

Colorado Child Care Assistance Program Policy Manual



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Child Care Division

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INTRODUCTION

The Colorado Child Care Assistance Program (CCCAP) program provides child care to families in four social services programs. Families access Low-Income child care because they meet low income guidelines and are in an eligible activity or are teen parents in high school education programs. Other families receive child care benefits because they are eligible through Colorado Works Program, Employment First or Child Welfare Special Circumstance Child Care.

The following is a list of child care programs and their populations under CCCAP:

LOW-INCOME

- Low-income families who are in eligible activities and need help paying for child care
- Teen parents who meet the Low-income guidelines and are in school to obtain a high school diploma or GED

COLORADO WORKS (TANF)

- Colorado Works participants who need child care services to support their plan for achieving self-sufficiency

CHILD WELFARE SPECIAL CIRCUMSTANCE

- Families with an open Child Welfare case in Program Area 4, 5 or 6 who need child care
- Families who are eligible for Emergency Assistance

EMPLOYMENT FIRST

- Families receiving food stamps and enrolled in the Employment First program.

DEFINITIONS

For better understanding, this chapter of definitions is provided. The definitions are also found in regulation at section 3.903 of Staff Manual Volume 3.

Authorized care: Licensed or legally exempt child care services for which social services will authorize payment.

Certificate: A state prescribed form given to the parent and the provider of the parent's choosing which authorizes the purchase of child care and includes parental fee, payable by the parent to the provider, for children listed on the certificate. Colorado's certificates are vouchers for the purposes of the Colorado Child Care Assistance Program.

Child Care and Development Fund: Federal funds provided to states to increase the availability, affordability, and quality of child care services. Dollars from this fund provide child care assistance to families in the Low-Income program and those participating in the Colorado Works program.

Child Care Automated Tracking System (CHATS): The automated system or systems prescribed by the State to support the Child Care Assistance Program.

Child Care Fiscal Agreement: A state-prescribed Agreement between a county department of human/social services and a provider which defines the rate payable to the provider and responsibilities of the county department of social services and the provider.

Child care providers: Providers who are licensed or legally exempt including child care centers; preschools; child care homes; legally exempt care includes care in a child's own home, a relative's home, or an unrelated home where only one family's children are in care.

Child care staff: Staff who are designated by counties to provide child care subsidy services for eligible Colorado Child Care Assistance Program families.

Colorado Child Care Assistance Program (CCCAP): A program of the Division of Child Care which provides child care subsidies to families in the following programs: Low-Income, Colorado Works, and Special Circumstance. The Division of Child Care is responsible for the oversight and coordination of all child care funds and services that are awarded to the State Department of Human Services.

Colorado Works: A program of public assistance that assists participants in achieving self-sufficiency by promoting job preparation and work.

County: Refers to the county department of social/human services or other agency designated by the Board of County Commissioners as the agency responsible for the administration of the Colorado Child Care Assistance Program.

Eligible child: A child under the age of 13 years who needs child care services during a portion of the day, but less than 24 hours, and is residing with a parent (see definition below) who is working or attending a training program; or a child with special needs under the age of 18 (or up to age 19 if in high school and will graduate by the 19th birthday) and the special needs are verified with a physician's or other appropriate professional's statement, who needs child care services during a portion of the day, but less than 24 hours and is residing with a parent (see definition below) who is in an eligible program; or, a child who meets the definition under Special Circumstance Child Care. An eligible child must be either a US citizen or an alien lawfully admitted 3.140.1.

Employment: Any regularly scheduled part-time or full-time work, for which wages, salary, in-kind income or commissions are received, or financial gains received from self-employment.

Employment First: A self sufficiency program funded by the Department of Agriculture for Food Stamp recipients not participating in Colorado Works. Child care is a support service for Employment First parents who are seeking or training for employment.

Incapacitated: A physical or mental impairment which substantially reduces or precludes the person from providing care for his/her child(ren) and which is expected to last for a period of not less than 30 days. Such condition must be documented by a physician's statement or other medical verification that establishes a causal relationship between the impairment and the ability to provide child care.

Income eligible: Eligibility for child care subsidies is based on gross income and determined by measuring the family income and size against eligibility guidelines.

Low-Income Program: A child care component within the Colorado Child Care Assistance Program that targets parents who are working, looking for work or in training (county option) but who are not participants in the Colorado Works Program.

Parent: The adult caretaker(s) of an eligible child who is eligible for child care subsidies under the Low-Income program and who meets one of the following criteria: is the biological parent; is a legally-established guardian; is a caretaker relative (a blood or adoptive relative to include a brother, sister, uncle, aunt, first cousin, nephew, niece, or persons of preceding generations denoted by grand, great, or great-great; a stepparent, stepbrother, stepsister; a spouse of any person included in the preceding groups even after the marriage is terminated by death or divorce); or is an unrelated individual who is taking the place of a parent and providing financial support to the household of the child.

Parental education: Information relayed to parents about their child care options and other information related to child care.

Parental fee: A child care co-payment made by a parent to the child care provider.

Special Circumstance child care: Child care assistance to maintain children in their own homes or in the least restrictive out-of-home care when there are no other child care options available. See Staff Manual Volume 7, 7.502, Special Circumstance Child Care (12 CCR 2509-6).

Teen Parent: A parent under 19 years of age, or under 22 years of age if attending high school, or junior high/middle school, whose child was born prior to the parent's 20th birthday.

Training: Educational programs including post-secondary training for an initial Bachelor's degree or less, vocational or technical job skills training, educational activities such as GED, high school diploma, English as a Second Language, or basic skills (county option).

LOW-INCOME CHILD CARE ASSISTANCE PROGRAM

The Low-Income component of CCCAP targets families who are employed or in training. Eligible families receive assistance with child care costs to support them in their employment or training endeavors. Approximately 93% of all families enrolled in Low-Income are employed. The remaining 7% are in training, job search or teen parenting programs.

Comment [C1]: Are these numbers still correct?

