



COMMONWEALTH of VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

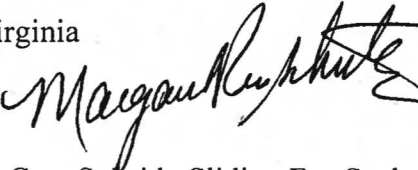
Margaret Ross Schultze
COMMISSIONER

December 15, 2014

MEMORANDUM

TO: The Honorable Terence R. McAuliffe
Governor of Virginia

General Assembly of Virginia

FROM: Margaret Ross Schultze 

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 335 (I) of the 2014 Appropriation Act. If you have questions or need additional information concerning this report, please contact me.

MRS:kc

Enclosure

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 2014

Preface

Item 335 (I) of the 2014 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 335 (I) of the 2014 Appropriations Act (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 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, 2013, the rules for the income eligibility scale were adjusted to reflect these changes in the federal poverty guidelines for family size. Appendix B contains the adjusted scale for income eligibility thresholds. Appendix C contains charts defining the metropolitan statistical area groupings.

Annual Report on Child Care Subsidy Sliding Fee Scale

Background

Item 335 (I) of the 2014 Appropriation Act 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 in Virginia, and to submit an annual report (Appendix A). 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 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, 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.

The Department of Social Services will continue to modify the sliding fee scale to reflect 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 2014 Update

Families requesting child care assistance must meet the following eligibility criteria:

- The family must be involved in an approved activity, work or education and training, and need child care services in order to continue in that activity.
- The children must be younger than ^{thirteen} 13 years of age.
- Children who have special needs may be eligible to receive services up to eighteen (18) years of age.
- The children must be citizens of the United States or legal aliens.
- Children and parents must be residents of the Commonwealth and the locality in which they apply.
- Children must meet immunization requirements.

- Families must meet financial eligibility criteria as outlined below and in Appendices B - D.

Effective October 1, 2013, the rules for the income eligibility scale were adjusted to reflect changes in the federal poverty guidelines for family size. In September 2014, the child care subsidy program implemented a new family co-payment scale. The family co-payment scale works in conjunction with the sliding fee scale for income eligibility; both are based on family size and income and adjusted annually based on the state median income and federal poverty guidelines. Prior to September 2014, the sliding fee scale for income eligibility was updated annually on October 1. With the addition of the new family co-payment scale, there has been a change to the time line for adjustments to the sliding fee scale for income eligibility. The sliding fee scale for income eligibility will now be adjusted along with the family co-payment scale to become effective June 1 of each year, to coincide with the local fiscal year.

Appendix B contains the adjusted sliding fee scale for income eligibility thresholds adopted October 1, 2013. Appendix C contains the charts defining the metropolitan statistical area groupings. Appendix D contains the family co-payment scale adopted September 1, 2014.

Appendix A

Study Mandate

This report is submitted pursuant to Item 335 (I) of the 2014 Appropriation 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
Child Care Subsidy Program
Sliding Fee Scale for Income Eligibility Thresholds
Maximum Monthly Income Level

Family Size	100% of Federal Poverty Guidelines	GROUP I 150% of Poverty	GROUP II 160% of Poverty	GROUP III 185% of Poverty	*250% of Poverty
1	\$958	\$1,437	\$1,532	\$1,772	\$2,394
2	\$1,293	\$1,939	\$2,068	\$2,392	\$3,232
3	\$1,628	\$2,442	\$2,604	\$3,011	\$4,069
4	\$1,963	\$2,944	\$3,140	\$3,631	\$4,907
5	\$2,298	\$3,447	\$3,676	\$4,251	\$5,744
6	\$2,633	\$3,949	\$4,212	\$4,871	\$6,582
7	\$2,968	\$4,452	\$4,748	\$5,490	\$7,419
8	\$3,303	\$4,954	\$5,284	\$6,110	\$8,257
9	\$3,638	\$5,457	\$5,820	\$6,730	\$9,000
10	\$3,973	\$5,959	\$6,356	\$7,350	\$9,191

FFY 2014 Poverty Guidelines - Federal Register, vol.78, No 16, Thursday, January 24, 2013, page 5,182-5,183.

Income not to exceed 85% of state median income (SMI) published in the Federal Register, Vol. 78, No. 94, Wednesday, May 15, 2013 page 25,597-25,599.

* Eligibility is set at 250 percent of the Federal Poverty Guidelines for families residing in Fairfax and Alexandria and in all localities, if the applicant or recipient is an individual who is not financially responsible for the child under Virginia law, eligibility is set at 250 percent of the Federal Poverty Guidelines (capped at 85% of SMI).

