

Department of Family Services

LOB #121:

CHILD CARE SUBSIDY

Purpose

The Child Care Assistance and Referral program provides financial assistance for child care on a sliding fee scale to income eligible families who are working or in training. CCAR provides County families with information about child care programs and supports them in finding and choosing care. Child care subsidies make it possible for families to enter and remain in the workforce, to progress toward and achieve self-sufficiency goals, and to access safe and reliable child care.

Description

CCAR, which has been in operation for over 25 years, assists families to find and pay for child care. Eligible families must be working, in training, or participating in the state's welfare reform initiative, VIEW/TANF. CCAR also provides assistance to families referred by Child Protective Services and Foster Care.

CCAR helps families to find care that meets the family's needs and supports children's school readiness and ongoing success. Families are also linked to a range of County and community services.

CCAR provides child care subsidies for approximately 5,000 children ages birth through 12 years each month. CCAR subsidizes child care costs based upon family eligibility. Eligible families can choose to place their child in any regulated child care center, preschool or family child care home. CCAR works with approximately 900 child care programs/vendors.

Funding for the program is comprised of federal, state and local funds. The Virginia Department of Social Services is responsible for direct payments to programs/vendors for services provided for children whose care is state funded (approximately \$23 million) and the County is responsible for direct payments to programs/vendors for services provided for children whose care is locally funded. CCAR staff is responsible for eligibility determination, placement, and case management of children whose care is state/federally funded and children whose care is locally funded.

CCAR staff is located in the Pennino Building and also provide services in Department of Family Services regional offices in the South County Center in Alexandria, Heritage Center in Annandale and Lake Anne Center in Reston. Bilingual staff is available to work with families and providers; all staff has access to the County's simultaneous translation services to assist those who speak a primary language other than English.

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Benefits

Access to affordable child care enables parents to be productive members of the workforce and helps to ensure that children are enrolled in quality early childhood and school age care that supports their school readiness and ongoing success. CCAR is a key component of the County's human services safety net. Research indicates that the employment and financial independence of parents are jeopardized when they cannot afford child care. Families may no longer be able to work in order to care for their children, or they may begin or return to dependence on welfare programs. Others may place their children in unregulated and, therefore, potentially unsafe child care settings.

Families in need of affordable child care include those with children at-risk for school failure. Child care subsidies allow working families with low incomes to afford quality early childhood education that helps young children arrive at kindergarten well prepared to succeed and helps to ensure that school age children have quality out-of-school time experiences.

CCAR relates strongly to the vision element of 'Maintaining Safe and Caring Communities', helping to ensure that children in families with low to moderate incomes are enrolled in regulated, consistent child care.

CCAR relates strongly to the vision element of 'Maintaining Healthy Economies', assisting families with low to moderate incomes to afford child care so they can work or attend training/education.

CCAR helps families achieve self-sufficiency as demonstrated by the number of families in the program who maintain or increase income while participating in CCAR. The program also works with approximately 900 family child care providers and child care centers to provide child care services to eligible children.

CCAR relates to the vision element of 'Exercising Corporate Stewardship' in the program's ongoing support of other Department of Family Services programs such as Foster Care and Child Protective Services. CCAR staff is responsible for meeting federal, state and local regulations and policies for all aspects of program administration.

Mandates

Portions of the LOB are federally and state mandated.

Mandated by the Virginia Code §§ 63.2-217; 63.2-319; 63.2-510; 63.2-611; 63.2-616 to provide low-income families with the financial resources to find and afford quality child care for their children.

The Child Care and Development Block Grant of 2014 (S.1086) reauthorized the child care and development block grant (CCDBG) program under the CCDBG Act of 1990, which is the primary source of federal funding for child care subsidies for working families with low income as well as funding to improve child care quality.

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Trends and Challenges

Fairfax County has a high labor force participation rate, with 65.6 percent of families with children birth through five and 70.5 percent of families with children ages 6 to 17 having all parents in the family in the workforce. Child care costs are particularly burdensome for families with low incomes who pay a significantly higher share of their income for care than do families with higher incomes. In Fairfax County, housing and child care expenses for a family with young children can comprise the largest share of the family's budget. In some cases the cost of child care for one child exceeds the average tuition and fees at a public college. In Fairfax County, tuition at a child care center for one infant ranges from approximately \$16,640 to \$18,824 and above per year, while the average tuition and fees at a public college in Virginia is approximately \$11,000 per year. These costs can be untenable for families in CCAR, whose median yearly income is \$27,888.