COUNTY ALLOCATIONS (VOLUME 3, SECTION 3.921 A)

Counties must administer the Child Care Assistance Program in compliance with State department fiscal and program regulations and in accordance with the terms associated with their allocation. Counties will be allocated child care funds annually.

LOW-INCOME ELIGIBILITY (VOLUME 3, SECTION 3.904 A)

Low-Income households must meet the following eligibility guidelines:

1. An application must be completed and signed (Appendix A). It is not necessary for county staff to have a face to face interview with an applicant.
2. The applicant is a parent, in a one or two-parent family, who is in an eligible activity and needs help paying for child care.
3. The household has a total gross monthly income equal to or less than the maximum guideline set by the county.
4. All applicants and recipients must be residents of the county from which assistance is sought and receive.

Enter your county's income eligibility level:

Deleted: .

Table 1

Table of Maximum Income (3.904.1 C)	
Number of Persons in Family/Household	Maximum Gross Monthly Income
2	
3	
4	
5	
6	
7	
8	
9	

The county income eligibility line cannot be set below 130% of federal poverty guidelines and may not equal or exceed 225% of federal poverty guidelines. *Consolidated Child Care Pilot Program Communities/Counties, with a CDHS-Approved Waiver, have the ability to raise their eligibility level above 225% up to the federal maximum of 85% State Median Income.

COMPLETED APPLICATION (VOLUME 3, SECTION 3.904.1 A.)

A Low-Income application must be completed and signed by the applicant.

- The applicant shall become eligible effective on the date the application is completed, signed, and received by the county assuming all other eligibility criteria are met. *Counties may date stamp completed applications and make applicants eligible for child care assistance effective on the date the application was stamped.*

Example: Applicant drops off a complete and signed application dated June 1, 2001. An appointment cannot be scheduled until June 15, 2001. The agency date stamps the application on June 1, 2001. The applicant would be eligible for child care assistance beginning June 1, 2001.

- Counties with Head Start program may accept the Head Start application in lieu of the Low-Income Child Care application for those children enrolled in the Head Start program.
- For families ending their participation in the Colorado Works Program due to employment or training, a Low-Income Child Care application is not required. Initial eligibility information shall be obtained from the Colorado Works Program. These families, however, will be required to complete and sign a client responsibility form as set forth in Section 3.905,C,1 (3.904.1, A, 3).
- Written verification of all earned and unearned income is required for all applicants (with the exception of Colorado Works applicants as specified above). Written documentation must be submitted to the county department within 30 calendar days of the date of application. If written documentation is not immediately available for either the earned or unearned income, verbal verification may suffice; however, within 30 calendar days of date of application written verification must be recorded or the client is no longer eligible for child care subsidies. (3.904.1 C 3 and F 1).

Example: Once the applicant has signed an Authorization to Supply Information Form or the authorization portion of the application, a child care worker may contact an employer to verbally verify an applicant's salary until written verification can be obtained.

- Written verification of self-employment status and proof of financial gain must be submitted at time of application. Self-employed clients must maintain an

Self-employment status can be verified with copies of federal tax forms for self-employed workers. See section on self-employment.

average income that exceeds their business expenses to remain eligible (3.904.1 F 2).

- All applicants must be informed of their appeal rights at the time of application.
- Retroactive payments as the result of a back-dated authorization cannot be approved for more than 30 days. Retroactive payments may be made to the provider but not to the parent.

Denials

Once an application is received, the applicant must either be approved for benefits or be formally denied benefits. Every application received should be entered into the CHATS system. If an applicant is not eligible for Low-Income child care, s/he must receive a denial notice and be given information regarding appeal rights (3.904.1 G). A denial notice may be sent if required verifications are not submitted within 30 days as required. A denial notice should be sent if an application is pending for more than 60 days. Any denial notice sent under the Low-Income program must notify the applicant of his or her right to a county dispute resolution conference or a state level fair hearing. (3.924.3).

INCOME GUIDELINES (VOLUME 3, SECTION 3.904.1 C.)

All Low-Income clients must have a total gross monthly income that does not exceed the maximum defined by the county of residence of the applicant based on family size. *Gross monthly income* is calculated for the entire household and is defined as the sum of earned and unearned monthly income, less any verified child support payments made for children outside of the household, as outlined in Section 3.920.C.

Gross Monthly Income	
	Earned income
+	Unearned income
-	Child support payments made for children outside of the household
=	Total Gross Monthly Income

Earned Income

- *Earned income* is defined as the monthly equivalent of all earnings received (before taxes and other deductions) from employment.
- *For self-employed clients, net income is calculated by subtracting business expenses as defined in Section 3.920.A,2 from gross receipts.* When calculating the total gross monthly income, earned income is included for:

- ✓ all employed parents in the household

Some employers deduct or "garnish" child support payment made for children outside of the household from a paycheck. In this instance, the gross income should be calculated carefully such that child support payments (garnishments) are not deducted twice from gross income.

When calculating the gross monthly earned income for a **teen parent(s)**, earned income is included for:

- ✓ the teen parent applicant
- ✓ other household residents including but not limited to the legal spouse, common-law spouse, significant other (unrelated individual) of the teen parent applicant who contributes financially to the household and takes the place of a parent (3.903, "Parent"), or the biological parent of any of the children in the teen household

If a teen applicant is living with her/his parents or other adults whom the teen does not include as part of the household, do **not** include those adults' income when calculating gross monthly earned income. (3.904.1 C 2 d).

