

**Service Chapter:** Child Care Assistance Program 400-28

**Effective Date:** July 1, 2024

## **Overview**

Effective July 1, 2024, applications must be at or below 75% SMI as indicated on the Sliding Fee Schedule. Ongoing cases and reviews will be subject to graduated eligibility.

Homeless households will now receive a 90-day grace period.

All references to the DN 241 have been removed as the Sliding Fee Schedule has been redesigned and will be available as a dashboard on the CCAP webpage. All other references to the sliding fee schedule when referencing payments has also been updated.

## **Description of Changes**

### **1. Graduated Eligibility 400-28-25-15 – New**

Households who complete a review with income above 75% SMI, but below 85% SMI will be eligible for an additional 18 months of eligibility.

### **2. Application and Review Processing for Homeless Households 400-28-38-05 – Change**

Homeless households will now be eligible for a 90 day grace period to provide requested verifications and can receive four months of CCAP payments.

### **3. Allowable Activities for Homeless Households 400-28-38-10 – Change**

Update to change one month to four months of payments.

### **4. Verifications for Homeless Households 400-28-38-15 -Change**

Updated policy to allow for a 90 day grace period.

### **5. Prospecting Income for the Eligibility Period 400-28-75-10 - Change**

Change from 85% to 75% SMI for initial eligibility determination.

### **6. Prospecting Income for the Eligibility Period 400-28-75-10 - Update**

Reference to DN 241 removed.

**7. When Income and Allowable Income Deductions are Verified and Changed  
400-28-75-50 - Update**

Reference to DN 241 removed.

**8. Applying the Co-pay 400-28-90-15 – Update**

Reference to DN 241 removed.

**9. Child Care Sliding Fee Schedule 400-28-100-07 -Repealed**

Moved to 400-28-170 Other Forms and Documents

**10. Reporting Requirements 400-28-125-05 - Update**

Reference to DN 241 removed.

**11. Registration Fee 400-28-130-15-15 - Update**

Reference to DN 241 removed.

**12. Case Closings 400-28-145 - Update**

Reference to DN 241 removed.

## **Policy Section Updates**

### **1. Graduated Eligibility 400-28-25-15**

At the time of review, households will continue to be eligible for another 18 month period if the household's income is over the initial application income limit of 75% SMI but is under 85% SMI as indicated on the Sliding Fee Schedule.

Households are allowed one 18 month graduated eligibility period during the review cycle. At the time of second review, after being approved for a 18 month graduated eligibility period, if the household continues to be over 75% SMI, but below 85% SMI, the review is denied.

If the household is allowed an 18 month graduated eligibility period and is under 75% SMI at the time of second review, the households remains eligible for another 18 month period. This is not considered a graduated eligibility period as the household is now at or below the initial eligibility income limits. If the household would submit another review (third review) and the income is above 75% SMI, but below 85% SMI, the household is eligible for another 18 months graduated eligibility period.

At any point that CCAP closes and a household reapplies and is eligible at initial application, the household may be eligible for another 18 month graduated eligibility period at review.

Households are not limited in the number of graduated eligibility periods they may receive, as long as the periods are not consecutive.

If the household's income is above 85% SMI the review is denied.

All other eligibility criteria must be met in order to continue assistance.

#### **Example 1:**

A household submitted an application July 15th and was approved for an 18 month period effective July 1st – December 31st (of the next year). At the time of application, the household's income was below 75% SMI. The household submits a review in December and provides verification that the household's income is now over 75% SMI, but is below 85% SMI. All other eligibility criteria is met. The household is approved for another 18 month period from January 1st – June 30th (of the next year).

The household submits a second review the following June and provides verification that the household's income remains above 75% SMI but below 85% SMI. The household's review is denied as they had already received an additional 18 month period.

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**Example 2:**

A household submitted an application July 15th and was approved for an 18 month period effective July 1st – December 31st (of the next year). At the time of application, the household's income was below 75% SMI. The household submits a review in December and provides verification that the household's income is now over 75% SMI, but is below 85% SMI. All other eligibility criteria is met. The household is approved for another 18 month period from January 1st – June 30th (of the next year).

The household submits a second review the following June and provides verification that the household's income is now at or below 75% SMI. The household's review is approved for another 18 month period.

## **2. Application and Review Processing for Homeless Households 400-28-38-05**

Households who indicate on the application or review that they are homeless must be approved eligible for CCAP after an initial eligibility determination, but before mandatory verifications are received per policy at 'Non-Financial Eligibility Requirements 400-28-50'. The household must be allowed a ~~30~~90 day grace period from the date of application to supply all necessary verifications. The application or review must be approved for a ~~one~~four month eligibility period effective the month the application or review was submitted.

