF
SOCIAL SERVICES

Child Care Subsidy Program

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Barbara Newlin, Director
Division of Child Care and Early Childhood Development

Child Care Subsidy

- ▶ Provides low-income families with the financial resources to find and afford quality child care for their children
- ▶ Administered by VDSS in partnership with the local departments of social services

Child Care Subsidy

- VDSS administers Child Care and Development Fund (CCDF), holds hearings and develops state CCDF Plan, establishes program parameters and coordinates the provision of services, operates automated subsidy systems, executes agreements with participating child care providers, pays providers, reports to funders
- 120 LDSS process applications, determine eligibility, manage cases, investigate fraud, coordinate client care with providers

Subsidy Snapshot – FY 14

- ▶ **Unduplicated number served**
 - Children – 43,823
 - Families – 26,081
- ▶ **Average number served/month**
 - Children – 24,680
 - Families – 14,034
- ▶ **Average cost/month**
 - Child – \$382
 - Family – \$649
- ▶ **Percent of children (November 2014)**
 - Level 2 – 83%
 - Level 1 – 17%

Subsidy Snapshot – FY 14

- ▶ Percent of care
 - In family day homes – 19%
 - In child care centers – 81%
- ▶ Subsidy Payments
 - Child care subsidy payments – \$111 million
- ▶ Waiting List
 - Numbers fluctuate
 - Approximately 7,800 (5/31/14)
 - 9,115 (1/5/15)
 - Priorities: special needs, homelessness, CPS, Foster Care Prevention, teen parent 18 or younger and in high school, case previously discontinued due to lack of funds

Subsidy Snapshot – FY 14

- ▶ Participating Providers – 3,985

- ▶ Types

◦ Licensed Child Care Centers	1,453
◦ Local Ordinance Approved	739
◦ Licensed Family Day Homes	562
◦ Unregulated Family Day Homes	451
◦ Voluntarily Registered Family Day Homes	399
◦ Religious Exempt Centers	319
◦ Department of Education	25
◦ Department of Defense/Other	20
◦ Local Government Approved Recreation Programs	12
◦ Licensed Family Day System Approved	5

Child Care Subsidy Program

▶ **MANDATED SERVICES**

- **TANF Child Care** - Subsidies for TANF recipients to seek and obtain employment
- **Transitional Child Care** - Subsidies to employed, income-eligible former TANF recipients for up to 12 months to support employment
- **Head Start Wrap-Around Child Care** - Subsidies for eligible Head Start families for care beyond core Head Start hours
- **SNAP Employment and Training Program** - Subsidies to families in the SNAP Employment and Training Program

▶ **NON-MANDATED SERVICES**

- **Fee Child Care** – Subsidies to income eligible non-TANF families to the extent of available funding
- **Children in Homeless Shelters** – Funding set aside to provide subsidies to income eligible families in homeless shelters
- **Children of Migrant Workers** – Funding set aside to provide child care to children of migrant workers on Eastern Shore

How the Program Works

- ▶ Family applies through LDSS or on line (CommonHelp)
- ▶ LDSS determines eligibility
- ▶ If eligible and funds available
 - Amount of care needed and copayment amount (if applicable) determined
 - Provider selected
 - Family service plan completed to move family toward self sufficiency
- ▶ If provider not currently participating, vendor packet including signed agreement must be submitted
- ▶ Parent uses a swipe card when dropping off and picking up the child each day
- ▶ Provider is paid twice/month via direct deposit for services

Provider Payment and Approval

- Providers/vendors paid through a reimbursement system
- Reimbursable rates set for each locality based on Market Rate Survey. Level 2 providers paid at 50th percentile of most recent market survey
- Different rates established for Child Day Centers/Family Day Homes and Level designation
- Rates based on locality where provider is located
- Any legally operating vendor that meets program requirements can currently be used
- Some NOVA local departments regulate small family day homes

Eligibility

- ▶ Families must demonstrate a need for child care
 - Support employment
 - Support approved education/training, or
 - Families receiving Child Protective Services
- ▶ Children must be under 13 years of age
 - Up to 18 if physically or mentally incapable of caring for themselves
- ▶ Child must be legal resident, but not required for parent
- ▶ MSA grouping and family size determine income cap for eligibility
- ▶ Eligibility redetermined annually
- ▶ Recent amendments to Subsidy Program regulations will limit a family to a total of 6 years of child care subsidy and participating families will be required to cooperate with the Child Support Enforcement Program