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	
620	Franklin City	
069	Frederick County	
640	Galax	
071	Giles	
077	Grayson	
081	Greensville/Emporia	
083	Halifax	
660	Harrisonburg	
089	Henry	
091	Highland	
097	King & Queen	
101	King William	
103	Lancaster	
105	Lee	
109	Louisa	
111	Lunenburg	
680	Lynchburg	
113	Madison	
690	Martinsville	
117	Mecklenburg	
119	Middlesex	
121	Montgomery	
125	Nelson	
131	Northampton	
133	Northumberland	
720	Norton	

FIPS	LOCALITY	INCOME CAP GROUP
135	Nottoway	I
137	Orange	I
139	Page	I
141	Patrick	I
143	Pittsylvania	I
147	Prince Edward	I
155	Pulaski	I
750	Radford	I
157	Rappahannock	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

FIPS	LOCALITY	INCOME CAP GROUP
195	Wise	I
197	Wythe	I
003	Albemarle	II
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
760	Richmond City	II

FIPS	LOCALITY	INCOME CAP GROUP
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
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

*Eligibility is set at 250 percent of the Federal Poverty Guidelines for families residing in Fairfax and Alexandria (capped at 85% of SMI).

FAMILY CO-PAYMENT SCALE FOR CHILD CARE SUBSIDY

Monthly Income Levels by Percent of Poverty and Household Size																					
Percent of Poverty	Number of Household Members																			Co-Payment Percentage	
	2	3	4	5	6	7	8	9 ¹	10 ¹	11 ¹	12 ¹	13 ¹	14 ¹	15 ¹	16 ¹	17 ¹	18 ¹	19 ¹	20 ¹		
0-100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	5.0%
>100% - <=125%	\$1,294	\$1,628	\$1,963	\$2,298	\$2,633	\$2,968	\$3,303	\$3,638	\$3,973	\$4,308	\$4,643	\$4,978	\$5,313	\$5,648	\$5,983	\$6,318	\$6,653	\$6,988	\$7,323	\$7,658	6.0%
>125% - <=150%	\$1,617	\$2,036	\$2,455	\$2,873	\$3,292	\$3,711	\$4,130	\$4,548	\$4,967	\$5,386	\$5,805	\$6,223	\$6,642	\$7,061	\$7,480	\$7,898	\$8,317	\$8,736	\$9,155	\$9,574	7.0%
>150% - <=160%	\$1,940	\$2,443	\$2,945	\$3,448	\$3,950	\$4,453	\$4,955	\$5,458	\$5,960	\$6,463	\$6,965	\$7,468	\$7,970	\$8,473	\$8,975	\$9,478	\$9,980	\$10,483	\$10,985	\$11,488	8.0%
>160% - <=185%	\$2,069	\$2,605	\$3,141	\$3,677	\$4,213	\$4,749	\$5,285	\$5,821	\$6,357	\$6,893	\$7,429	\$7,965	\$8,501	\$9,037	\$9,573	\$10,109	\$10,645	\$10,914	\$10,914	\$11,106	9.0%
>185% - <=250%	\$2,393	\$3,012	\$3,632	\$4,252	\$4,872	\$5,491	\$6,111	\$6,731	\$7,351	\$7,970	\$8,590	\$9,210	\$9,830	\$10,449	\$10,340	\$10,531	\$10,723	\$10,914	\$10,914	\$11,106	10.0%
100% of Poverty-FY 2014	\$1,293	\$1,628	\$1,963	\$2,298	\$2,633	\$2,968	\$3,303	\$3,638	\$3,973	\$4,308	\$4,643	\$4,978	\$5,313	\$5,648	\$5,983	\$6,318	\$6,653	\$6,988	\$7,323	\$7,658	
85% of SMI Published on 05/15/13	\$4,340	\$5,361	\$6,383	\$7,404	\$8,425	\$9,446	\$10,467	\$11,488	\$12,509	\$13,530	\$14,551	\$15,572	\$16,593	\$17,614	\$18,635	\$19,656	\$20,677	\$21,698	\$22,719	\$23,740	

Appendix D
Family Co-Payment Scale

¹Income level not to exceed 85% of state median income or 250% of poverty.
 Note: Virginia state median income posted in the Federal Register, Vol. 78, No. 94, Wednesday, May 15, 2013 page 28, 597-28,599.
 Note: FY 2014 Poverty Guidelines - Federal Register, Vol.78, No 16, Thursday, January 24, 2013, page 5,182-5,183. For a household greater than 8 add \$4,020 for each additional person.