



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**



CCDF Final Rule  
**UNDERSTANDING  
SUBSIDY ELIGIBILITY**

# Presenters

## Federal

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# Reauthorization

In 2014, Congress reauthorized Child Care and Development Block Grant (CCDBG). This was an historic re-envisioning of child care.

# Effective/Compliance Dates

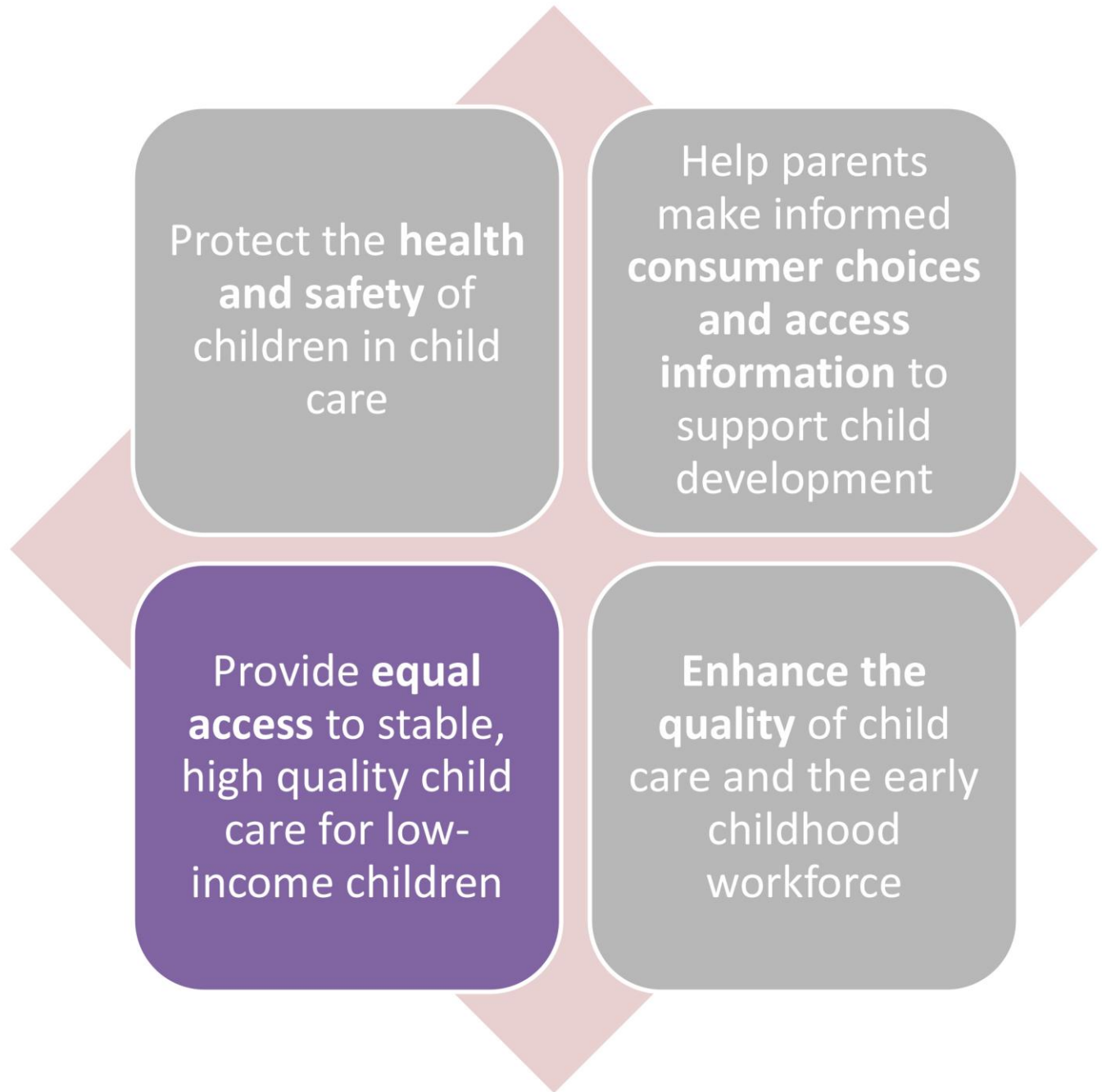
**Effective Date:** 60 days after publication in the Federal Register on September 30, 2016.