Income Eligibility Scale

Family Size	100% of Federal Poverty Guidelines	GROUP I 150% of Poverty	GROUP II 160% of Poverty	GROUP III 185% of Poverty	*250% of Poverty
1	\$958	\$1,437	\$1,532	\$1,772	\$2,394
2	\$1,293	\$1,939	\$2,068	\$2,392	\$3,232
3	\$1,628	\$2,442	\$2,604	\$3,011	\$4,069
4	\$1,963	\$2,944	\$3,140	\$3,631	\$4,907
5	\$2,298	\$3,447	\$3,676	\$4,251	\$5,744
6	\$2,633	\$3,949	\$4,212	\$4,871	\$6,582
7	\$2,968	\$4,452	\$4,748	\$5,490	\$7,419
8	\$3,303	\$4,954	\$5,284	\$6,110	\$8,257
9	\$3,638	\$5,457	\$5,820	\$6,730	\$9,000
10	\$3,973	\$5,959	\$6,356	\$7,350	\$9,191

Automated Child Care System

- ▶ American Recovery and Reinvestment Act (ARRA) funds used to develop automated case management system
- ▶ Three components
 - Case Management System (eligibility and case management)
 - Electronic Child Care (time and attendance, swipe cards)
 - Third Party Reconciliation (enables vendors to be paid)



Automated Child Care System

- ▶ Implemented in 2011 and 2012 in waves
- ▶ Greater accuracy, efficiency and consistency, and to enable state to better understand what is being accomplished with program dollars
- ▶ Prior to implementation, data re: participants, vendors, payments and other elements resided in each of the 120 LDSS and their respective data systems
- ▶ Medicaid, TANF, SNAP, LIHEAP are coming into VaCMS



Recent Important Changes

▶ **Provider Reimbursement Rates**

- Increased reimbursement rates for Level 2 child care providers participating in Subsidy Program in September 2014
- 50th percentile of most recent market survey
- Level 2 providers - licensed providers, local-ordinance-approved providers, licensed family day system-approved family day homes, DOE-approved child care programs and DOD providers
- Level 1 providers – VR family day homes, religious exempt child day centers, local government approved recreation programs, certified preschools, unregulated child care providers

Recent Important Changes

▶ **Family Copayment Scale**

- Moved from flat 10% of countable income to a sliding 5 – 10% based on family income and size
- Reduced copayment amounts for many families / increased provider reimbursement through program
- Implemented September 2014
- Some types of care do not require a copayment
 - No copayment: TANF, Head Start wrap-around if family income below FPL, SNAP employment and training
 - Copayment: Transitional child care, Fee child care

Market Rate Survey

- ▶ Federal government requires states to develop/conduct a statistically valid and reliable survey of market rates for child care services in the State, or utilize an alternative methodology
- ▶ Not earlier than 2 years before submission of the State Plan
- ▶ Center for Survey Research at Virginia Tech - survey providers in every locality
- ▶ Typically over 4,000 respondents
- ▶ Rate data: full day/full week, transportation, meals, snack
- ▶ Data used to assess rates/potential increases
- ▶ Next survey February – May 2015, Formal report posted on web
- ▶ Input, future meeting?

Upcoming Important Activities

- Ensuring conformance with requirements of new Child Care and Development Block Grant Act of 2014
 - Signed by President 11/19/14
 - Variable timeframes for implementation
 - Forming advisory group to provide input on state actions
- Market Rate Survey (Feb – May 2015)
- Development of Draft State CCDF Plan (Draft prior to hearings, Due to U. S. Office of Child Care Jun 2015)
- Hearings on State Plan (Apr 2015)

Resource Documents

- ▶ Federal Child Care and Development Block Grant Act of 2014
https://www.acf.hhs.gov/sites/default/files/occ/child_care_and_development_block_grant_markup.pdf
- ▶ Virginia CCDF Plan
http://www.dss.virginia.gov/files/division/cc/state_plans/state_plan_final_11-4-13.pdf
- ▶ Virginia Child Care Subsidy Program Guidance Document
http://www.dss.virginia.gov/files/division/cc/assistance/parents_guardians/guidance_procedures/manual.pdf
- ▶ Child Care Subsidy Program Regulations
<http://leg1.state.va.us/000/lst/h2638092.HTM>

Barbara Newlin, Director
Division of Child Care and Early Childhood
Development
Virginia Department of Social Services
(804) 726-7398
barbara.newlin@dss.virginia.gov