

FFY2025-2027 Child Care and Development Fund State Plan

Section 3: Child Care Affordability

CCDF subsidies make child care more affordable for eligible families, providing access to a greater range of child care options that allow parents to work, go to school, or enroll in training and they allow parents to access higher quality care options that better support children's development. CCDF requires some families participating in CCDF to pay an affordable co-payment set by the Lead Agency to cover a part of their care. But co-payments can be a significant and destabilizing financial strain on family budgets and a barrier to parent employment, and the CCDBG Act requires that the co-payment amount not be a barrier to families participating in CCDF. Lead Agencies may not set parent co-payments above 7% of family income regardless of gradual phaseout policies and regardless of the number of children receiving assistance. Lead Agencies are encouraged to set co-payments much lower than 7% to make child care more affordable for more families and have broad flexibility to waive co-payments for many participants. Lead Agencies must ensure that the total payment to a child care provider is not reduced because of families lowered or waived co-payment.

In this section, Lead Agencies will identify how they determine an eligible family's co-payment, the policies in place to waive or ensure co-payments are affordable for families, and how the Lead Agency improves access for children and families in economically and/or socially marginalized communities.

3.1 Family Co-payments

Lead Agencies must establish and periodically revise a sliding-fee scale for families receiving CCDF services that varies based on income and the size of the family to determine each family's contribution (i.e., co-payment) and does not create a barrier to receiving CCDF assistance. In addition to income and the size of the family, the Lead Agency may use other factors as appropriate when determining family contributions/co-payments. Lead Agencies may not use price of care or amount of subsidy payment in determining co-payments. Lead Agencies must ensure that the total payment to a child care provider is not reduced because of family's lowered or waived co-payment.

3.1.1 Family co-payment

Lead Agencies may not charge any family more than 7% of a family's gross income, regardless of the number of children participating in CCDF.

- a. What is the maximum percent of a family's gross income any family could be charged as a co-payment? *7%*
- b. Does the Lead Agency certify that their sliding fee scales are always based on income and family size (regardless of how many different scales they may use)

Yes.

No. If no, describe: *Family fees are based on a percentage of a family's annual gross applicable income and family size. The assessed fee is a family fee for all children in care, not a fee for each child. Family fees are*

not assessed for child care services when one of the following applies: Children who are in Georgia's Division of Family and Children Services (DFCS) custody, a parent who is 17 years of age or younger at eligibility determination, and the family's gross applicable income is at or below 10% of the poverty guidelines.

3.1.2 Sliding fee scale

Provide the CCDF co-payments for eligible families in the table(s) below according to family size for one child in care.

a. Is the sliding fee scale set Statewide?

Yes.

No. If no, describe how the sliding fee scale is set: *Enter Text*

b. Complete the table below. If the sliding fee scale is not set statewide, complete the table for the most populous locality:

| | <i>(i)</i> | <i>(ii)</i> | <i>(iii)</i> | <i>(iv)</i> | <i>(v)</i> | <i>(vi)</i> |
|-------------|---|--|--|---|---|---|
| Family size | Lowest income at initial eligibility where the family is first charged a co-pay (greater than \$0). | What is the monthly co-payment for a family of this size based on the income level in (i)? | What percentage of income is the co-payment in (ii)? | Highest income at initial eligibility where a family is charged a co-pay before a family is no longer eligible. | What is the monthly co-payment for a family of this size based on the income level in (iv)? | What percentage of income is this co-payment in (iv)? |
| 1 | <i>N/A</i> | <i>\$0</i> | <i>0.0%</i> | <i>N/A</i> | <i>\$0</i> | <i>0.0%</i> |
| 2 | <i>\$2,045/year</i> | <i>\$5.00</i> | <i>2.9%</i> | <i>\$32,381/year</i> | <i>\$188.00</i> | <i>7.0%</i> |
| 3 | <i>\$2,583/year</i> | <i>\$6.00</i> | <i>2.8%</i> | <i>\$40,000/year</i> | <i>\$233.00</i> | <i>7.0%</i> |
| 4 | <i>\$3,121/year</i> | <i>\$7.00</i> | <i>2.7%</i> | <i>\$47,619/year</i> | <i>\$277.00</i> | <i>7.0%</i> |
| 5 | <i>\$3,659/year</i> | <i>\$9.00</i> | <i>3.0%</i> | <i>\$55,239/year</i> | <i>\$322.00</i> | <i>7.0%</i> |

- c. What is the effective date of the sliding-fee scale(s)? *March 1, 2024*
- d. Provide the link(s) to the sliding-fee scale(s):
<https://caps.decal.ga.gov/assets/downloads/CAPS/AppendixD-Family%20Fee%20Assessment%20Chart.pdf>
- e. Does the Lead Agency allow providers to charge families additional amounts above the required co-payment in instances where the provider's price exceeds the subsidy payment?

No.

Yes.

