

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section(s):**

**11.385**

**Program Name: Child Care Subsidy Program**

**Program is found in the following core budget(s): Child Care Subsidy Program**

### **1a. What strategic priority does this program address?**

Quality child care for working parents.

### **1b. What does this program do?**

The Children's Division Child Care Subsidy Program assists families with breaking the cycle of poverty and achieving self-sufficiency by providing access to affordable care for their children. The program provides financial assistance for child care services through the payment of full or partial child care costs for eligible families based on a sliding scale fee system. Providing child care prevents children from being left in inappropriate, unsafe, or unsupervised environments. The program is funded with the federal Child Care Development Fund (CCDF) block grant.

#### Traditional Child Care

The Child Care Subsidy Program assists families achieve and maintain self-sufficiency and Parents and other caretakers participating in job training, educational activities, or employment, depend on available, affordable, and accessible child care. DSS child care subsidies support parents receiving Temporary Assistance benefits, those with low incomes, or families receiving child welfare services. Parents are required to share in the cost through a sliding fee scale based on household income. Parents are also responsible for paying the difference between the provider's actual charge and the state maximum payment rate. Sliding fees are waived for special needs children receiving child care, known as traditional child care through the Children's Division. The current income eligibility limit for a three (3) person traditional household is 138% of the Federal Poverty Level (FPL).

#### Transitional Child Care

Transitional Child Care provides a gradual phase-out for families with increasing income who have been receiving traditional child care subsidy. Since 2009, an expanded child care eligibility up to 215% of the federal poverty level has been available to families receiving traditional child care whose income exceeds the 138% FPL. TCC households have an increased share in the cost of care due to their increased income and continued eligibility. With core funding the income thresholds for Child Care subsidies are a full benefit for individuals with an income which is less than or equal to 138% of the federal poverty level; a benefit of 75% for individuals with an income which is less than or equal to 165% of the federal poverty level but greater than 138%; a benefit of 50% for individuals with an income which is less than or equal to 190% of the federal poverty level but greater than 165%; and a benefit of 25% for individuals with an income which is less than or equal to 215% of the federal poverty level but greater than 190%. Families are responsible for the 25%, 50%, or 75% of the child care expense, respectively. With CARES Act funding, the transitional benefit was increased to a benefit of 80% for individuals with an income which is less than or equal to 175% of the federal poverty level but greater than 138%; a benefit of 60% for individuals with an income which is less than or equal to 215% of the federal poverty level but greater than 176%. Families are responsible for the 20% and 40% of the child care expense, respectively. The program's income eligibility guidelines may decline at a proportionate rate when the FPL is adjusted each year.

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### Temporary Child Care Subsidy Benefit - Job Search

Allows families looking for work due to COVID-19 to receive child care subsidy for 60 days if they meet all programmatic requirements. Families apply through the Family Support Division. Application Deadline is May 2021 and ends July 2021.

### Full Day Authorization for School Aged Children

Allows providers to be reimbursed for a full day when caring for school aged children from August 2020 - May 2021.

### Child Care Provider Payment

Payment for child care may be paid to a legal provider as defined in Section 210.211, RSMo. Child care providers who are licensed may contract with DSS and receive reimbursement. Other legally operating providers, who register with DSS, may also receive reimbursement under certain conditions. License-exempt providers must have an exemption established by the Department of Health and Senior Services, Section for Child Care Regulation (SCCR).

Providers who care for six or fewer unrelated children must meet specific requirements including, but not limited to the following:

- Be at least eighteen years old
- Complete state and federal background fingerprint screenings on themselves through fingerprint prints
- Complete background screenings on all household members age seventeen years and older
- Test negative for tuberculosis
- Complete health and safety training

The Division pays a maximum base rate determined by geographic area, type of facility (center, group, or family home), duration of care (full, half, or partial day) and the age of the child (infant/toddler, preschool or school-age). When providers meet the following qualifications, their base rate may be enhanced:

- Providers who offer care after 7 p.m. and before 6 a.m., and/or on Saturday/Sunday may receive a 15% enhancement to their base rate
- Programs which are accredited by an accrediting organization recognized by the Department of Social Services may receive a 20% enhancement to their base rate
- Providers who care for children with special needs may receive a 25% enhancement to their base rate for that child. Special consideration is given to children with special needs. If a medical professional certifies that a child is functioning at a developmental age level lower than their chronological age, child care services for the child may be paid at the rate certified as the functional age
- Licensed providers, who are contracted with DSS and whose enrollment consists of 50% or more DSS subsidized children, may receive a 30% enhancement to their base rate
- Licensed providers, who are contracted with DSS and License Exempt Religious providers who are registered with DSS may receive a 30% enhancement to their base rate, if they are accredited or working towards becoming accredited and enrollment consists of 50% or more DSS subsidized children

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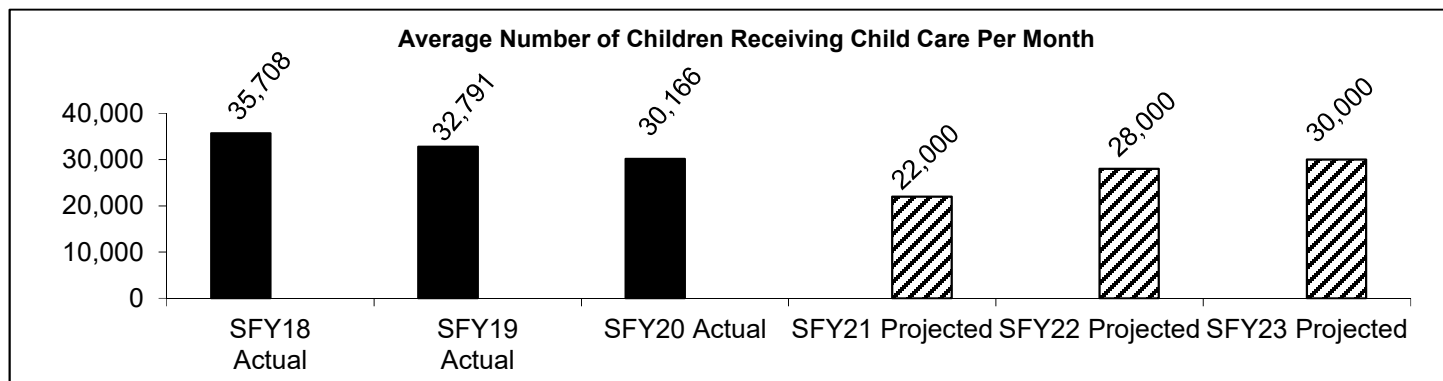
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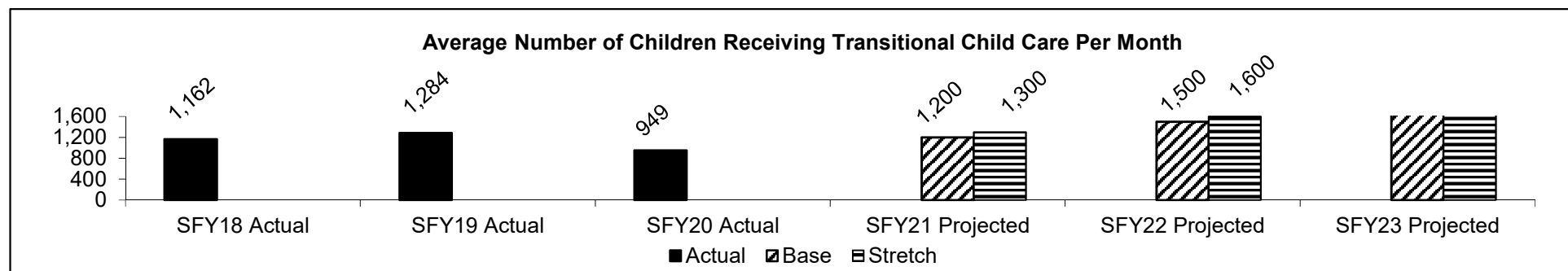
**2a. Provide an activity measure(s) for the program.**



**Eligibles:**

Under federal guidelines, children under 13 in families with income below 85% of the state median income are eligible; however, Missouri families are eligible below 57% of the state median income or below 138% of poverty. Parents must be working, attending job training, or participating in educational programs.