**Example:**

Household submits an application on September 5th. The household indicates on the application that they are homeless. Because the household indicates that they are homeless the household is authorized a ~~one~~four month eligibility period for September, October, November and December and the household is sent a notice requesting all necessary verifications that are due ~~October~~December 5th.

If it is determined that eligibility did not exist in the initial ~~30~~90 day grace period, overpayments **WILL NOT** be established for that timeframe, unless:

- The household intentionally withheld information that affected eligibility.

### 3. Allowable Activities for Homeless Households 400-28-38-10

Households may be participating in an allowable activity; however, they may self-certify their allowable activity and the number of hours they are participating in their allowable activity, if they are unable to provide income and hours verification during the grace period to provide verifications.

Self-certified income is used to determine the household's co-pay for a ~~one~~four month eligibility period. Self-certified income is budgeted the same as other CCAP cases. Refer to Converting Income 400-28-70 and Budgeting for the Child Care Assistance Program 400-28-75.

Homeless households are subject to all allowable activity requirements per policy at Allowable Activities 400-28-55-05, ~~with the following exceptions:~~.

~~Homeless households can be approved for CCAP for activity search at time of application and review. Activity search may also include activities required to find housing. When a homeless household applies and only has activity search as an allowable activity, up to 15 hours per week (part time level of care) can be approved for the caretaker. Travel and break time hours are not allowed.~~

~~In households with two caretakers, if one caretaker is in an allowable activity and the other is not, the case can be approved and the caretaker without an allowable activity will be allowed 15 hours of allowable activity per week.~~

If neither caretaker has an allowable activity, both can be allowed up to 15 hours of allowable activity per week.

The schedule of the caretaker(s) must be compared to the schedule of the child as per policy at 'Determining the Level of Care 400-28-80-50'. The lesser of the hours when all schedules are compared will be approved. The household may self-certify all schedules of all household members during the grace period.

### 4. Verifications for Homeless Households 400-28-38-15

#### Verifications Provided Timely

If verifications are provided within the 30-90 day grace period, and the household remains eligible for CCAP based on all other eligibility criteria, the household is then authorized an 12-18 month eligibility period.

~~The household may remain eligible for CCAP based activity search if no other allowable activity exists. In these situations, the household will be allowed up to three full consecutive months of activity search starting the first month of a 12-18 month eligibility period.~~

**Example:**

~~Household submitted an application on September 5th and was approved eligible based on homelessness for a one month eligibility period for the month of September. The household was approved for activity search for a one month eligibility period. The household timely provided all necessary verifications and remains eligible based on all other required eligibility requirements. However, the household's only allowable activity remains activity search. The household is determined eligible for 12 months starting October and is approved for a maximum of 15 hours per week. The household remains eligible for CCAP at the part time level of care with activity search as the allowable activity for the months of October, November and December.~~

~~Refer to policy at 'Allowable Activities 400-28-55-05' for processing of activity search as an allowable activity in ongoing cases.~~

**Verifications Not Provided Timely**

If verifications are not provided within the 30-90 day grace period, the case must be closed at the end of the month the grace period ends.

If the family reapplies for CCAP and self-certifies homelessness after the initial denial, the household is now subject to all regular CCAP requirements.

**Example:**

A household applies for CCAP and self-certifies homelessness on July 10th. The household is determined eligible for ~~one~~ four months s on July 13th without providing required verifications. Eligibility is effective July 1 through October 31st July 31. The household has 30-90 days from the date of application (July 10th) to submit required verifications (~~August~~ October 13). The household does not provide the required verifications. An 12-18 month eligibility period is not authorized and the case remains closed.

The household reapplies for CCAP on ~~August~~ November 25. Since the household did not provide the required verifications during their initial ~~30~~ 90 day grace period, the household is now subject to all regular CCAP requirements and will not be approved for another ~~one~~ four month eligibility period. On ~~September~~ December 10, the household provides all required verifications for eligibility. The household is determined eligible for an 12-18 month eligibility period.

## 5. Prospecting Income for the Eligibility Period 400-28-75-10

Gross income, **either earned or unearned**, must be determined prospectively.

Income from the following timeframes must be verified and documented at application or review:

- Income from the month prior to the application or review, and
- Income from the month of application or review through the date the application or review is received by the Human Service Zone office.

If income from the specified timeframes is NOT reflective of anticipated income for the eligibility period, the household must verify their anticipated monthly income.

