



## **DEEP DIVE: Child Care Assistance**

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PRITZKER  
Children's Initiative



# Today's Agenda

**Welcome and Introductions**

**Background on CCDBG**

**Family Friendly/Continuity Policies and Practices**

**Copayment Policies and Practices**

**Establishing and Implementing a Framework for  
Child Care and Child Care Assistance**

**BREAK**

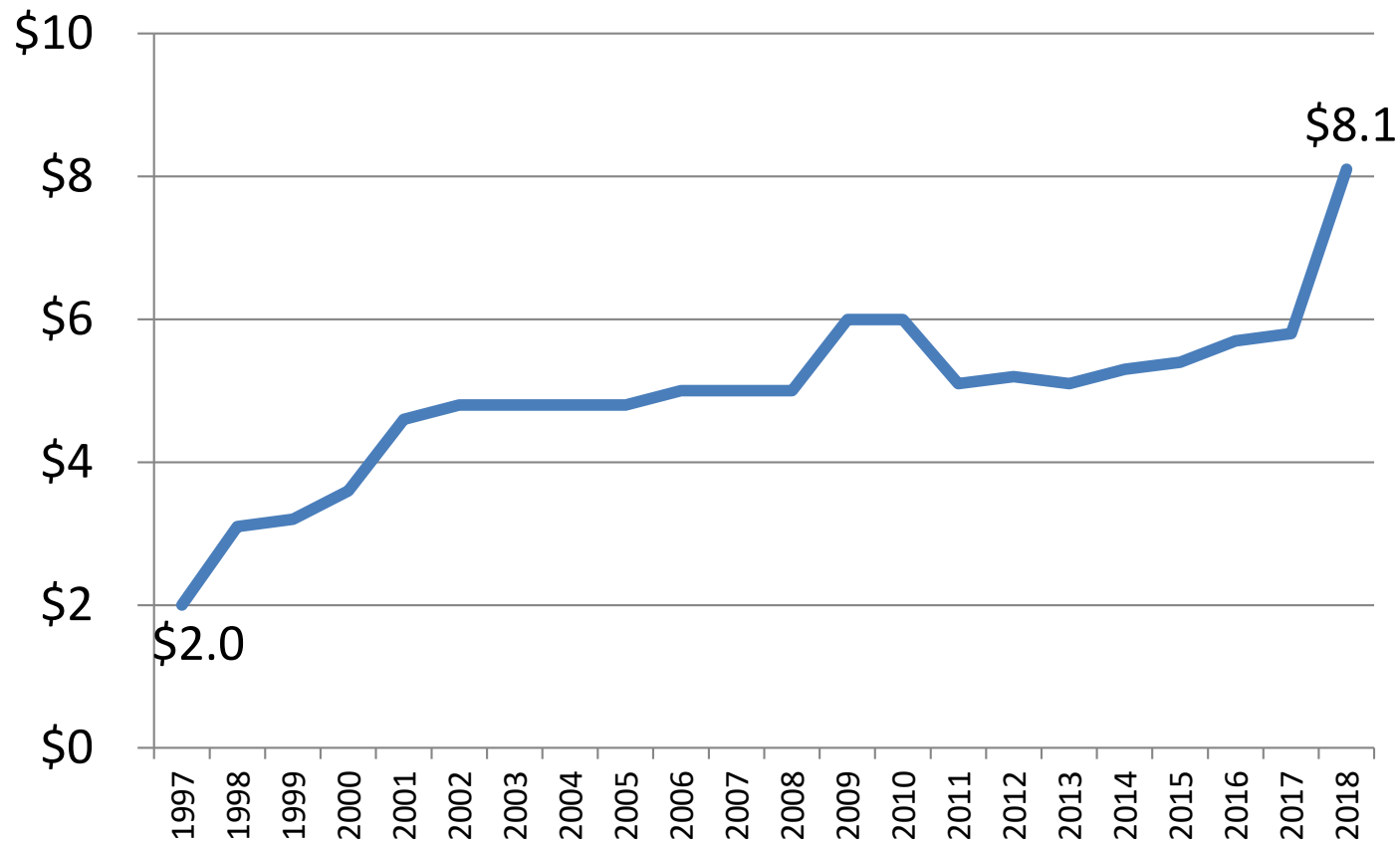
**Alternative Rate Setting**

# What is CCDBG?

- Child Care and Development Block Grant
- All 50 states receive funds.
- Serves children birth through 14 years old.
- Under 85% State Median Income (federal eligibility)
- Parents must be engaged in work or educational activity.
- States must provide maintenance of effort and matching dollars.