Income verification can be (3.904.1 C 3):	Income verification cannot be:
• a letter from the employer	• a client's statement

<ul style="list-style-type: none"> • check stubs or copies of checks 	<ul style="list-style-type: none"> • annual tax filing or W-2
<ul style="list-style-type: none"> • business receipts 	

For clients with more than one job, the earned income is first figured for each source of income and then totaled to calculate the total gross monthly earned income. Gross monthly earned income is calculated by:

1. determining the gross amount earned per pay period, and
2. using the appropriate formula to translate this amount into a monthly figure (see Table 2, How to Translate Income into a Monthly Figure, below)

Gross monthly earned income changes only when the salary changes. The gross monthly earned income does **not** change if the client has an additional pay period during the month. *If a parent earns \$6.00 per hour, works 40 hours per week, and is paid weekly, the salary is \$1,039.20 per month regardless of whether s/he receives 4 or 5 checks in the month.*

Table 2

How to Translate Income into a Monthly Figure	
Pay Period	Formula
Monthly <i>same amount each month</i>	Use gross salary
Monthly <i>amount differs each month</i>	Add gross salary from 3 consecutive months ÷ 3
2 times per month	Gross salary x 2
Every 2 weeks	Gross salary ÷ 2 x 4.33
Weekly	Gross salary x 4.33
Hourly	Hourly wage x hours per week x 4.33

Unearned Income

Unearned income is defined as the monthly equivalent of income received outside of the regular work income, such as social security income, veteran's benefits, or disability benefits. When calculating the gross monthly income, unearned income is included for:

- ✓ all parents in the household
- ✓ all children in the household
- ✓ all other members of the household

When calculating the gross monthly income for a **teen parent(s)**, unearned income is included for:

- ✓ the teen parent applicant
- ✓ teen spouse or significant other (unrelated individual)
- ✓ the child(ren) of the teen parent applicant

*Unearned income is **not** included for the adults with whom the teen parent applicant is living but whom the teen parent does not include as part of the household.*

For clients who receive more than one type of unearned income, the unearned income is calculated for each source and then totaled to arrive at the gross monthly unearned income. Gross monthly unearned income is calculated by:

1. determining the gross amount received each period, and
2. using the appropriate formula to translate this amount into a monthly figure (see Table 2, How to Translate Income into a Monthly Figure)

An easy way to remember what type of Social Security income is included or excluded:

Supplemental Security Income (SSI) is considered an income exclusion, **all** other social security income is considered an income inclusion.

- *When a client receives a lump sum income, it is included as income only in the month it was received. If a client receives a lump sum in January and informs you in January, you may add the lump sum to the household's other income and determine eligibility for the month of February.*
- *Lump sum awards from life insurance benefits, health insurance benefits and personal injury lawsuits shall be calculated less any amounts spent to cover illness, medical expenses or burial expenses (3.920.A, 9-10).*
- *Income from the State or county for foster care or an adoption subsidy may not be counted as unearned income (3.920.B, 12).*

Examples of lump sum payments:

- lottery winnings
- inheritance and gifts
- severance

Social Security Benefits - Income Inclusion/Exclusion Guide

Type of Benefit	Inclusion	Exclusion
Social Security Retirement Benefits	X	
Social Security Survivors' Benefits	X	
Supplemental Security Income (SSI)		X
Social Security Disability Insurance (SSDI)	X	

Child Support as Unearned Income

Child support received by the applicant for the support of members of the household is considered unearned income. Whether support payments are made regularly or sporadically, a monthly average should be calculated and added to other unearned income for the household. Irregular child support income shall be averaged over a period of time up to 12 months in order to calculate household income (3.904.1e).

Child Support Payment verification can be:
• a letter from the county DSS
• canceled checks or money order receipts
• verbal verification from the child support unit
• ACSES computer check

Irregular Income

Irregular income is income that differs in amount from month-to-month. (3.904.1 C 2 b). Some examples of irregular income are when the client:

- is not paid regularly or works on commission
- has earnings that differ with each paycheck
- receives overtime pay or a bonus
- does not have a regular work schedule
- works part-time or "on-call" hours
- receives unearned income at irregular intervals such as child support

Many Low-Income clients have irregular income.

An average gross monthly income must be calculated for the client who has an irregular income. Irregular income should first be averaged on a quarterly or three month basis. If an accurate computation cannot be made on a quarterly basis, then the client's income should be calculated by averaging on a six month basis (3.904.C 2,b). **Redeterminations are conducted every six months; as such, counties cannot require that clients submit income verification on a monthly basis. Clients may, however, choose to submit monthly income verification.**

Table 3

How to Calculate an Average Gross Monthly Income	
1.	Add gross income received from previous quarter (3 months) or previous 6 months before taxes and other deductions
2.	Translate the income into a monthly figure using formulas from Table 2
3.	+ unearned income
4.	- child support payments made for children outside of the household from previous quarter or previous 6 months
5.	÷ by 3 for a quarterly average or 6 for a 6 month average
6.	= average gross monthly income

Questions and Answers – Earned and Unearned Income

1. *How should seasonal employment income be calculated?*

Seasonal income should be averaged in a way that provides the truest picture of the client's annual income. Any calculation should include payroll/income information from both high and low earning months. For example, a seasonal agricultural worker's income may be calculated most accurately over a six-month average to include summer (high) and fall/winter (low) seasons.

2. *It can be confusing when a client gets paid weekly or every two weeks and, as a result, sometimes gets an extra check in a month. What is the best way to calculate the gross monthly income for these clients?*

Don't let an extra paycheck confuse you! Workers should total the pay stubs presented by the client then divide by the number of weeks covered by the stubs to get a weekly average. That weekly average should then be multiplied by 4.33 to obtain a monthly average. Income only changes when the rate or salary changes, not because of a 5th paycheck in a month.

Self-Employment Income (3.904.1 F 2)

For clients who claim to be self-employed, the child care worker must verify their self-employment status. This can be done through several types of documentation. The client may possess a business license issued by the city or state or have a Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service (IRS).

Self-employed applicants must maintain an average income that exceeds their business expenses to remain eligible for child care assistance.

Regardless of their licensing status, self-employed persons must file specific tax forms with the IRS. The IRS requires that self-employed persons file Schedule C, Profit or Loss From Business. Some self-employed persons may be able to file Schedule C-EZ if their business has gross receipts of under \$25,000 and expenses of \$2000 or less and they had no employees. If the client filed either of these forms for the previous year, copies would document the self-employment status of the client.

The IRS also requires that persons with \$400 of net earnings file a Schedule SE, Self-Employment Tax. This form would show the amount of self-employment tax paid for the previous year. In addition, some persons are required to estimate and pay their tax liability in advance. This is done on Form 1040-ES, Estimated Tax for Individuals. If a self-employed person calculates and pays estimated taxes on self-employment earnings, that would verify their self-employment status.