Total countable household income at the time of application must be at or below 75% SMI, based on the Sliding Fee Schedule. ~~and review must be at or below 85% SMI, based on the DN 241 Sliding Fee Schedule.~~

Total countable household income at the time of review must be evaluated for graduated eligibility based on policy at Graduated Eligibility 400-28-25-15.

Prospected income amounts are rounded down to the nearest dollar.

**Note:** If an employer verifies a range of work hours, the average number of work hours verified will be used to determine the prospected income.

### Example 1:

A household applies for CCAP on November 18th. The household reports that they had a job end in October and received their last check from that job on November 5th. The household also reports that they started a new job November 10th. Income from the terminated job from October is not considered when prospecting income. Anticipated income from their new job that started in November would be used.

**Example 2:**

A household applies for CCAP on June 4th. Paystubs from May indicate that the household worked an additional 10 hours of overtime each week in May. The household verifies that they will no longer receive overtime in June or July. The income from overtime hours in May is not used when prospecting income for the eligibility period.

If the household requests assistance for the month prior to the application month, actual income, including self employment and terminated sources, received in that month must be verified and used. Income is NOT prospected for the prior month.

**Example:**

A household applies for CCAP on June 4th and requests assistance with child care costs from May. In May the household worked an additional 10 hours of overtime each week. All regular and overtime income would be considered and used for the month of May.

Ongoing CCAP households that were in receipt of Crossroads, Diversion, TANF or Transition, but are no longer participating in one of those programs will continue to have a waived co-payment for the remainder of the eligibility period.

Ongoing CCAP households that become eligible for Crossroads, Diversion, TANF or Transition will have their co-payment waived effective the first month of eligibility for one of those programs.

**Adding or Removing a Household Member**

When adding a household member during the eligibility period, all gross income and deductions of that individual is considered and must be evaluated for an increase or decrease in benefits. If it results in a decrease, the income and deductions are not added and no further action is needed. If it results in an increase, the income and deductions are added based on timely reporting. In order to allow an increase in benefits, the new household member must verify income from the following timeframes:

- Income from the month prior to joining the household, and
- Income from the month of joining the household.
- If income from the specified timeframes is NOT reflective of anticipated income for the eligibility period, the household must verify the anticipated monthly income.

If the household fails to provide verification, the previously verified amount is used and the benefit remains the same. If there is no previously verified amount (i.e. household reports paying child support and previously had not), no change is made and the benefit remains the same.

When removing a household member during the eligibility period, all gross income and deductions of that individual are removed effective the month the household member is removed from the household if it results in an increase in benefits.

## 6. Prospecting Income for the Eligibility Period 400-28-75-10

Gross income, **either earned or unearned**, must be determined prospectively.

Income from the following timeframes must be verified and documented at application or review:

- Income from the month prior to the application or review, and
- Income from the month of application or review through the date the application or review is received by the Human Service Zone office.

If income from the specified timeframes is NOT reflective of anticipated income for the eligibility period, the household must verify their anticipated monthly income.

Total countable household income at the time of application and review must be at or below 85% SMI, based on the ~~DN-244~~ Sliding Fee Schedule.

Prospected income amounts are rounded down to the nearest dollar.

**Note:** If an employer verifies a range of work hours, the average number of work hours verified will be used to determine the prospected income.

### Example 1:

A household applies for CCAP on November 18th. The household reports that they had a job end in October and received their last check from that job on November 5th. The household also reports that they started a new job November 10th. Income from the terminated job from October is not considered when prospecting income. Anticipated income from their new job that started in November would be used.

### Example 2:

A household applies for CCAP on June 4th. Paystubs from May indicate that the household worked an additional 10 hours of overtime each week in May. The household verifies that they will no longer receive overtime in June or July. The income from overtime hours in May is not used when prospecting income for the eligibility period.

If the household requests assistance for the month prior to the application month, actual income, including self employment and terminated sources, received in that month must be verified and used. Income is NOT prospected for the prior month.

**Example:**

A household applies for CCAP on June 4th and requests assistance with child care costs from May. In May the household worked an additional 10 hours of overtime each week. All regular and overtime income would be considered and used for the month of May.

Ongoing CCAP households that were in receipt of Crossroads, Diversion, TANF or Transition, but are no longer participating in one of those programs will continue to have a waived co-payment for the remainder of the eligibility period.

Ongoing CCAP households that become eligible for Crossroads, Diversion, TANF or Transition will have their co-payment waived effective the first month of eligibility for one of those programs.

**Adding or Removing a Household Member**

When adding a household member during the eligibility period, all gross income and deductions of that individual is considered and must be evaluated for an increase or decrease in benefits. If it results in a decrease, the income and deductions are not added and no further action is needed. If it results in an increase, the income and deductions are added based on timely reporting. In order to allow an increase in benefits, the new household member must verify income from the following timeframes:

- Income from the month prior to joining the household, and
- Income from the month of joining the household.
- If income from the specified timeframes is NOT reflective of anticipated income for the eligibility period, the household must verify the anticipated monthly income.