# FY 2018-2019 Budget Increase

Federal Funding for CCDBG  
(in billions of \$)



# Congressional Report Language

## PAYMENTS TO STATES FOR THE CHILD CARE AND DEVELOPMENT BLOCK GRANT

The agreement includes a \$2,370,000,000 increase for the Child Care and

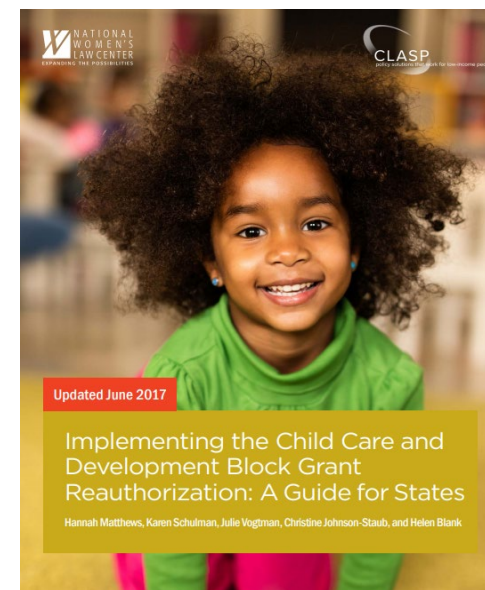
Development Block Grant (CCDBG) Act. It is expected that this increase will support the full implementation of the CCDBG Act as reauthorized in 2014, including activities to improve the quality and safety of child care programs, increasing provider reimbursement rates, and ensuring health and safety standards are met. The

Department should work with States to ensure they are fully in compliance with, and meeting the goals of, the CCDBG Act. Further, the Department should work with States to ensure they are aware of the availability of funds under current law to make minor improvements to facilities to bring them into compliance with health and safety requirements and improve professional development for the child care workforce.

Finally, the Department should work with States to ensure they are meeting the needs of families with non-traditional work hours. The funding will also increase access to affordable, high-quality child care to more low-income, working families.

# Some Key Reauthorization Provisions

- Basic health and safety
- Continuity of care and family friendly policies
- Positive payment practices
- Increased quality expenditures
- Increased capacity of high quality care for infants and toddlers



# Family Friendly/Continuity Provisions

- Expands **consumer education and outreach** requirements.
- Establishes a minimum **12-month eligibility** period for all families (as long as income remains below the federal eligibility limit).
- Requires **redetermination processes** that do not unduly disrupt parents' employment.
- Requires an **graduated phase-out of assistance** for families no longer eligible at redetermination.
- Encourages states to take steps to **meet the needs of underserved populations**.

# Family Friendly/Continuity Practices

- Tiered eligibility
- Ongoing eligibility under 85% of SMI
- Minimal reporting requirements
- Continuity through loss of employment activity