Net Profit means that income exceeds expenses regardless of the amount.

Once a child care worker has verified a client's self-employment status, the client must then prove that s/he is making a net profit. Reviewing a bookkeeper's ledger, an auditor's report or a client's balance sheet can do this.

Regardless of the information reviewed, the child care worker must be sure that the client is showing a net profit from her/his self-employment.

Earned income for self-employed clients is calculated by adding total business proceeds and subtracting allowable business deductions.

Income Inclusions (3.920 A)

Income inclusions are those items that are included when calculating the gross monthly income. An income inclusion can be either earned or unearned income. A list of income inclusions is located in Appendix C. Some examples of income inclusions are:

- Wages and salary received from employment
- Overtime pay
- Garnishments (except those for child support)
- Monetary gifts, inheritances and prizes
- Child Support payments received by the household

Income Exclusions (3.920 B)

Income exclusions are not counted as income when calculating gross monthly income. An income exclusion can be either earned or unearned income. A listing of income exclusions is located in Appendix C. Some examples of income exclusions are:

- Tax refunds
- In-kind income, such as reduced or waived rent for apartment managers in return for services rendered
- Earnings of a child
- Income earned from cooperative/work study that is part of the financial aid packet for the student

Income verification must be based on current information. Annual tax filings are not an acceptable form of income verification because they do not accurately represent hours worked and salary/wages.

Income Adjustments - Child Support Payments (3.920 C)

Verified, court-ordered child support payments for children not living in the household are deducted from the total gross monthly income prior to applying the monthly income guidelines. There must be a written verification that the child support payments are actually made. This written verification must be submitted to the county department within 30 calendar days of the date of application or when child support payments are initiated. If written documentation is not immediately available, verbal verification may suffice; however, within 30 calendar days of date of application verification must be recorded or the client is no longer eligible for child care subsidies. This verification must be made:

- at the time of initial approval of eligibility for services, and
- at the time of each redetermination of eligibility, or
- anytime there is a change in support payments, or
- when the county learns that child support payments are being made.

Child Support Payment verification can be:
• a letter from the county DSS
• canceled checks or money order receipts
• verbal verification from the child support unit
• ACSES computer check

An *eligible household* is defined as a one or two parent family who meets citizenship, income, and other eligibility criteria. A *household* consists of the following members:

- 1) the primary applicant
- 2) the legal spouse, common-law spouse, biological parent of any of the children in the household, or a significant other who contributes financially to the household and takes the place of a parent (see Section 3.903, "Parent")
- 3) a biological child, a child for whom there is legal guardianship, a child for whom the parent(s) is the caretaker relative, a child for whom the parent(s) is unrelated but is responsible for the child
- 4) other household members who are included as dependents/members on primary applicant's tax returns.

Common-Law Marriage
In Colorado, a couple is considered to be in a common-law marriage when they provide a written statement declaring that they are in a common-law marriage.

Definition of a Parent

A *parent* is defined as the adult caretaker(s) of an eligible child. The *parent* can be:

- the biological parent of the child
- a legally established guardian
- a caretaker relative, defined as:
 1. a blood or adoptive relative including a brother, sister, uncle, aunt, first cousin, nephew, niece, or persons of preceding generations denoted by grand, great, or great-great, or
 2. a stepparent, stepbrother, stepsister, or
 3. a spouse of any person included in the preceding groups even after the marriage is terminated by death or divorce
- an unrelated individual who is taking the place of a parent for an eligible child and who has obtained an affidavit from the child's biological parent or legal guardian which identifies the unrelated individual as the child's primary caretaker.

Example: A family friend (unrelated) must obtain an affidavit from the biological parent, who is not in the child's home, establishing that person as the primary caregiver. This family friend may then obtain child care assistance if all other eligibility criteria are met for their household (family friend + child).

- a parent may also be a "significant other" (unrelated individual) who
 - 1) contributes financially to the household of the child and
 - 2) takes the place of a parent.

A significant other must meet **both** the financial contribution and parenting criteria to be considered a "parent."

Definition of Single and Two Parent Households

An eligible household can be a single or two parent family. (3.904.1 D 1).

Examples of eligible *single parent households* are:

- One parent in an eligible activity
- One parent in an eligible activity and one parent involuntarily removed from the home

Examples of *involuntary removal* from the home:

- Incarceration
- Institutionalization

Examples of eligible *two parent households* include:

- One parent is in an eligible activity and the second is in an eligible activity during the same hours and cannot care for the child(ren).

- One parent is in an eligible activity and the second parent is incapacitated. The incapacitated condition must be documented by a physician's statement, or other medical verification, which establishes a causal relationship between the impairment and the ability to care for children.

Incapacitated
Incapacitated means a physical or mental impairment which substantially reduces or precludes the person from providing care for his/her children and which is expected to last not less than 30 days.

- A household in which one parent is in an eligible activity and the second parent is voluntarily absent from the home for a temporary period of time (3 months or less).
- A household where one parent is in an eligible activity and the second parent is absent from the home due to an eligible activity.

Examples of **ineligible** single or two parent households include:

- Any household that is eligible for Colorado Works or Employment First child care
- A single parent who is incapacitated
- A household that is ineligible to receive Low-Income child care subsidies because of non-payment of parental fees
- A two-parent household in which one parent is working and one parent is in training in a county that does not consider training an eligible activity
- A two-parent household where one parent is in an eligible activity, but the other parent is not. Each parent's activity is subject to all activity requirements.
- **By county option**, a household terminated for failure to meet the rule which requires that income exceed county child care costs (20% rule) unless that household can show that they now meet that rule requirement

TEEN PARENT HOUSEHOLDS

Definition of a Teen Parent

A *teen parent* is a parent who is under 19 years of age, or under 22 years of age if attending high school, GED program, or junior high/middle school, whose child was born prior to the parent's 20th birthday. (3.903).