Note: COVID continues to impact attendance during SFY21, and may impact SFY22.



Note: Transitional will continue to increase as long as there is transitional childcare available to families who earn over 138% FPL.

**Eligibles:**

In addition to the criteria listed above, children currently under 13, in families with incomes greater than 138% and up to 175% of poverty, are eligible for a transitional benefit of 80%.

Families with incomes greater than 176% and up to 215% of poverty are eligible for a transitional benefit of 60%.

Parents must be working, attending job training, or participating in educational programs.

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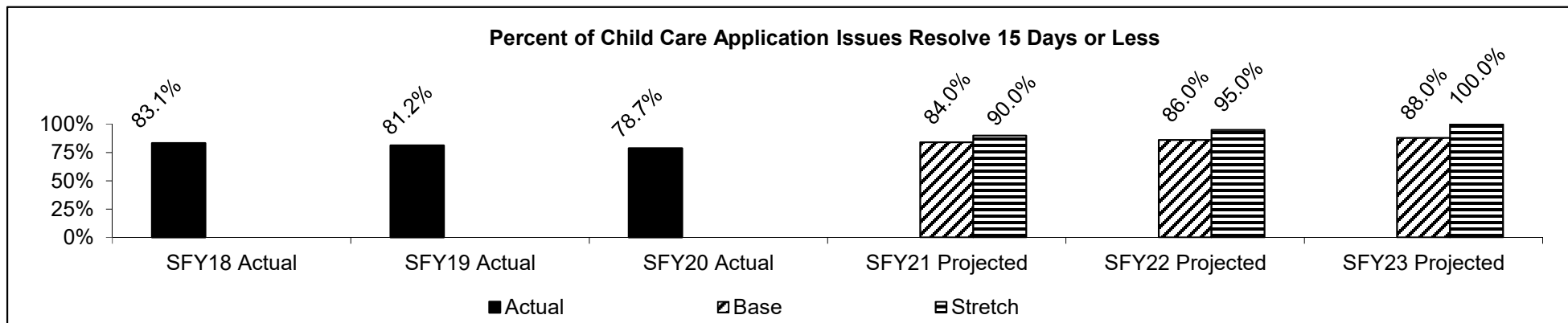
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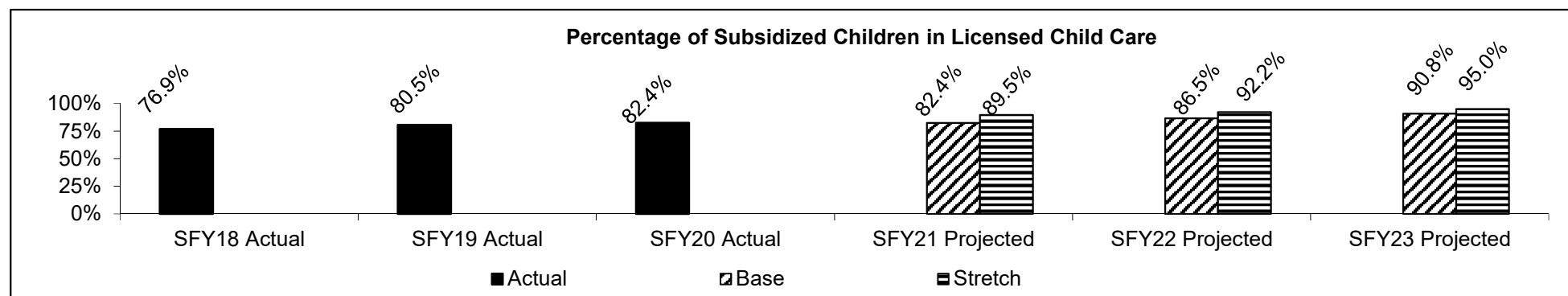
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**2b. Provide a measure(s) of the program's quality.**



**2c. Provide a measure(s) of the program's impact.**



A licensed facility has been inspected and issued a license by the Department of Health and Senior Services