# Early Care and Education Facts in North Carolina

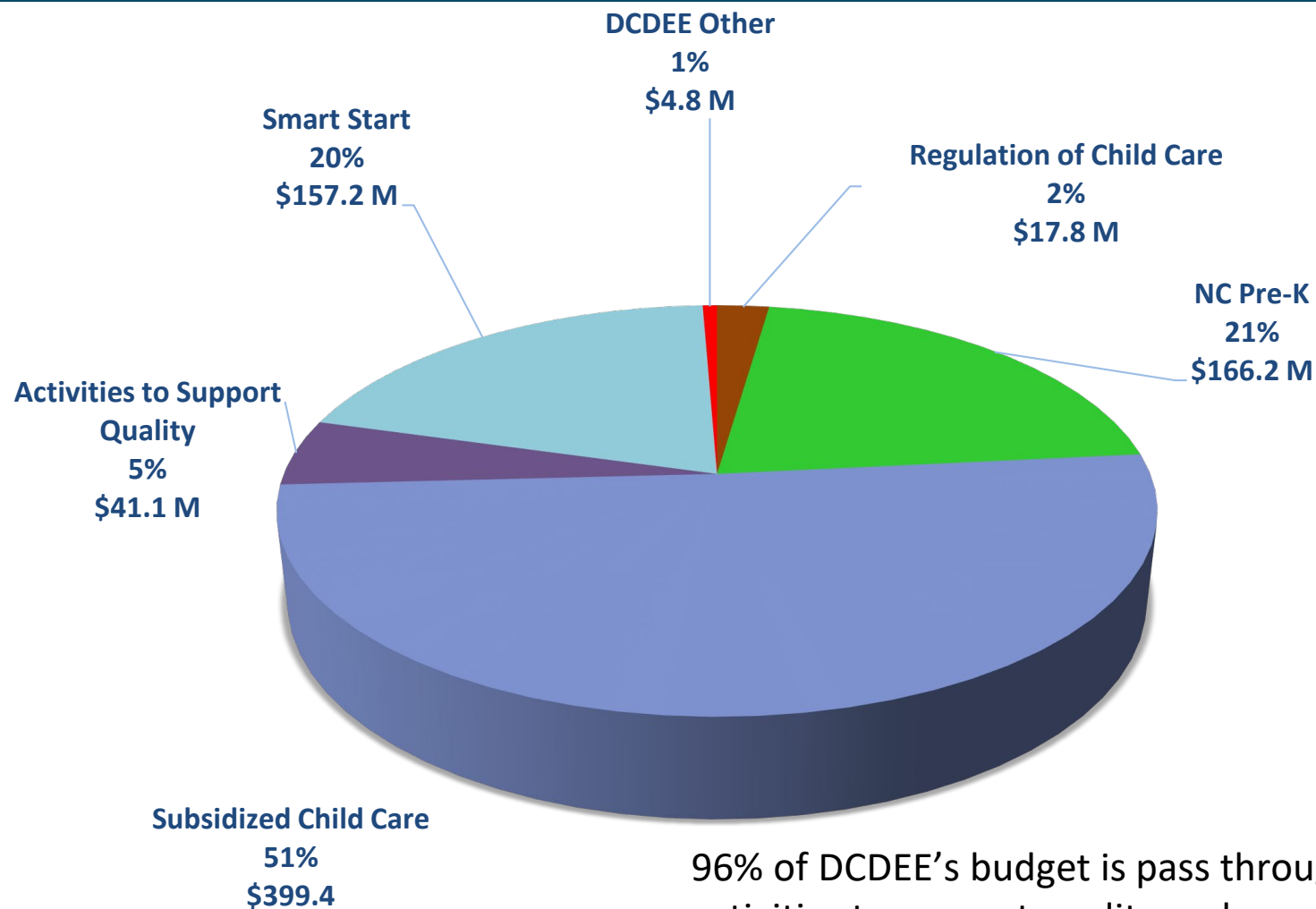
## *Children*

- Total Number 0-4 in State 611,006
- Total Number 5-14 in State 1,706,866
- Number in Regulated Child Care 246,326
- Number Receiving Subsidized Care 71,614
- Number Enrolled in NC Pre-K 29,509