Calculating Teen Parent Income

Do not include the income of the teen's parents even if they are living at the same residence. (3.904.1 C 2 d).

Defining the Teen Parent Household

The teen parent's household does not include the teen's parents or other adults with whom the teen is living other than the child's father.

Changes in Household Size

Temporary Changes - Some households undergo temporary changes in size, such as children visiting relatives or parents during the summer months. Other households experience permanent changes in size, such as children moving to reside with another family member. For households undergoing temporary changes, neither the parental fee nor the income ceiling should be adjusted to reflect the change in size. A temporary decrease or increase is defined as three months or less.

Permanent Changes - For households that undergo a permanent change, the parental fee and income ceiling should be adjusted to reflect the change in size.

Shared Custody Cases

Shared custody occurs when parents of a child(ren) live in separate households but maintain a specified sharing of custodial duties for the child. Written verification of the arrangements must be obtained, such as a court order or a statement signed by both parents. Child care can then be authorized on the days when the parent has the child and is participating in their eligible activity. Both parents can receive child care assistance if they each meet all other eligibility criteria.

Foster Care Cases

In the case of a family who have foster children in their care, the foster children count as additional members of the household. Income provided for the care of foster children in the home, however, should be **excluded** from household gross income calculations.

CITIZENSHIP REQUIREMENTS (VOLUME 3,3.903 "ELIGIBLE CHILD")

Children receiving care must be U.S. citizens or aliens lawfully admitted for permanent residence. Verification of alien status is necessary only when the parent indicates on the Low-Income application that the child(ren) is an alien or when it is learned and verified through outside sources (3.140.1).

The citizenship requirement does not apply to parents.

ELIGIBLE CHILD (VOLUME 3, SECTION 3.904.1 E.)

An *eligible child* is defined as:

- A child under the age of 13 years who needs child care services during a portion of the day, but less than 24 hours, and is residing with a parent who is in an eligible activity; or,

If 24-hour care is needed occasionally due to an employment-related reason, it is acceptable to authorize such care.

Special Needs Child (3.903)

- A child *with special needs* under the age of 18 or who will have graduated from high school by their 19th birthday who needs child care services (not respite care, private duty nursing, etc.) during any portion of the day but less than 24 hours and is residing with a parent who is in an eligible activity.

A *special need* is defined as a medical, physical or emotional disability that requires a higher level of care than a typical child in care. This should be clearly distinguished from *Special Circumstance child care* which is a program for child welfare cases in Program Area 4, 5, or 6 or Emergency Assistance.

Child care applications for special needs children must include a physician's or other professional's (social worker, county health nurse, psychologist) statement verifying that the child has special needs. The application is not complete if the physician's statement is not included. No child with special needs can be approved for care at a special needs rate, even on a temporary basis, if a professional's statement is not on file for the child.

When any provider cares for a special needs child and receives a higher rate because of the child's special needs, the provider must develop an individualized care plan for that child. Any rate above the county's base rate should be negotiated based on the individualized plan and the specific care needs of the child.

Children under age 13 may be approved at a regular rate until the special needs are verified and the individualized care plan is in place. For children 13 years of age and

over, special needs must be verified and the individualized care plan must be in place before care is authorized.

ELIGIBLE ACTIVITIES (VOLUME 3, SECTION 3.904.1 F.)

All parents who are eligible for Low-Income child care subsidies must be involved in one of the following activities:

- Employment
- Education (Teen parents)
- Job Search
- Training/Education (County option)

Employment

Time Limit: Child care assistance for Low-Income households is not limited as long as the household continues to meet eligibility criteria.

Income-eligible parents are eligible for child care subsidies while they are employed. *Employment* is defined as:

- Any regularly scheduled part time or full time work, for which wages, salary, in-kind income or commissions are received, or financial gains received from self-employment.

Clients can be employed on a part-time, full-time, seasonal or on-call basis. It is not the responsibility of the child care worker to evaluate the appropriateness of a client's employment.

Employment Job Training:

Job training is usually provided by an employer, such as on-the-job training or work experience. The activity can be a combination of an employer-sponsored classroom training and on-the-job. The position must include a wage during the job training or the employer must consider the client an employee.

If a parent receives wages for a work study position that is part of a financial aid/grant package, while enrolled in a training program, the child care needed for work study time is connected to training - not employment. This parent would not be eligible for child care benefits unless the county has opted to include training as an eligible activity. If the work study is not part of a financial aid/grant package, it should be considered employment. In which case, the wages earned under work study would be counted as income. If the student is working outside of work study as a "student hourly" employee, the activity is employment since the activity is outside of the financial aid package.

Misc. Employment Eligibility Information:

- An employed parent who is on a union-organized strike (not organized by employees) is eligible for child care benefits while s/he is required to walk on the picket line. Strike benefits would be counted as income in this case.
- A parent who is employed or in job training is eligible for child care benefits while s/he is required to report for jury duty.
- A parent who is employed but on workers' compensation leave can still receive child care benefits under the payment policy that allows for up to 30 days of child care when the parent is between eligible activities based on the county's approved payment policies.

Job Search (3.904.1 F 3)

Time Limit: Thirty (30) days per parent per year, beginning with the first day of job search activity.

Low-Income households, including teens, can access up to 30 days of child care subsidies within a 12 month period for job search purposes. The 30 days is based on the year that begins with a client's first day of job search and does not have to be consecutive. If a client begins job search activities but does not notify the county until a later date, the job search days begin with the client's first day of job search. After the end of the 12 months, the client becomes eligible for another 30 days of job-search child care for the next consecutive 12 months.

Each unit of child care utilized shall count as one day of job search child care, whether the unit is full-time or part-time.

For persons utilizing job search child care, the 30 days begins with the first day of job search.

New applicants or those Low-income clients who lose their jobs while in the Low-income program, will be approved and monitored by the county worker to ensure that job search activities comply with county standards.

During job-search child care, the client's parental fee may be adjusted based on the reduced income level or the parental fee can be reduced to as low as \$5.00 for hardship reasons up to six months per hardship award (although awards may extend as long as the hardship exists) upon written justification and at the discretion of the county director, during unemployment. (3.905 B 7).