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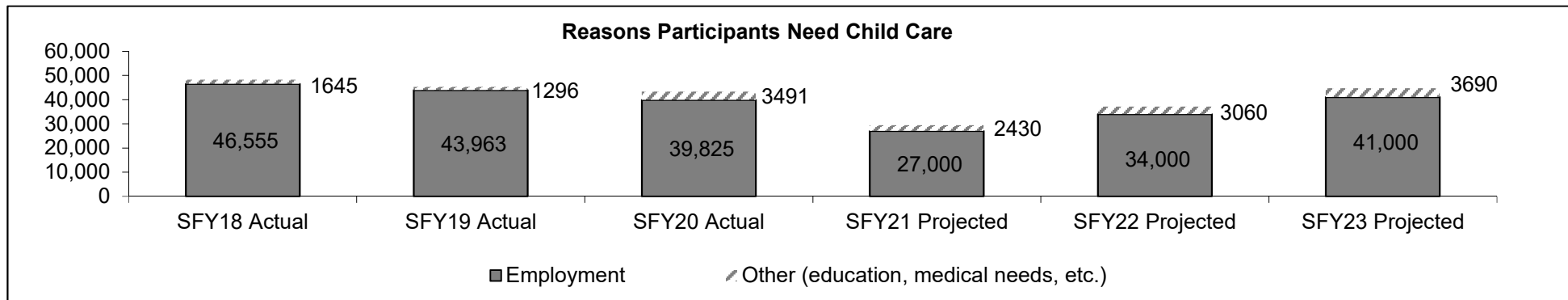
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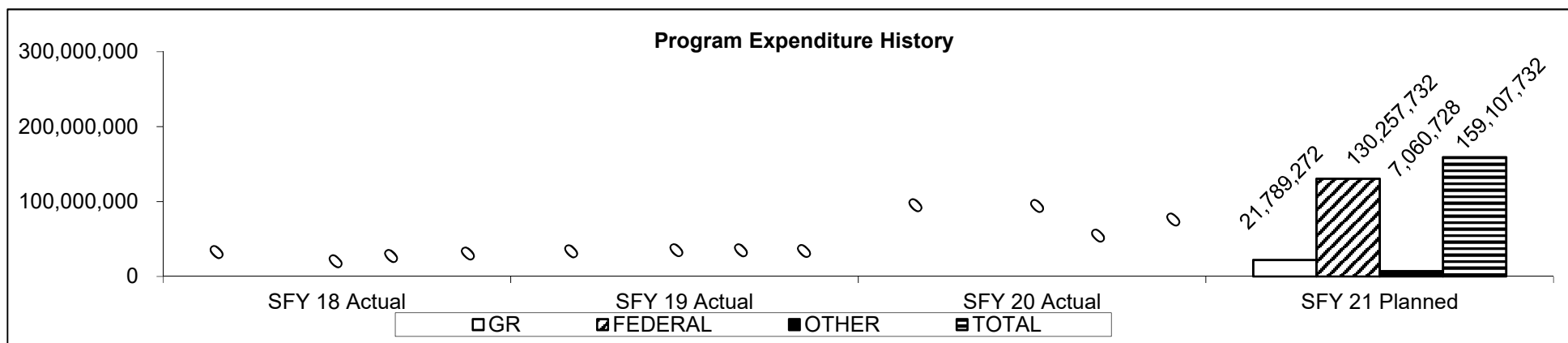
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**2d. Provide a measure(s) of the program's efficiency.**



**3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)**



Planned FY 2021 expenditures are net of reverted and reserves.

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**4. What are the sources of the "Other " funds?**

Early Childhood Development Education and Care Fund (0859)

**5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: Sections 161.215, 208.044, and 208.046, RSMo.; 13 CSR 35-32.060; Federal Regulation: 45 CFR 98.10.

**6. Are there federal matching requirements? If yes, please explain.**

Yes. The federal CCDF block grant funds subsidy and quality subsidy supports. This block grant is broken down into three types of funding: mandatory, matching, and discretionary. To receive mandatory funding, a state must maintain the Maintenance of Effort (MOE). The CCDF reimbursement rate for matching funding is the FMAP (Federal Medical Assistance Percentage). The FMAP fluctuates annually based on state and national economic and population data, but generally, the state matching requirement is around 35%, and the federal match 65%.

**7. Is this a federally mandated program? If yes, please explain.**

No.