## *Regulated Arrangements*

- Child Care Centers 4,486
- Family Child Care Homes 1,616

# North Carolina DCDEE Authorized Budget SFY 18-19 by Program: \$786.7 M

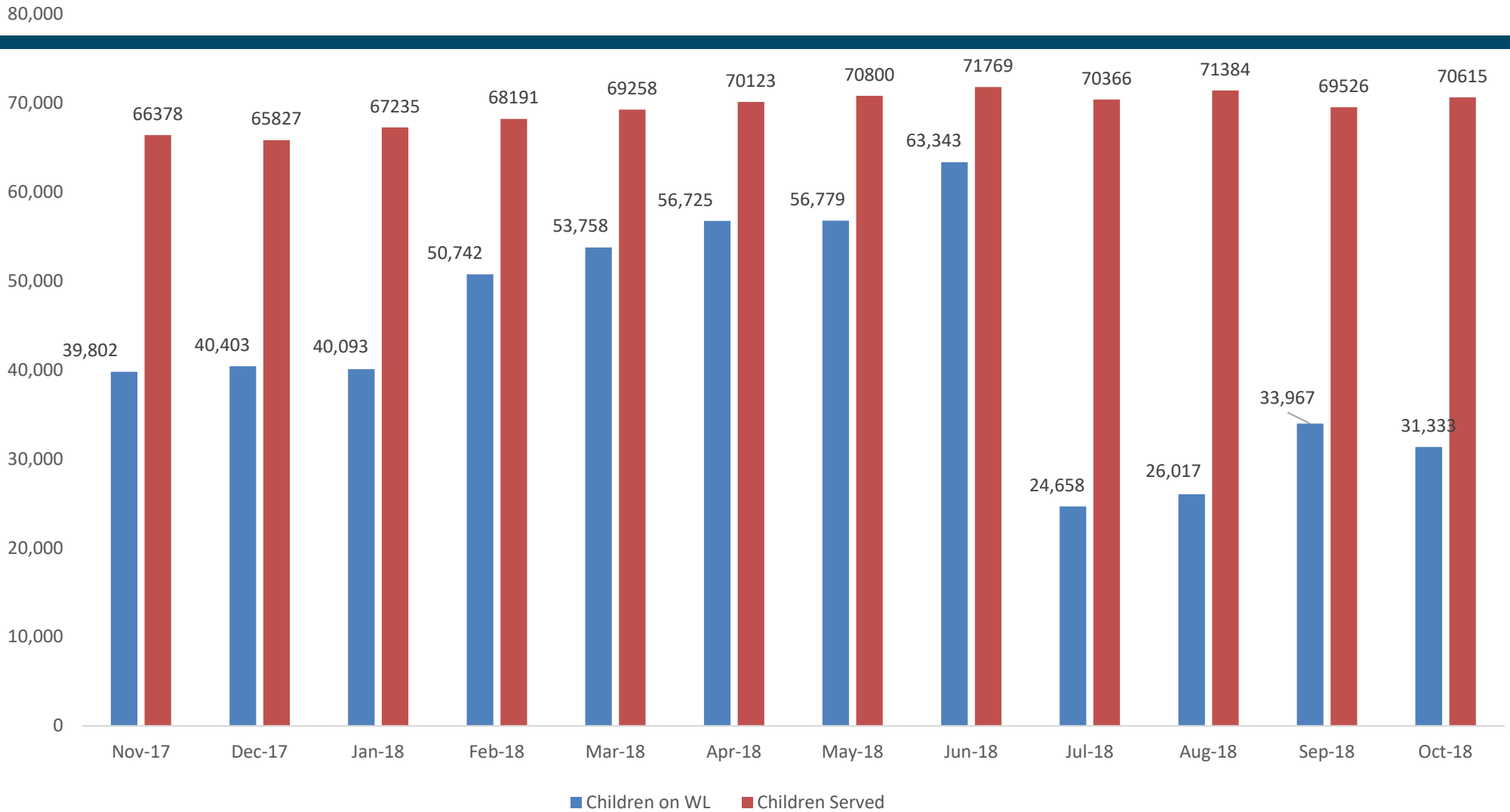


96% of DCDEE's budget is pass through for services or activities to support quality early care and education. DCDEE has 336 FTEs.

# Federal and State Funding for Subsidy – Direct Services

- **Child Care Subsidy is DCDEE's largest program/service**
- **Federal and State funds are pooled**
- **SFY 17-18 Total Expenditures = \$379.6 M**
  - **Federally funded: \$300.7M (79%)**
  - **State funded: \$78.9M (21%)**
- **Funds are allocated based upon a legislatively-mandated formula**
- **Each county receives an allocation for direct services and for administration**