**Compliance Date:** Full compliance by September 30, 2018. Compliance determined through CCDF Plans and federal monitoring.

**Compliance Date (Tribes):** Compliance through review and approval of the FY 2020 - 2022 Tribal CCDF Plans that become effective October 1, 2019.

# Overview

Addresses  
4 major  
topical areas:





# Key Regulatory References

## 98.20: ELIGIBILITY FOR SERVICES

- (a) Eligibility conditions
- (b) Additional eligibility conditions

## 98.21: ELIGIBILITY DETERMINATION PROCESSES

- (a) 12 month eligibility (incl. definition of temporary, continued assistance/job search, co-payments)
- (b) Graduated Phase-out
- (c) Irregular fluctuations in income
- (d) Reporting changes in circumstances



# Subsidy Eligibility

- Lengthened Eligibility & Continuity
- Continued Assistance/Job Search
- Graduated Phase-out
- Application to Tribes

# Lengthened Eligibility in the Law

The law established **minimum 12 month eligibility periods**, regardless of a temporary change in parents' status as working or attending job training or education, if family income does not exceed 85% of SMI.

*(45 CFR 98.21(a))*





# Lengthened Eligibility

## The Final Rule:

- Clarifies that minimum 12-month eligibility applies to initial and subsequent eligibility periods.
- Prohibits shorter authorization periods within the minimum 12 month eligibility period.
- Clarifies that co-payments cannot be raised during the eligibility period

*45 CFR 98.21(a)*

# Lengthened Eligibility

Defines “temporary” to include at a minimum:

- Any time-limited absence from work for an employed parent due to reasons such as need to care for a family member or an illness;
- Any interruption in work for a seasonal worker who is not working between regular industry work seasons;
- Any student holiday or break for a parent participating in training or education;
- Any other cessation of work or attendance at a training or education program that does not exceed three months, or a period longer established by the Lead Agency.

*45 CFR 98.21(a)*

# Lengthened Eligibility

The Final Rule also requires that a child retain their eligibility until the next re-determination regardless of:

- Any change in age, including turning 13 years old during the eligibility period;
- Any change in residency within the State, Territory, or Tribal service area.

*45 CFR 98.21(a)*

# Lengthened Eligibility

Adds that Lead Agencies *may* discontinue assistance prior to next re-determination only in limited circumstances\*:

- Excessive unexplained absences (after attempts to contact family);
- A change in residency outside of State, Territory, or Tribal service area; or
- Substantiated fraud or intentional program violations.

\*This does not include continued assistance/job search which was in the law.

*45 CFR 98.21(a)*

# Continuity During Eligibility Periods

At eligibility determination and redetermination, information needed to determine CCDF Eligibility:

- child age
- family income
- qualifying activity
- other information as determined by the Lead Agency

45 CFR 98.21(e)





# Reporting During Eligibility Period

Limit reporting requirements to:

- changes that impact a child's federal eligibility (income over 85% of SMI, which families *must* report)
- information that impacts a LA's ability to communicate w parents or providers

Must not require an office visit in order to fulfill notification requirements

Must offer a range of notification options (e.g. phone, email, extended hours)

45 CFR 98.21(e)

# Reporting During Eligibility Period (cont.)

Lead Agency has option to require reporting if family experiences a non-temporary change in work, job training, or education status.

Family must be allowed to report changes at any time and Lead Agencies must act on information that is beneficial to the family amount of child care assistance or copayment level.

45 CFR 98.21(e)



# Continued Assistance before Optional Termination

The law gives a State the *option* to end assistance prior to the end of the eligibility period due to loss of work or cessation of attendance at a job training or educational program.

However, it must provide **at least 3 months of continued assistance** after such loss or cessation.

45 CFR 98.21(a)(2)



# Cont. Assistance/ Job Search in Final Rule

- Cont. assistance must be provided *at least the same level*;
- No requirement to collect documentation; and
- If, by the end of the 3 month period, the parent is again engaged in an eligible work, education, or training activity, assistance cannot be terminated.
- Lead Agencies can still use job search status as initial qualifying activity as long as:
  - assistance is provided for at least 3 months; and
  - assistance continues if the parent becomes engaged in an eligible work, education, or training activity.

