

**Department of Human Services
Interim Health Services Committee
Senator Lee, Chairman
July 27, 2016**

Chairman Lee, members of the Interim Health Services Committee, I am Michele Gee, policy director for Child Care Assistance, Low Income Home Energy Assistance, Supplemental Nutrition Assistance and Temporary Assistance for Needy Families (TANF) programs, in the Economic Assistance Division for the Department of Human Services (Department). I am here today to provide information on the Child Care Assistance Program (CCAP).

In response to revenue forecast early in the year and the resulting budget allotment, effective April 1, 2016 the following changes were made to Child Care Assistance Program.

- Child care sliding fee schedule was revised from 85% of state median income to 60% of state median income.
 - Due to child care federal requirements, TANF families are not subject to the sliding fee schedule; therefore, were not impacted by this change.
- Family monthly co-payments were increased.
 - The family monthly co-payments are based on a percentage of the upper limit of the sliding fee schedule.

Attached is a copy of the [CCAP sliding fee schedule](#), as of April 1, 2016.

As of April 2016, the CCAP caseload was 2,049 and in June 2016 the caseload was 1,549.

New provisions in Child Care and Development Block Grant (CCDBG) Act of 2014 and proposed federal regulations for the Child Care Development

Block Grant (CCDF) include family-friendly eligibility policies that are likely to address the cliff effect. The proposed federal regulations are anticipated to be final September 2016. These eligibility policies include:

- Establishes a 12-month eligibility re-determination period for child care assistance families, regardless of changes in income (as long as income does not exceed the federal maximum of 85% of State median income (SMI)) or temporary changes in participation in work, training, or education activities. It is anticipated DHS will implement this change on October 1, 2016.
 - Child care assistance households are low-income families who are working or participating in training or education activities and in need of help with paying for child care costs.
- Parents, who lose employment, must continue to receive assistance for at least 3 months allowing time to find employment without losing eligibility for CCAP. It is anticipated DHS will implement this change on October 1, 2016.
- Provides for a graduated phase-out of assistance for families whose income has increased at the time of 12 month review for continued eligibility and who remain below the federal maximum of 85% SMI but above the state's 60% SMI. The family may receive an additional 12 months of eligibility, thereby preventing the cliff effective. It is anticipated DHS will implement with Release 2 of Spaces estimated to be August 2017. The current system cannot accommodate the programming due to the complexity of this provision.

This concludes my testimony and I would be happy to answer any questions.