



# COMMONWEALTH of VIRGINIA

## DEPARTMENT OF SOCIAL SERVICES

### *Office of the Commissioner*

Anthony Conyers, Jr.  
COMMISSIONER

December 15, 2006

#### **MEMORANDUM**

**TO:** The Honorable Timothy M. Kaine  
Governor of Virginia  
  
The General Assembly of Virginia

**FROM:** Anthony Conyers, Jr. *Anthony Conyers Jr.*

**SUBJECT:** Annual Report on Child Care Sliding Fee Scale

#### **Study Mandate**

This status report is submitted pursuant to the Item 334 M of the 2006 Appropriations Act. Item 334 M requires that child care appropriations be administered on a sliding fee scale to income eligible families. Item 334 M 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 subsidy 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 child care assistance 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. These three groups, with adjustments for family size, guide the maximum income limits for child care services.

The maximum family income limits for child care services are based on three different percentages of the federal poverty guidelines: 150 percent of poverty, 160 percent of poverty, and 185 percent of poverty. Use of the three particular percentages of the federal poverty guidelines to establish income eligibility limits has been in effect since November 1998. Attachment A includes a listing of the localities in each of the three standard groupings. Two localities, Fairfax and Alexandria, have waivers to use an approved alternate income eligibility scale in which the maximum family income limit is 250 percent of the federal poverty guidelines.

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

### **Year 2006 Update**

The federal poverty guidelines are adjusted annually; therefore, comparable annual adjustments are made to the sliding fee scale for income eligibility thresholds. Effective June 1, 2006, the rules for the sliding fee scale were adjusted to reflect these changes in the federal poverty guidelines for family size. These guidelines are included in Attachment B.

Effective October 1, 2006, program policy changed to comply with the federal regulations for the Child Care and Development Fund (CCDF). Previous policy did not consider the income of a “caretaker” (an individual not responsible for the support of the child according to the *Code of Virginia*) with whom a child lived when determining the family’s eligibility for child care subsidy. The federal Child Care Bureau clarified that the CCDF regulation requires that a child reside with an income-eligible family and that all of the family’s countable income be considered when determining eligibility. Child care policy has been revised to require that the income of the family with whom the child lives be counted in determining eligibility. This group is considered a priority group for child care services in Virginia, as child care assistance enables some families to care for children who may otherwise enter the foster care system. Therefore, the maximum family income limit for this group has been set at 250 percent of poverty.

AC:kc

Attachments

**CHILD CARE PROGRAM  
METROPOLITAN STATISTICAL AREA GROUPINGS**

<b>FIPS</b>	<b>LOCALITY</b>	<b>INCOME CAP GROUP</b>
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

<b>FIPS</b>	<b>LOCALITY</b>	<b>INCOME CAP GROUP</b>
620	Franklin City	I
069	Frederick County	I
640	Galax	I
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

<b>FIPS</b>	<b>LOCALITY</b>	<b>INCOME CAP GROUP</b>
141	Patrick	I
143	Pittsylvania	I
147	Prince Edward	I
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

<b>FIPS</b>	<b>LOCALITY</b>	<b>INCOME CAP GROUP</b>
540	Charlottesville	II
041	Chesterfield/Colonial Heights	II
550	Chesapeake	II
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

<b>FIPS</b>	<b>LOCALITY</b>	<b>INCOME CAP GROUP</b>
013	Arlington	III
043	Clarke	III
047	Culpeper	III
059	Fairfax City/County	III
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

**CHILD CARE PROGRAM  
ELIGIBILITY SCALE  
MAXIMUM MONTHLY INCOME LEVELS**

<b>Family Size</b>	<b>100% of Federal Poverty Guidelines</b>	<b>GROUP I 150% of Poverty</b>	<b>GROUP II 160% of Poverty</b>	<b>GROUP III 185% of Poverty</b>	<b>250% of Poverty</b>
1	\$ 817	\$ 1,225	\$ 1,307	\$ 1,511	\$ 2,042
2	\$ 1,100	\$ 1,650	\$ 1,760	\$ 2,035	\$ 2,750
3	\$ 1,383	\$ 2,075	\$ 2,214	\$ 2,560	\$ 3,459
4	\$ 1,667	\$ 2,500	\$ 2,667	\$ 3,084	\$ 4,167
5	\$ 1,950	\$ 2,925	\$ 3,120	\$ 3,608	\$ 4,875
6	\$ 2,233	\$ 3,350	\$ 3,574	\$ 4,132	\$ 5,584
7	\$ 2,517	\$ 3,775	\$ 4,027	\$ 4,656	\$ 6,292
8	\$ 2,800	\$ 4,200	\$ 4,480	\$ 5,180	\$ 7,000
9	\$ 3,083	\$ 4,625	\$ 4,934	\$ 5,705	\$ 7,420
10	\$ 3,367	\$ 5,050	\$ 5,387	\$ 6,229	\$ 7,578