



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF SOCIAL SERVICES**

December 15, 2005

TO: The Honorable Mark R. Warner

and

The Honorable Vincent F. Callahan, Jr., Chair
House Appropriations Committee

and

The Honorable John H. Chichester, Chair
Senate Finance Committee

Study Mandate

This status report is submitted pursuant to Item 362 B of the 2005 Appropriations Act. Item 362 B requires that child care appropriations be administered on a sliding fee scale to income eligible families. Item 362 B further requires that:

"The Department of Social Services shall report on the sliding fee scale and eligibility criteria adopted by the Board of Social Services by December 15 of each year."

Background

The General Assembly requires the State Board of Social Services to establish rules and regulations for the sliding fee scale and eligibility criteria for child care services. These sliding fee scale regulations and eligibility criteria are required to adjust for variations in the local cost of living index by metropolitan statistical areas.

The State Board of Social Services first established rules and regulations governing the sliding fee scale for Fee System Child Care in October 1997. Since 1998, local departments of social services have been assigned to one of three assistance groups based on Standard

Metropolitan Statistical Areas, in order to reflect statewide cost of living indicators (see the attached Metropolitan Statistical Area Groupings chart). These three groups, with adjustments for family size, guide the maximum gross income limits for Fee System Child Care services.

The maximum family income limits for Fee System Child Care are based on three different percentages of the federal poverty level index: 150 percent of poverty, 160 percent of poverty, and 185 percent of poverty. Use of these three particular percentages of the federal poverty levels to establish income eligibility limits has been in effect since November 1998.

Year 2005 Update

The federal poverty levels are adjusted annually; therefore, comparable annual adjustments are made to the sliding fee scale for income eligibility thresholds. The only change in the rules and regulations for the sliding fee scale in 2005 has been to reflect the changes in the federal poverty level threshold amounts for family size, which are outlined in the chart below.

Family Size	Monthly Poverty Guidelines	GROUP I 150% of Poverty	GROUP II 160% of Poverty	GROUP III* 185% of Poverty
1	\$ 798	\$ 1,197	\$ 1,276	\$ 1,476
2	\$ 1,069	\$ 1,604	\$ 1,711	\$ 1,978
3	\$ 1,341	\$ 2,012	\$ 2,146	\$ 2,481
4	\$ 1,613	\$ 2,419	\$ 2,580	\$ 2,984
5	\$ 1,884	\$ 2,827	\$ 3,015	\$ 3,486
6	\$ 2,156	\$ 3,234	\$ 3,450	\$ 3,989
7	\$ 2,428	\$ 3,642	\$ 3,884	\$ 4,491
8	\$ 2,699	\$ 4,049	\$ 4,319	\$ 4,994

*Two localities, Fairfax and Alexandria, have waivers to provide services to families with incomes of up to 250 percent of the poverty guidelines.

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The Department of Social Services will continue to modify the sliding fee scale to reflect annual adjustments to the federal poverty level. This will assist in facilitating continued delivery of child care assistance to income eligible families throughout the Commonwealth.

Respectfully submitted,

A handwritten signature in black ink that reads "Anthony Conyers, Jr." with a stylized flourish at the end.

Anthony Conyers, Jr.
Commissioner

METROPOLITAN STATISTICAL AREA GROUPINGS

FIPS	LOCALITY	INCOME CAP GROUP
001	Accomack	I
005	Alleghany	I
007	Amelia	I
009	Amherst	I
011	Appomattox	I
015	Augusta	I
017	Bath	I
019	Bedford County/City	I
021	Bland	I
023	Botetourt	I
520	Bristol	I
025	Brunswick	I
027	Buchanan	I
029	Buckingham	I
031	Campbell	I
033	Caroline	I
035	Carroll	I
037	Charlotte	I
580	Covington	I
045	Craig	I
049	Cumberland	I
590	Danville	I
051	Dickenson	I
057	Essex	I
063	Floyd	I
067	Franklin County	I
620	Franklin City	I
069	Frederick County	I
640	Galax	I

METROPOLITAN STATISTICAL AREA GROUPINGS

FIPS	LOCALITY	INCOME CAP GROUP
071	Giles	I
077	Grayson	I
081	Greensville/Emporia	I
083	Halifax	I
660	Harrisonburg	I
089	Henry	I
091	Highland	I
097	King & Queen	I
101	King William	I
103	Lancaster	I
105	Lee	I
109	Louisa	I
111	Lunenburg	I
680	Lynchburg	I
113	Madison	I
690	Martinsville	I
117	Mecklenburg	I
119	Middlesex	I
121	Montgomery	I
125	Nelson	I
131	Northampton	I
133	Northumberland	I
720	Norton	I
135	Nottoway	I
137	Orange	I
139	Page	I
141	Patrick	I
143	Pittsylvania	I
147	Prince Edward	I

METROPOLITAN STATISTICAL AREA GROUPINGS

FIPS	LOCALITY	INCOME CAP GROUP
155	Pulaski	I
750	Radford	I
157	Rappahanock	I
159	Richmond County	I
770	Roanoke	I
161	Roanoke County	I
163	Rockbridge/Buena Vista/Lexington	I
165	Rockingham	I
167	Russell	I
169	Scott	I
171	Shenandoah	I
173	Smyth	I
175	Southampton	I
790	Staunton	I
181	Surry	I
183	Sussex	I
185	Tazewell	I
191	Washington	I
820	Waynesboro	I
193	Westmoreland	I
840	Winchester	I
195	Wise	I
197	Wythe	I
003	Albemarle	II
036	Charles City	II
540	Charlottesville	II
041	Chesterfield/Colonial Heights	II
550	Chesapeake	II

METROPOLITAN STATISTICAL AREA GROUPINGS

FIPS	LOCALITY	INCOME CAP GROUP
053	Dinwiddie	II
065	Fluvanna	II
073	Gloucester	II
075	Goochland	II
079	Greene	II
650	Hampton	II
085	Hanover	II
087	Henrico	II
670	Hopewell	II
093	Isle of Wight	II
095	James City	II
115	Mathews	II
127	New Kent	II
700	Newport News	II
710	Norfolk	II
730	Petersburg	II
740	Portsmouth	II
145	Powhatan	II
149	Prince George	II
770	Richmond City	II
800	Suffolk	II
810	Virginia Beach	II
830	Williamsburg	II
199	York-Poquoson	II
510	Alexandria	III
013	Arlington	III
043	Clarke	III
047	Culpeper	III
059	Fairfax City/County	III

METROPOLITAN STATISTICAL AREA GROUPINGS

FIPS	LOCALITY	INCOME CAP GROUP
061	Fauquier	III
630	Fredericksburg	III
099	King George	III
107	Loudoun	III
683	Manassas City	III
685	Manassas Park	III
153	Prince William	III
177	Spotsylvania	III
179	Stafford	III
187	Warren	III