# North Carolina - Children Paid for Child Care Subsidy and on the Waiting List

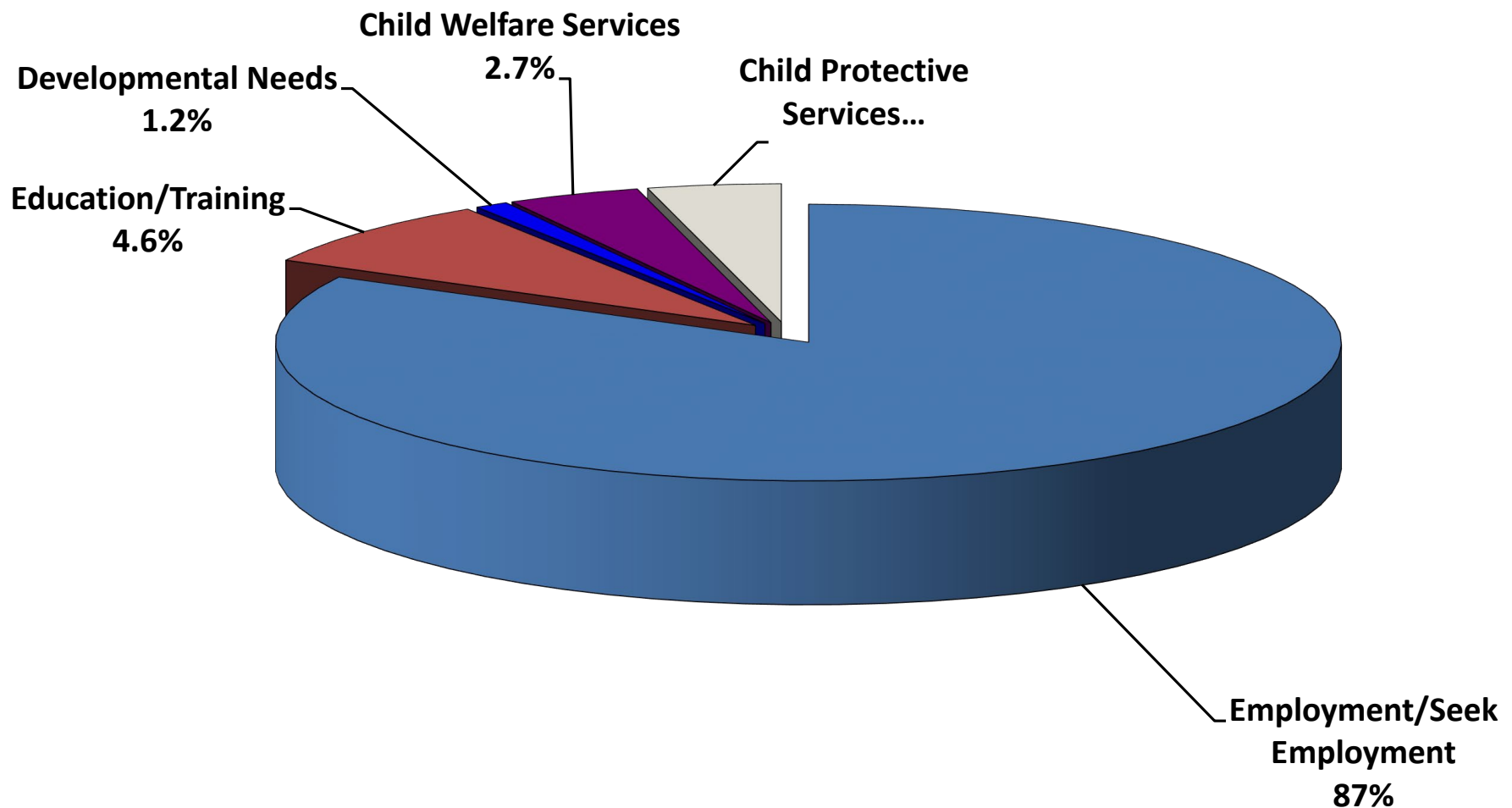


**October 2018 \*Please note that the Wait List data representation prior to June 2018 may be not be reflective of changes and additional reporting tables added to ensure that the Division captures wait list updates/changes that occur daily.**

# NC Eligibility for Enrollment

- **Income Eligibility –**
  - Children 0 to 5 – 200% FPL
  - School-age Children – 133%
- **Other Eligibility Criteria –**
  - To Support Education/Training
  - Child Welfare/Child Protective Services
  - Developmental Needs

# Reasons Families Received Subsidized Child Care in NC SFY 17-18



# Easing the Process for Families

- **Minimal reporting required –**
  - If income increases to above 85%,
  - Any changes in contact information,
  - When they have a temporary change in employment or education,
  - If a change in providers is needed/wanted, or
  - If they need/want to end services.
- **Response to changes cannot include an increase in the parent fee or a decrease in the level of care during the 12-month eligibility period.**
- **Redetermination can be done in person or by mail.**

# Additional Supports for Families

- **Set aside for families experiencing homelessness or children with special needs**
- **Extended timeframe for families experiencing homelessness to submit paperwork for eligibility determination**
- **Supplemental payments for children with special needs (i.e. specialized equipment, one-on-one aides)**