Education (Teen Parents Only) (3.904.1 F 4)

Teen parents in junior high, high school or obtaining their GED can receive child care subsidies until their education is completed or until they reach age 22.

Training/Education (County Option) (3.904.1 F 4)

COUNTY POLICY: _____ County does/does not include training/education as an eligible activity per county policy number _____.

Counties have the **option of including training/education as an eligible activity** for all Low-Income clients. If a county opts to include training/education, clients may receive assistance as designated by the county up to a maximum of 48 months of child care assistance and an additional 6 months of Adult Basic Education, GED, English as a Second Language and other basic skills training.

Post secondary education can be an associate's degree or bachelor's degree but is limited to a first bachelor's degree. No advanced degrees (master's or Ph.D.) will be allowed under this activity.

If a parent receives wages for a work study position that is part of a financial aid/grant package while enrolled in a training program, work study child care is authorized under the training activity. This parent would not be eligible for child care benefits unless the county has opted to include training as an eligible activity (see below). If the work study is not part of a financial aid/grant package, it should be considered employment. In this case, the wages earned under work study are counted as income.

If a county elects to provide child care assistance to parents in training/education, the county cannot impose additional criteria or target certain types of training. If a county decides to stop providing child care assistance for training/education, the county must continue assistance to enrolled parents under designated eligibility requirements in effect when parent became enrolled. (TAKE OUT...)

Counties must notify the Colorado Department of Human Services in writing of their intention regarding Adult Training & Education, and the effective date of implementation.

For those students enrolled in post-secondary education, financial assistance through any grant or loan program for educational purposes, such as the Carl D. Perkins Vocational and Applied Technology education act, Basic Educational Opportunity grants, Supplementary Educational Opportunity grants, National Direct Student Loans, Guaranteed Student Loans, PELL grants, the PLUS program, the Byrd Honor Scholarship programs or College Work Study program (as described above) **may not** be counted as income.

The definition of one month of training is 10 units (part-time or full-time) of child care per month. In other words, if a parent uses 10 or more units of child care in a month while in training, that month counts against the total number of months of training available to the parent.

The "20%" rule (explained under the Redetermination section of this manual) does not apply to parents in training in the following situations:

- Single parent households in training are exempt from the rule
- Single parent households where the parent is in training and working *if the primary activity is determined to be training (most of the authorized child care units are connected to training)*
- Two parent households where one parent is in training and the other is employed *if one of the parents is enrolled in training as their primary activity*

Finally, counties should keep track of the number of months used for training. When the client gets close to the end of eligibility for training, the worker should discuss the situation with the clients. Tracking of months in this way is beneficial because: 1) No extra months are used for training, resulting in a recovery and 2) the parent has the opportunity to make other arrangements for child care if training is to continue.

Report # 916 is
provided to counties
with redetermination
labels as documentation
of amount needed.

Households In Which The Primary Caretaker Does Not Participate In Colorado Works But The Children Do

Households in which children are the only members participating in Colorado Works may apply for Low-Income child care. These households must undergo the application process for Low-Income child care and be determined eligible based on Low-Income child care eligibility criteria. The household does not have to refuse the TANF grant the dependent receives in order to be eligible. The TANF payment made to the child is not included when calculating the monthly gross income for the household. In effect, this household will receive Low-Income child care in addition to a TANF payment made to a dependent in the household. This household should be assessed a parental fee and should be treated as any other Low-Income household.

Example: The grandparents of a child have custody of that child and receive TANF for the child. The grandparents may receive CCCAP if all eligibility criteria are met. The grandparents would be considered "parents" under the CCCAP definition.

MISCELLANEOUS ELIGIBILITY INFORMATION

Forms Required for the Eligibility Process

The following forms must be completed for any client applying for Low-Income child care subsidies:

Forms Required for the Eligibility Process		
Form #	Form Name	Signatures Required
SS-1	Application for Child Care Services*†	Primary applicant only*†
SS-5	Client Responsibilities Agreement	Primary applicant only
Optional Forms for the Eligibility Process		
SS-3	Authorization to Supply Information	Primary applicant
	Affidavit for an Unrelated Child	Parent and Primary Applicant

*If teen parent applicant is under 18 years of age and residing with her parent, the teen's parent must co-sign the application.

† Exceptions: Colorado Works participants transferring to Low-income program OR the Head Start application in counties that elect to utilize that option.

PARENTAL FEES - LOW-INCOME FAMILIES (VOLUME 3, SECTION 3.905 B AND EMPLOYED COLORADO WORKS PARTICIPANTS.)

A *parental fee* is the co-payment made by a parent to the child care provider. This parental fee represents the parent's portion of the child care costs. The remainder of the cost of child care services is paid to the provider by the county. The parental fee becomes effective the first **full** month of care following the date of application (3.905.B, 2). Parental fees are non-refundable and should not be pro-rated for a partial month of service.

For example, if a Low-Income client submits an application for child care at the first of January and care is authorized in mid-January, then the fee would become effective February 1st. No pro-rated fee would be assessed for the month of January.

The parental fee should always be the first dollars used for child care in a month. The county pays the balance of the amount billed after deducting the parental fee whether or not the parent has actually made the payment. If the child care costs are less than the parental fee, the parent is only responsible for the cost of care.

Reduction of Parental Fees (3.905 B 7)

In some cases, due to financial hardship, the family may find it difficult to pay the parental fee. In these cases, the parental fee can be reduced to an amount not less than the minimum fee of \$5.00. County discretion should be used to determine the fee reduction. Procedures should be in place at the county level to determine what constitutes a hardship and when a parental fee can be reduced. To reduce a client's parental fee, the hardship reason must be documented in the case file and written approval must be obtained from the county director or his/her designee. A reduction of a parental fee is a **temporary** reduction for up to six months (although hardship awards may be extended if conditions causing the hardship persist).

Teen households where all parents are in junior high or high school or obtaining their GED and none of the parents are working and for whom payment of the parental fee would produce a hardship do not have to pay a parental fee (3.905 B 1).