If the household fails to provide verification, the previously verified amount is used and the benefit remains the same. If there is no previously verified amount (i.e.

household reports paying child support and previously had not), no change is made and the benefit remains the same.

When removing a household member during the eligibility period, all gross income and deductions of that individual are removed effective the month the household member is removed from the household if it results in an increase in benefits.

## **7. When Income and Allowable Income Deductions are Verified and Changed 400-28-75-50**

Verification of gross income and allowable income deductions for all household members is required at application and review.

In an ongoing case, changes in gross income or allowable income deductions for existing household members are not acted upon, except in the following situations:

There is a change in income or allowable deductions that results in a decreased co-payment. Decreases in income are only acted on when the household verifies that the reduced income will continue. Reduced income will not be allowed when the household voluntarily reduces their activity hours for an allowable activity. In these situations, the previously verified income will continue to be used for the remainder of the eligibility period. If the household reports and verifies income from a new source that results in a reduced co-payment, the old income may be removed and the new income may be used.

Decreased income can be acted on when the household loses a job and then has a new job, when the employer reduces work hours without consent of the household, including termination, or when a household was working and then ends employment to attend an education activity.

The household's monthly gross income, minus allowable deductions, exceeds 85% SMI for the household size. In these situations, CCAP must be closed due to excess income. Households remain eligible for CCAP during the eligibility period as long as total countable income is at or below 85% SMI, per ~~DN-244~~ the Sliding Fee Schedule, for the determined household size.

**Note:** If the household does not anticipate that the income will continue to exceed the income limit for the household size, the household must provide verification of anticipated income and deductions.

When adding a household member, only the new household member may verify their gross income and allowable deductions. No changes in income or deductions are made for existing household members, unless one of the situations listed above applies.

## 8. Applying the Co-pay 400-28-90-15

The co-pay amount is subtracted from the State Rate to determine the State Maximum Monthly Share.

When payment is being determined, the co-pay is deducted from the lower of the state rate or amount billed on the Child Care Request for Payment.

When applying the co-pay to payments:

- The co-pay is applied to the provider who is first entered into the payment system. If there are two providers, the co-pay is applied to the first provider entered into the payment system. If any amount of the co-pay is remaining it will be applied to the second provider, etc.
- If the co-pay is greater than the lower of the State Rate or amount billed for the family, no child care payment will be made for the month.
- If the co-pay is less than the lower of the State Rate or amount billed for the family, the co-pay is deducted from the lower of the State Rate or amount billed and the remaining amount is the maximum payment that will be made.

The DN-241, Child Care Sliding Fee Schedule is included at Section 400-28-165-25.

## 9. ~~Child Care Sliding Fee Schedule 400-28-100-07~~

~~The DN 241 Child Care Sliding Fee Schedule was developed to determine cost sharing by a family and Child Care Assistance Program based on income, and the size of the family, the age of the child, type of provider and Level of Care.~~

~~The Child Care Sliding Fee Schedule includes the Level of Care (categories) based on the number of hours needed for care of the child. Child care hours used will fall into one of two Levels of Care (categories) for each child. Each Level of Care (category) has a maximum allowable weekly and monthly cap by provider type and age of child.~~

## 10. Reporting Requirements 400-28-125-05

Any change must be reported to the Human Service Zone (HSZ) office within 10 days from the date the change occurs in order to be considered timely. The first calendar day following the date the change occurs is day 1 of the 10 day reporting timeframe.

**Note:** Changes reported after business hours, on weekends or holidays will be considered received on the next business day.

Changes may be reported in writing, in person, by telephone, by fax or electronically.

Mandatory reportable changes are:

- Non-temporary loss of allowable activity
  - A non-temporary loss of allowable activity is any loss of activity that is not time limited (two week, one month, etc.) and the individual does not anticipate returning to that activity. When an individual reports a non-temporary loss of allowable activity and does not already have another allowable activity, the individual must be given three months of continued assistance before CCAP can be closed.
- State residency
- When the household's monthly gross income, minus allowable expenses, exceeds 85% SMI, per ~~DN-244~~ the Sliding Fee Schedule for its household size
- When there is no longer an eligible child in the household.

Only mandatory reportable changes may result in a case closure.

When other changes are reported, the worker must determine if the cumulative effect of the changes will result in an increase or decrease in benefits. If it results in a decrease in benefits, no further action is taken and the changes may be acted on at the next review.

