

A report of the
Department of Social Services
Commonwealth of Virginia

**ANNUAL REPORT ON
CHILD CARE SUBSIDY
SLIDING FEE SCALE**

to the Governor and the
General Assembly of Virginia

December 2009



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

Anthony Conyers, Jr.
COMMISSIONER

December 15, 2009

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 Subsidy Sliding Fee Scale

I am pleased to submit the Department of Social Services' Annual Report on the Child Care Subsidy Sliding Fee Scale prepared pursuant to Item 338 J of the 2009 Appropriation Act. If you have questions or need additional information concerning this report, please contact me.

AC/lrm

Preface

Item 338 J of the 2009 Appropriation Act (Act) provides that specified general and federal funds will support subsidized child care assistance in Virginia. It requires that subsidized child care assistance programs will be administered on a sliding scale basis to income eligible families:

The sliding scale and eligibility criteria are to be set according to the rules and regulations of the State Board of Social Services, except that the income eligibility thresholds for child care assistance shall account for variations in the local cost of living index by metropolitan statistical areas. 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.

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Executive Summary

Item 338 J of the Act provides that specified general and federal funds will support subsidized child care assistance in Virginia. It requires that subsidized child care assistance be administered on a sliding scale basis to income eligible families.

The Act requires the State Board of Social Services (Board) to establish rules and regulations for the sliding fee scale and eligibility criteria for subsidized child care assistance. These sliding fee scale regulations and eligibility criteria are required to account for variations in the local cost of living index by metropolitan statistical areas.

The federal poverty guidelines are adjusted annually; therefore, comparable annual adjustments are made to the sliding fee scale for income eligibility thresholds. Effective October 1, 2009, the rules for the sliding fee scale were adjusted to reflect these changes in the federal poverty guidelines for family size. Appendix B contains the adjusted sliding fee scale for income eligibility thresholds. Appendix C contains the charts defining the metropolitan statistical area groupings.

Annual Report on Child Care Subsidy Sliding Fee Scale

Background

Item 338 J of the Act requires the Board to establish rules and regulations for the sliding fee scale and eligibility criteria for child care subsidy services in Virginia. 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 Board first established rules and regulations governing the sliding fee scale for child care subsidies in October of 1997. Since 1998, local departments of social services have been assigned to one of three assistance groups, based on metropolitan statistical area groupings, 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 subsidy services.

The maximum family income limits for child care subsidy services are based on three different percentages of the federal poverty guidelines; these percentages have been used to establish income eligibility limits since November of 1998: 150%, 160%, and 185% of federal poverty guidelines.

Two localities, Fairfax and Alexandria, have waivers to use an approved alternate income eligibility scale in which the maximum family income limit is 250% of the federal poverty guidelines.

A priority group for adults acting in loco parentis has been established. This prioritization enables some families to care for children who may otherwise enter the foster care system. The maximum family income limit for this group has been set at 250% of the federal poverty guidelines or 85% of the State Median Income for Alexandria and Fairfax.

The Department of Social Services (DSS) 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 subsidized child care assistance to income eligible families throughout the Commonwealth.

Year 2009 Update

The federal poverty guidelines are adjusted annually; therefore, comparable annual adjustments are made to the sliding fee scale for income eligibility thresholds. Effective October 1, 2009, the rules for the sliding fee scale were adjusted to reflect these changes in the federal poverty guidelines for family size. Appendix B contains the adjusted sliding fee scale for income eligibility thresholds. Appendix C contains the charts defining the metropolitan statistical area groupings.

Appendix A

Study Mandate

This report is submitted pursuant to Item 338 J of the Act that requires that subsidized child care programs will be administered on a sliding scale basis to income eligible families:

J. Out of the total appropriation for child care, \$10,626,393 from the general fund and \$52,445,805 from federal funds the first year and \$10,626,393 from the general fund and \$52,445,805 from federal funds the second year will support state child care programs which will be administered on a sliding scale basis to income eligible families. The sliding fee scale and eligibility criteria are to be set according to the rules and regulations of the State Board of Social Services, except that the income eligibility thresholds for child care assistance shall account for variations in the local cost of living index by metropolitan statistical areas. 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. The Department of Social Services shall make the necessary amendments to the Child Care and Development Funds Plan to accomplish this intent. Funds shall be targeted to families who are most in need of assistance with child care costs. Localities may exceed the standards established by the state by supplementing state funds with local funds.

Appendix B

Sliding Fee Scale for Income Eligibility Thresholds

Family Size	100% of Federal Poverty Guidelines	GROUP I 150% of Poverty	GROUP II 160% of Poverty	GROUP II 185% of Poverty	250% of Poverty
1	\$903	\$1,354	\$1,444	\$1,670	\$2,257
2	\$1,214	\$1,822	\$1,943	\$2,247	\$3,036
3	\$1,526	\$2,289	\$2,442	\$2,823	\$3,815
4	\$1,838	\$2,757	\$2,940	\$3,400	\$4,594
5	\$2,149	\$3,224	\$3,439	\$3,976	\$5,373
6	\$2,461	\$3,692	\$3,938	\$4,553	\$6,153
7	\$2,773	\$4,159	\$4,436	\$5,130	\$6,932
8	\$3,084	\$4,627	\$4,935	\$5,706	\$7,711
9	\$3,396	\$5,094	\$5,434	\$6,283	\$8,182
10	\$3,708	\$5,562	\$5,932	\$6,859	\$8,356

Appendix C

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

FIPS	LOCALITY	INCOME CAP GROUP
067	Franklin County	I
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

FIPS	LOCALITY	INCOME CAP GROUP
139	Page	I
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

FIPS	LOCALITY	INCOME CAP GROUP
036	Charles City	II
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

FIPS	LOCALITY	INCOME CAP GROUP
510	Alexandria	III
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