Parents will be terminated from the program if they do not pay assessed parental fees or if an acceptable payment schedule has not been made between the provider and parent (3.908 A. 3.)

- *If parents apply for Low-Income child care after they have been terminated for non-payment of parental fees, they may access child care again only **if they pay their past due parental fees or make acceptable payment arrangements.** (3.905 B 8)*

If a family fails to pay their parental fees and the provider files a complaint with the county. It is recommended that the family should be given 30 days to resolve the

matter with the provider. If acceptable arrangements are not made in that period of time, child care benefits should be terminated with notification to the client in accordance with Section 3.924.3 (3.905 B 8).

- *If a family applies/receives Colorado Works(TANF) benefits with outstanding parental fees in the Low-Income program and the family needs child care to complete their Individual Responsibility Contract, child care shall be approved (ET). If a family goes off of TANF needing child care through the Low-Income program, they are not eligible until acceptable arrangements are made.*

Miscellaneous Parental Fee Policies

Employment First, or Special Circumstance families who become eligible for Low-Income child care do not have fees assessed until the first full month of care following the date of Low-Income eligibility.

Questions and Answers

1. *What if the client is using more than one child care provider? To whom does she pay the fee?*

The parental fee should be paid to the provider that provides the most units of child care. This is easier to manage, both for the parent and the county worker, rather than splitting the fee among two providers.

2. *What happens when the parental fee is more than the cost of care?*

The parent should pay only the cost of care. If the parental fee is frequently more than the cost of care, the parent should consider withdrawing from the program.

3. *What if a provider states that parent fees are overdue, but the parent says the parent fees are paid?*

Parents should **always** obtain some type of a receipt for payment of parent fees as documentation of payment.

4. *What if the parent changes providers mid-month and the parent fees have been paid in full?*

No parent fee would be assessed to the new provider until the next month of care.

5. *What if the parent changes providers mid-month, but fees are partially paid or not paid?*

Parent fees would then be assessed to the new provider

LOW-INCOME PROGRAM CASE MANAGEMENT

In the Low-Income component of CCCAP, case management is made up of activities that ensure a family's ongoing eligibility for the program, provide the family with assistance in child care selection decisions, refer the family to other community services as necessary, keep the family and child care provider informed about relevant child care arrangements and changes, and work closely with other CCCAP components to transition and/or coordinate services to families.

CLIENT FILE

Counties should develop their own procedures on how client files are organized. The following documents must be contained in all Low-Income files:

- original signed Application (except for ET to LI transfers)
- copy of the Client Responsibilities form
- copies of any Change of Eligibility forms submitted by clients
- Authorization to Supply Information (if completed)
- Redetermination forms
- copies of Denials or Terminations sent
- for special needs children, copies of individualized care plans and special needs verification
- verification of job search activities in compliance with county standards

Log notes or ROC sheets are part of the client's file used to add entries not included on standard forms. Any problems or difficulties parents have are indicated here, as well as any referral information, extraordinary situations, problems related to eligibility redetermination and other information useful to the child care worker.

In addition to a county client file, counties shall use the Child Care Automated Tracking System for client management. Counties who do not use CHATS as prescribed by the state will not be reimbursed (3.921 L).

Client files should be kept for three years or after a three year audit is completed.

REFERRAL TO OTHER SERVICES

Child care workers should screen applicants for non-child care assistance needs and should refer applicants to appropriate services or agencies. Clients requiring protective services must be referred immediately. Possible referrals may include:

Health Care Options:
Counties are required to discuss health insurance options with participants.
3.905.A

- resource and referral agencies
- food banks
- employment agencies
- LEAP (Low-Income Energy Assistance Program)
- consumer credit counseling
- mental health centers
- health
- low-income housing
- training agencies
- other related community services

REDETERMINATION (3.906)

Redeterminations are defined as the semi-annual evaluation of on-going eligibility in the Low-Income program. In addition to the bi-annual redetermination, clients are required to inform counties of their employment status including wage and work schedule information within 30 days (3.906 B and 3.905C2). They are also required to update information on address, provider, phone and household composition changes.

Redeterminations are conducted every six months through the mail. The following is a description of the timelines anticipated by the CHATS system. Mailing labels and a 20% report are printed at the first of the month for those clients with redeterminations due the next month. Redetermination of Eligibility forms can be mailed to parents after the first of the month (as soon as the labels and reports are printed) and should be returned to the County by the 15th of the next month. If forms are not returned, parents are ineligible effective the following month.

EXAMPLE	
ACTION	TIMELINE
Redetermination form mailed to client	6/1/01
Deadline for return to the county	7/15/01
Form not returned, mail termination notice	7/16/01
Termination for failure to return	15 days from the

	date of the notice
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DO NOT accept verbal verification of income at time of redetermination. Redeterminations **CANNOT** be done over the phone. A signed redetermination form must be submitted to the county. However, no face-to-face interview is required. Employed parents must submit written proof of employment and wage information. Self-employed parents must show a net profit from their self employment (3.904.1F2c).

If the redetermination form has not been received by the county department by the 15th of the month, or it is incomplete, then a termination notice must be sent terminating care 13 days later but no earlier than the last day of the month. As with all cases, 10 days of advance notice and 3 days for mailing is required for closing a case. On the 15th day of the month, CHATS will automatically terminate the authorization on the last day of the month for those cases that show the redetermination month to be the current month.

If a client is determined to be ineligible based on information received from the redetermination, a termination is sent on the same timeline as outlined above.

Any termination notice must clearly and accurately state the reason for the termination and be done in accordance with Section 3.924.3. Example: A termination notice is sent because a client has not submitted her redetermination. As soon as she received the notice, she immediately delivers her redetermination paperwork to her county child care worker. When the worker reviews the redetermination, she determines that the client now exceeds the income guidelines. The worker cannot close the case based on the previous termination notice. A new termination notice must be sent listing the correct reason and giving proper advance notice (3.908 B and C). If the redetermination is received but not complete, the worker must use the correct termination code indicating that the case closure is due to an incomplete redetermination rather than failure to file the redetermination.