45 CFR 98.21(a)(2)

# Graduated Phase-out



The law requires Lead Agencies to have graduated phase-out policies and procedures for families who, at redetermination, exceed the Lead Agency's initial income threshold, if their income is still below 85% of SMI, provided they are also working or attending a job training or education program.

*Note:* If the Lead Agency's initial eligibility threshold is set at 85% of SMI, they would be exempt from this requirement.

45 CFR 98.21(b)



# Graduated Phase-out (cont.)

The Final Rule requires two-tiered eligibility with 2nd tier at:

- 85% of SMI; or
- An amount lower than 85percent of SMI for a family of the same size, but above the initial eligibility threshold, that:
  - accounts for the typical household budget of a low income family; and
  - provides justification that the second eligibility threshold is:
    - sufficient to accommodate increases in family income over time that are typical for low-income workers and that promote and support family economic stability; and
    - reasonably allows a family to continue accessing child care services without unnecessary disruption.

45 CFR 98.21(b)

# Graduated Phase-out (cont.)

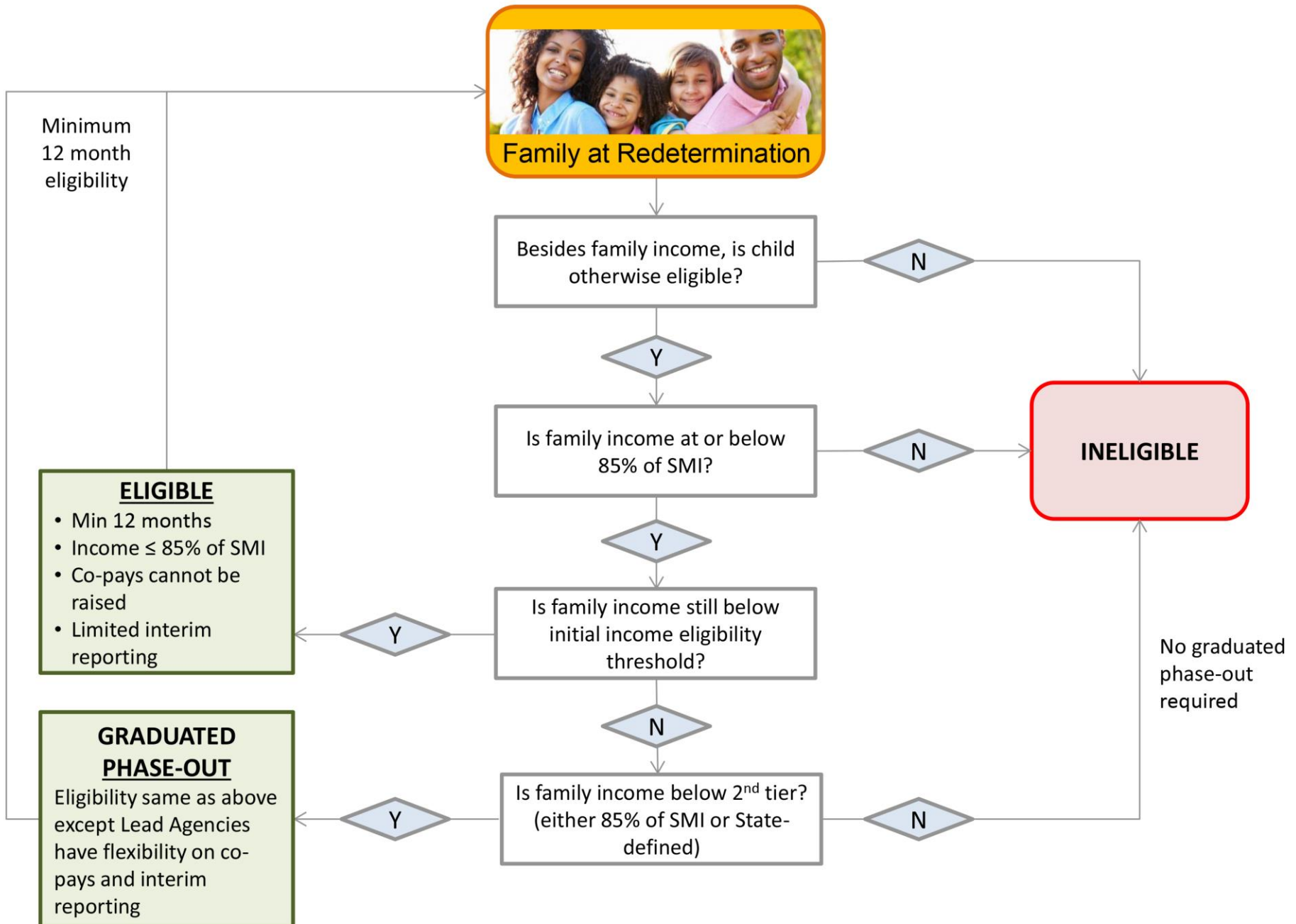
Once deemed eligible, a family shall receive a full eligibility period under the same conditions as a typical eligibility period, with the exception of co-payments.