If yes:

- i. Provide the rationale for the Lead Agency's policy to allow providers to charge families additional amounts above the required co-payment, including a demonstration of how the policy does not provide a barrier and promotes affordability and access for families: *The Lead Agency is committed to paying child care subsidy providers in a way that allows the greatest number of families the greatest degree of access while also ensuring long-term financial sustainability. As with other areas of policy, the Lead Agency will continuously work to balance these competing factors. Effective October 7, 2024, the first service week of the month, the temporary policy preventing providers from charging families amounts above the required co-payment will end. This change will align with new child care subsidy payment rates at the 60th percentile of the current market rate, effective on September 30, 2024. Providers will be allowed to charge families any additional amount between the total subsidy payment rate and their published rate on file. While this may place an additional burden on families, the Lead Agency also understands that preventing providers from having this option could reduce the number of providers willing to participate in the program. The Lead Agency believes that new subsidy reimbursement rates will significantly reduce the potential burden to families and allow for a better balance policy and practice to promote affordability and access.*
- ii. Provide data (including data on the size and frequency of such amounts) on the extent to which CCDF providers charge additional amounts to families: *Historically, approximately 70% of child care subsidy providers have reported charging families the additional amounts above the required co-payment. From the week starting May 17, 2021, through the week ending October 6, 2024, the Lead Agency used funding from CRRSA and ARPA to pay subsidy providers their published rate for providing child care. As a part of this change, providers were prevented from charging families any amount greater than the required co-payment. Due to this change in practice, no current data could be collected regarding the frequency of charges to families since families were not allowed to be charged. We anticipate that providers who historically charged families will return to doing so if their own public rate exceeds the total subsidy payment. Current data shows that new rates will exceed current provider rates at least 50% of the time during summer or school breaks and as much as 75%*

of the time during the school year. Based on this, we do not believe the historical trend of 70% will return. The Lead Agency will be able to monitor the potential for providers to charge families in the future to better understand what trends will become present.

3.2 Calculation of Co-Payment

Lead agencies must calculate a family's contribution (or co-payment), taking into account income and family size, and Lead Agencies may choose to consider other factors in their calculation.

3.2.1 Family co-payment calculation

- a) How is the family's contribution calculated, and to whom is it applied? Check if the fee is a dollar amount or if the fee is a percent of income below, and then check all that apply under the selection, as appropriate.
- i. The fee is a dollar amount and (check all that apply):
- The fee is per child, with the same fee for each child.
 - The fee is per child and is discounted for two or more children.
 - The fee is per child up to a maximum per family.
 - No additional fee is charged after a certain number of children.
 - The fee is per family.
 - The contribution schedule varies because it is set locally/regionally (as indicated in 1.2.1). Describe: *Enter Text*
 - Other. Describe: *Enter Text*
- ii. The fee is a percent of income and (check all that apply):
- The fee is per child, with the same percentage applied for each child.
 - The fee is per child, and a discounted percentage is applied for two or more children.
 - The fee is per child up to a maximum per family.
 - No additional percentage is charged after a certain number of children.
 - The fee is per family.
 - The contribution schedule varies because it is set locally/regionally (as indicated in 1.2.1). Describe: *Enter Text*
 - Other. Describe: *The percentage of income a family pays is determined by the ratio of the family's gross income to the most recent poverty guidelines issued by the U.S. Department of Health and Human Services. Family incomes are grouped into four tiers for determining what percent of income is assessed: 1) the copayment is waived for families at or below 10 percent of the poverty guidelines; 2) families above 10 percent and at or below 50 percent of the poverty guidelines*

are assessed a copayment of 3 percent of family income; 3) families more than 50 percent and at or below 100 percent of the poverty guidelines are assessed a copayment of 5 percent of family income; 4) families more than 100 percent of the poverty guidelines are assessed a copayment of 7 percent of family income. The family fee is assessed weekly and is rounded down to the nearest dollar. Due to this methodology, the actual percentage of income paid may differ from the nominal percent assessed.

b) Does the Lead Agency use other factors in addition to income and family size to determine each family's co-payment? Reminder: Lead Agencies may NOT use price of care or amount of subsidy payment in determining co-payments.

No.

Yes. If yes, check and describe those additional factors below.

- i. Number of hours the child is in care. Describe: *Enter Text*
- ii. Quality of care (as defined by the Lead Agency). Describe: *Enter Text*
- iii. Other. Describe: *Family fees are not assessed for child care services when one of the following applies: Children in Georgia's Division of Family and Children Services (DFCS) custody, a parent who is 17 years of age or younger at eligibility determination, and when a family's gross applicable income is at or below 10% of the poverty guidelines.*

c) Describe any other policies the Lead Agency uses in the calculation of family co-payment to ensure it does not create a barrier to access. Check all that apply:

- i. Base co-payments on only a portion of the family's income. For instance, only consider the family income over the federal poverty line.
- ii. Base co-payments on the number of children in the family and reduce a portion of the co-payments as the number of children being served increases.
- iii. Other. Describe: *The current process for the Lead Agency does not create a barrier to access.*

3.3 Waiving Family Co-Payment

3.3.1 Waiving family co-payment

The Lead Agency may waive family contributions/co-payments for many families to lower their costs and maximize affordability for families. Lead Agencies have broad flexibility in determining for which families they will waive co-payments.

Does the Lead Agency waive family contributions/co-payments?

No, the Lead Agency does not waive any family contributions/co-payments. (Skip to question 4.1.1.)

Yes. If yes, identify and describe which families have their family contributions/co-payments waived.

- i. Families with an income at or below 100% of the Federal Poverty Level for families of the same size
- ii. Families with an income above 100% but at or below 150% of the Federal poverty level for families of the same size
- iii. Families experiencing homelessness
- iv. Families with children with disabilities
- v. Families enrolled in Head Start or Early Head Start
- vi. Children in foster care or kinship care, or otherwise receiving or needing to receive protective services. Describe the policy: *CAPS Policy Manual 9.5 notes that family fees are not assessed for children who are in Georgia's Division of Family and Children Services (DFCS) custody.*
- vii. Families meeting other criteria established by the Lead Agency. Describe the policy: *CAPS Policy Manual 9.5 states that family fees are not assessed for child care services when a parent is 17 years of age or younger at eligibility determination and also when a family's gross applicable income is at or below 10% of the poverty guidelines.*