Implementation of the state's automated child care system, VaCMS, and accompanying state child care policy changes continue to pose challenges for case management. These changes also impact families as they work through the application process for subsidy services or are placed on the waiting list.

Proposed changes to the state's child care regulations are likely to negatively impact CCAR families. Changes include a new limit to a family's eligibility for sliding fee care to a total of 6 years. In addition, it will be mandatory for all families to cooperate with the Division of Child Support Enforcement unless the family can prove "good cause", which in other states has proven to be a deterrent for families applying for child care subsidies.

With the recent federal reauthorization of the Child Care and Development Block Grant (CCDBG) Act of 2014, Virginia will soon begin implementing new requirements that in some cases will be family friendly, such as providing families with a period of time for job search if they become unemployed. However, additional federal funding has not been appropriated to support implementation of the new CCDBG requirements and states are anticipating some budget impacts in the coming years.

Resources

| Category | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted |
|---|---------------------|---------------------|---------------------|
| LOB #121: Child Care Subsidy | | | |
| FUNDING | | | |
| <u>Expenditures:</u> | | | |
| Compensation | \$2,855,814 | \$2,894,912 | \$3,128,476 |
| Operating Expenses | 16,841,627 | 16,650,026 | 18,959,165 |
| Total Expenditures | \$19,697,441 | \$19,544,938 | \$22,087,641 |
| General Fund Revenue | \$1,200,010 | \$1,174,539 | \$1,200,000 |
| Net Cost/(Savings) to General Fund | \$18,497,431 | \$18,370,399 | \$20,887,641 |
| POSITIONS | | | |
| Authorized Positions/Full-Time Equivalents (FTEs) | | | |
| <u>Positions:</u> | | | |
| Regular | 52 / 52 | 52 / 52 | 52 / 52 |
| Total Positions | 52 / 52 | 52 / 52 | 52 / 52 |

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Metrics

| Metric Indicator | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate |
|--|-------------------|-------------------|-------------------|---------------------|---------------------|
| Number of children served by Child Care Assistance and Referral Program | 6,271 | 3,253 | 3,131 | 3,288 | 3,288 |
| Average subsidy expenditure for CCAR | \$5,138 | \$4,858 | \$5,056 | \$5,590 | \$5,590 |
| Percent of sliding fee families who maintained/increased income between fiscal years | 61% | 66% | 71% | 71% | 71% |
| Average number of active CCAR vendors per month | 1,148 | 999 | 947 | 900 | 850 |

Number of children served by Child Care Assistance and Referral Program

The number of children served decreased from FY 2013 to FY 2014 as the Virginia Department of Social Services (VDSS) began making direct payments to vendors for services provided to children whose care is state funded and as family cases were moved into the state system. While metrics shown in this report represent local funding data, and while VDSS is responsible for direct payments to vendors for services provided for children whose care is state funded, CCAR staff is responsible for eligibility determination, placement, and case management of both children whose care is state/federally funded and children whose care is locally funded. In FY 2015 there was a slight decrease in the number of children served locally due to the availability of additional one-time state funding.

Average subsidy expenditure for CCAR

A slight increase in the average subsidy expenditure from FY 2014 to FY 2015 as the provider contract rate increase took effect late in FY 2015. The full year effect of the rate increase will be evident in FY 2016.

Percent of sliding fee families who maintained/increased income between fiscal years

The percent of sliding fee families who maintained/increased income between fiscal years. In FY 2013 the metric used was the percent of sliding fee families who maintained/increased income from the time of initial eligibility and their annual program recertification. The metric was modified in FY 2014, showing family incomes between fiscal years, to provide consistency for sampling.

Average number of active CCAR vendors per month

The number of active CCAR vendors in FY 2014 and FY 2015 does not include vendors who participate in CCAR but who care exclusively for children whose cases are state/federally funded.