Lead Agencies may increase co-payments during graduated phase-out (and require additional interim reporting).

A family shall be considered eligible for the full min. 12 mo eligibility period even if their income exceeds the 2<sup>nd</sup> eligibility threshold as long as it does not exceed 85% of SMI.

45 CFR 98.21(b)

# Graduated Phase-out Flowchart





# **How Subsidy Eligibility Policies Apply to Tribes**





# How do the Subsidy Req. Apply to Tribes?

Tribes receiving large and medium allocations are subject to the majority of these requirements.

- Tribes receiving small allocations are exempt

Allows Tribes receiving large or medium allocations option to consider any Indian child eligible, regardless of a family's work/income/training status if the Tribe's Median Income is below 85% of SMI, *provided that services still go to those with the highest need.*

- Tribes with small allocations have flexibility to set their own eligibility requirements





# Q&As

# Can a Lead Agency collect information prior to 12 months in order to meet redetermination timeframe?

Yes. In some cases, Lead Agencies may find it necessary to collect some information prior to 12 months to complete the redetermination process in time. Such practices are allowed, but should be limited (*e.g.* a few days or weeks in advance).

*(continued)*

# Can a Lead Agency collect information prior to 12 months in order to meet redetermination timeframe? (continued)

Note: Even if information is collected in advance, eligibility cannot be terminated prior to the minimum 12-month period, even if disqualifying information is discovered during the preliminary collection of documentation.\*

\*Unless it indicates that family income has exceeded 85% of SMI or, at the Lead Agency option, the family has experienced a non-temporary cessation in work, or attendance at a training or education program.

# Can a Lead Agency reduce the authorized amount of service (i.e. decrease hours) during the eligibility period?

Generally, no. The statute says eligible families shall “receive such assistance, for not less than 12 months” and the rule clarifies that this means assistance must be provided at least at the same level throughout the eligibility period.

However, a State is not obligated to pay for services that are not being used, so if a family *voluntarily* changes their care arrangement to use less care, the State can adjust their payments accordingly.

If a Lead Agency chooses to terminate assistance for loss of job, training, or education, must this apply to all families?

The Lead Agency has the option of choosing this option for all CCDF families or for only a subset of CCDF families, as long as the Lead Agency provides at least three months of continued assistance when terminating assistance.



Does the family have to provide any supporting documentation during a period of continued assistance?

No. While the Lead Agency must provide at least 3 months of continued assistance, there is no federal requirement to document that the parent is engaged in a job search or other activity related to resuming attendance in an education or training program during that time.

Is there a limit to the number of continued assistance/job search periods?

No, the Lead Agency must offer the minimum 3 month period of continued assistance each time it chooses to terminate assistance prior to the end of the eligibility period for a loss of job, training, or education.

# Resources

**CCDF Reauthorization Page** (incl. statutory & regulatory language, presentations, fact sheets, and ongoing FAQs): <https://www.acf.hhs.gov/occ/ccdf-reauthorization>

**Early Childhood Training and Technical Assistance System:** <https://childcareta.acf.hhs.gov/>

**National Center on Child Care Subsidy Innovation and Accountability:**  
<https://childcareta.acf.hhs.gov/centers/national-center-child-care-subsidy-innovation-and-accountability>

# State Presentation



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# State Presentation



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ADMINISTRATION FOR  
**CHILDREN & FAMILIES**



# Q & As



Thank you for all you do for  
children and families!