# 90 Day Continued Assistance

- **Child Welfare or Child Protective Services no longer a factor**
- **Change in foster care setting, with need no longer indicated**
- **Conclusion of education/training**
- **Seasonal break (of school or work)**
- **Change in job status**
- **Medical/maternity leave**
- **Other scenarios may arise and be eligible**
- **Can be continued past 90 days based on individual situation/need**

# Graduated Phase Out

- **12 Months**

- **Above 200% FPL/133% FPL at redetermination  
but at or below 85% of SMI**

# Copayment Provisions

- Regulations establish affordability benchmark at 7% of household income.
- Cost sharing must not be a barrier to families' receiving child care assistance.
- Families must be given the option to report changes that are to their benefit e.g. if a family experiences a loss of earnings that warrants a reduction in copayment in accordance with the sliding fee scale.
- Policies that evaluate income over time to account for fluctuations and prevent copayment increases.
- States can only increase copayments at redeterminations or during graduated phase-out periods for families with incomes above the initial income eligibility level.

# Copayment Practices

- Waiving copayments for very low-income families or other priority populations.
- Household caps on copayments.
- Copayment schedules designed to avoid the cliff effect.
- Lower copayments for quality care.



# North Carolina Co-Pay

- Co-pay set at 10% for all families except in certain situations
- No co-payment assessed in the following situations –
  - Child care in conjunction with a CPS plan to enable the child to remain in his/her own home,
  - Services are needed to support child welfare services,
  - Children in foster care and in need child care services,
  - Children with no income who reside in the home of an adult other than their parents, stepparents, or their nonparent relative caretaker.

# North Carolina Co-Pay Cont.

- One parental fee for families receiving subsidized child care, regardless of the number of children in care and regardless of the hours of care needed.

# Establishing & Implementing a Framework for Child Care and Child Care Assistance

## North Carolina Example

- Where does the authority and funding live?
  - In NC, DCDEE is the home of –
    - Licensing (our QRIS)
    - Subsidy
    - CCDF for services and quality
    - State Pre-K
- What is the mechanism for making policy decisions? Siloed or collaborative?

# Mixed Delivery System

- In NC licensing and subsidy and pre-k are all tied together
  - To receive subsidy -
    - Must be licensed regardless of auspice
    - Must be 3, 4 or 5 stars
  - To be a state Pre-k program -
    - Must be licensed regardless of auspice
    - Must be 4 or 5 stars
- Included are non-profit, for-profit, Head Start, and public school programs





**Workforce Support**

- Higher Education pathway
- TEACH
- Salary supplements
- Professional development
- TA (IT, HB, CCHC)
- Coaching and Mentoring

**Family Info/Support**

- Consumer education
- Subsidy
- QRIS
- Addressing disparities
- Outreach to families

**Defining Quality Across Continuum**

- EL Standards
- One agency oversight of B-5 mixed delivery system

**Financing**

- Public/private funding

**B-5 Mixed Delivery System**

- Regulated child care
- Pre-K
- Head Start/Early Head Start/Migrant
- Head Start/Tribal Head Start
- Public School Pre-school (Part B, Title I)
- Developmental day
- Early Intervention (Part C)

**Functional Governance/ Guidance**

- ECAC
- B-3 Council

**Continuous Quality Improvement**

- QRIS
- TA (IT, HB, CCHC)
- Workforce supports

**Cross Systems Work**

- Key public and private partners
- Formal and informal cross systems collaborative work

**Data Systems**

# North Carolina Payment Rates

- Rates differentiated by:
  - County
  - By Age
  - By Program Type (Center or Home)
  - By Star Level
- Set at the 100<sup>th</sup> percentile of the 2015 study for 80 counties (those noted as most economically distressed)
- Set at the 75<sup>th</sup> percentile of the 2015 study for the remaining 20 counties
- Pay by enrollment, not attendance (NC pays for 10 days of absence)
- Plan of care based on true need for hours, not tied strictly to work/school hours

# Results in North Carolina

- Legislation requires 3 or more stars for subsidy
- ~80% of centers have a 3-, 4- or 5-star license
- ~70% of centers have a 4- or 5-star license
- ~ 75% of centers accept subsidy