



# COMMONWEALTH of VIRGINIA

## DEPARTMENT OF SOCIAL SERVICES

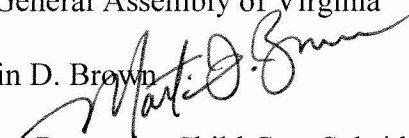
*Office of the Commissioner*

Martin D. Brown  
COMMISSIONER

December 15, 2011

### MEMORANDUM

**TO:** The Honorable Robert F. McDonnell  
Governor of Virginia  
  
The General Assembly of Virginia

**FROM:** Martin D. Brown 

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

I am pleased to submit the enclosed Department of Social Services' Annual Report on the Child Care Subsidy Sliding Fee Scale prepared pursuant to Item 327 J of the 2011 Appropriation Act. If you have questions or need additional information concerning this report, please contact me.

MB:kc

Enclosure

A report of the  
Department of Social Services  
Commonwealth of Virginia

# **CHILD CARE SUBSIDY SLIDING FEE SCALE**

to the Governor and the  
General Assembly of Virginia

December 2011

# Preface

Item 327 J of the 2011 Appropriation 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 327 J of the Appropriation Act (Appendix A) 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 Appropriation 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, 2010, 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 327 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, capped at 85% of the State Medium Income.

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 2011 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, 2010, the rules for the sliding fee scale were adjusted to reflect these changes in the federal poverty guidelines for family size. Due to only minimal changes in the Federal Poverty Guidelines, the income limits in the eligibility table did not increase except for households of 9 and 10 members at 250% of poverty. Appendix B contains the adjusted sliding fee scale for income eligibility thresholds. Appendix C contains the charts defining the metropolitan statistical area groupings. The effective date of these eligibility limits was extended to May 30, 2012 to ensure that annual adjustments were not affected during the implementation of child care automation.

# Appendix A

## Study Mandate

This report is submitted pursuant to Item 327 J of the Act that requires that subsidized child care 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.

## Appendix B

### Sliding Fee Scale for Income Eligibility Thresholds

| Family Size | 100% of Federal Poverty Guidelines | GROUP I<br>150%<br>of<br>Poverty | GROUP II<br>160%<br>of<br>Poverty | GROUP III<br>185%<br>of<br>Poverty | 250%<br>of<br>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                            | \$8,480               |
| 10          | \$3,708                            | \$5,562                          | \$5,932                           | \$6,859                            | \$8,661               |



# Appendix C

## 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                       |

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

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

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

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