If the changes result in an increase in benefits, or it is unclear what the effect on the benefits will be, verification must be obtained and a request for verification notice must be sent. The notice must include:

- The information and verifications that are needed.
- The timeframe for submitting the information and verifications (10 days from the mail date of notice).

If the household provides verification within the 10-day period, the worker must act on the reported changes when the changes result in an increase in benefits.

If the household fails to provide verification within the 10 day period, the previously verified amount of the reported change is used and the benefit remains the same. If there is no previously verified amount (i.e. household reports paying child support and previously had not), no change is made and the benefit remains the same.

If the household fails to provide verification within the 10 day period and provides verification at a later date, benefits are increased in the month the verification is received.

If a household reports multiple changes that result in an increase in benefits, only those changes that have been verified are acted on.

**Example:**

Household reports a reduced income due to a reduction in work hours and an increase in a child support deductions. The household is sent a request for verification notice requesting verification of the change. The household provides verification of the child support deduction, but not of the reduced income. The only change that can be acted on is the increase in child support deduction.

If the changes do not affect eligibility, the case file must be documented to reflect the change reported and the reason no action was taken.

**11. Registration Fee 400-28-130-15-15**

CCAP may pay for [registration fees](#) charged by Center (C,E,K,M) or Group/Family (F, G, H) type providers.

A registration fee may also be referred to as an annual enrollment fee or a deposit. These fees may only be paid when the fee is required by a provider to enroll or continue enrollment of a child in the child care setting. Fees that are charged separately from the registration fee (transportation, meals, etc.) will not be paid.

Before a registration fee can be paid, the provider must request payment through the Provider SSP. Registration fees can be paid in the month that they are incurred.

Registration fees must be submitted within 2 months following the month the fee was incurred.

**Exception:**

Registration fees incurred for the month prior to application, when assistance is requested for the prior month, must be requested within 3 months from the month the fee was incurred.

Registration fees will be paid directly to the provider. Payment for the registration fee will be received by the provider in the form identified in 'Payment to the Provider 400-28-135-15.

Registration fees can be paid once per child in a household, per calendar year. The registration fee will be paid up to the maximum amount set by the state. ~~based on the DN-241 Child Care Sliding Fee Schedule.~~ The fee will only be applied to one provider, even if the provider's fee does not meet or exceed the maximum amount set by the state.

**Example 1:**

A child is attending a center type provider. The provider requires a registration fee to enroll the child for the month of June. The provider's fee is \$100. The maximum rate the state will pay is \$150. The \$100 will be issued. Three months later, the child attends a different provider who also charges a registration fee for September. The second fee cannot be paid as a registration fee was paid in June for the child.

**Example 2:**

A child is attending a center type provider. The provider requires a registration fee to enroll the child for the month of November. The provider's fee is \$100. The maximum rate the state will pay is \$150. The \$100 will be issued. Three months later, the child attends a different provider who also charges a registration fee for February. The second fee can be paid as the previous registration fee was paid in the prior calendar year.

**Example 3:**

A child is attending a center type provider. The provider requires a deposit to enroll the child for the month of January. The provider's fee is \$140. The maximum rate the state will pay is \$150. The \$140 will be issued. While this fee is not listed as a registration fee, the deposit can be paid as it is needed to enroll the child in the child care setting.

## **12. Case Closings 400-28-145**

Cases must be closed when one or more of the following happens:

1. The caretaker(s) is no longer participating in an allowable activity and has received three months of continued assistance for activity search.
2. There is no child in the child care unit who meets the eligibility criteria.
3. The caretaker does not return a completed ~~SEN-844~~, Child Care Assistance Program Review, form by the end of the month in which the review is due.
4. If the review form is received but:
  - a. Is not submitted timely
  - b. Is incomplete and further eligibility cannot be determined
  - c. Indicates the household's income exceeds 85% SMI for the family size.
  - d. The child(ren) for whom child care is being requested is determined not to have a need.
5. The caretaker moves out of state
6. The caretaker requests that the case be closed (request to close a case may be made verbally or in writing)
7. Following the imposition of an Intentional Program Violation against an individual in the household.
8. Caretaker whose name the case is in enters a public institution.
9. Factual information exists confirming the caretaker whose name the case is in is deceased.
10. Loss of contact.
11. When the household's monthly gross income, minus allowable expenses, exceeds 85% SMI, per ~~DN-244~~ the Sliding Fee Schedule for its household size.

A notice of eligibility must be sent to close a case at the end of the current month up to the last business day of the month.

The notice must inform the household of the date of CCAP closure.

When the notice is generated the mail date will be the next business day.