Counties may elect to limit redeterminations to coincide with the Head Start eligibility period (3.906 E).

To implement this option, contact your local Head Start program to identify their eligibility period. You can then set redetermination time frames in CHATS accordingly.

Teen parents must submit information verifying their continued enrollment in a GED or high school diploma program at the time of redetermination. (3.609 A 2)

20% Eligibility Rule (Volume 3, Section 3.904.1 C. 4.) (County Option)

COUNTY POLICY: _____ County applies/does not apply the 20% rule.

Counties have the option of adopting the 20% rule as a county policy. The 20% rule is the requirement that the family's gross earned income must exceed the county's portion of the child care payments by 20%. (Unearned income does not count in this calculation of income.) Working families enrolled in the Low-Income component of CCCAP and whose monthly household income is above 130% of the federal poverty level, must meet the 20% rule when their first six month redetermination of eligibility is calculated and every six months thereafter.

The 20% rule cannot be applied to families at or below 130% of poverty. Counties are required by State law to provide child care services to those families.

- Families with one or two children in care must earn at least 20% more than what the county pays in child care costs.
- Families with three or more children in care must earn at least 10% more than what the county pays in child care costs.
- A county may exempt a family from the 10% requirement if five or more children are in care.
- A parent may volunteer to pay a higher parental fee in order to meet the 10% or 20% requirement.
- Families must meet the conditions of this rule to remain eligible for Low-Income assistance.
- Families who become ineligible for Low-Income assistance because of this rule, are terminated and re-apply at a later date, must meet the conditions of the rule at the time of re-application (rather than at the first six month redetermination).

A county CHATS report (Rpt #916, "6 Month Payment History") is printed at the same time monthly redetermination labels are printed. A separate page will be printed for each family with the following information: child care costs paid by the county for each child for the last six months and an average monthly child care cost for each family. The average monthly cost should be used as the amount that is compared to the family's earned income in calculating eligibility under the 20% rule. Under the average monthly child care costs, the report lists an amount that is 20% higher than the average monthly costs and an amount that is 10% higher than the average monthly cost. Two copies of the report are printed - one for the parent and one for the county.

The Division of Child Care has developed an Information Sheet for Parents that explains the 20% policy. This sheet should be mailed to parents, along with the redetermination paperwork and the CHATS report. Counties are encouraged to make copies of this form - it will not be stocked in Central Stores. A copy may be found in Appendix A.

The information sheet instructs parents to call their child care worker if their child care eligibility is questionable because of the 20% rule. The following options are available to parents:

- Parents may volunteer to increase their parental fees by the amount that would make them eligible under the 10% or 20% requirement.
- Parents with more than one child in care may volunteer to pay the child care costs for one of the children themselves.
- Parents may change their child care arrangements to reduce county costs.

A quick reference sheet, "Income Minimums Applicable Under Section 3.904.1 C 4, Staff Manual Volume 3", has been developed to assist child care workers in determining eligibility under the 20% policy.

The purpose of the parent information sheet, the quick reference sheet, and the new CHATS report is to provide relevant and timely information to county workers and parents in order to assess eligibility for Low-Income child care. Counties do not have to use the reports. However, counties must inform parents of the 20% rule when parents are accepted into Low-Income, and 20% eligibility must be determined in a timely manner when redeterminations are due.

If a Low-Income family does not meet the 20% eligibility criteria, even after exploring the options listed above, the child care worker must terminate the case.

Questions and Answers

1. *In calculating the family's income, do we include all sources of income?*
No. For purposes of determining eligibility under the 20% rule, only earned household income is counted. Unearned income, such as child support, is not counted.
2. *Does this rule affect families enrolled in training program or teens enrolled in school?*
No. This rule pertains to employed families only (except as described below).
3. *How about a one parent family where the parent is in training and employed?*
If the parent's primary activity is employment (most of the authorized child care units are connected to this activity), the parent must meet the 20% rule; if the primary activity is training, the parent does not have to meet the 20% rule.
4. *How about two parent families where one parent is in training and the other is employed?*
The rule would not pertain to these families if one of the parents is enrolled in training as their primary activity.
5. *Can parents elect to pay a higher fee, still not meet the 20% rule, and remain eligible for Low-Income assistance?*

No. The amount of the voluntary parental fee increase must be the amount that makes the family eligible under the 20% rule.

6. *If a child is receiving a higher rate, based on special needs, must the household meet the 20% rule?*

No.

7. *What happens in situations where a child is receiving school age care for 9 months (part time units) and full time care during the summer months?*

It is anticipated that the average monthly cost of care, based on 6 months of information, will address of this concern. However, if the family's redetermination period is such that three months of full time care causes the family not to meet the 20% rule, the county may waive the 20% rule.

CHANGE OF CIRCUMSTANCE (3.906)

Families must report changes to income, household size, address, or employment status within 30 days of the change. Families who do not report these changes, and are consequently found ineligible for the program, shall be terminated from the program and recoveries made.

Recoveries shall not be made for clients who remain eligible for the program, and whose monthly fees have changed (3.906 D).

Changes of providers:

Provider changes during any calendar month will not be approved without prior authorization of the county. The certificate form shall be used to notify parents, providers and other county offices of changes in subsidy (3.907 A and B).

What if a parent changes providers without notifying the agency and/or their provider?

If the parent changes providers without proper notification to the county and provider, it is up to the county whether or not they will continue to pay for care. Section 3.907 A specifically excludes counties from being required to pay in this situation.

What about parent fees?

The parent is responsible for full payment of their parental fees unless a hardship is requested. See section 3.905 B regarding "Parental Fees." If the parental fees have been paid and the parent changes providers during the month, there will be no fee established to the new provider for that month only. The normal parental fee shall begin with the new provider the following month. If it is early in the month and the

parental fee has not been paid, the parental fee can be established with the new provider.

For example, a parent changes care June 15th and has paid the parental fee in full. There will be no parent fee assessed with the new provider for the month of June. The full parental fee will begin with the new provider effective July 1st.

Example two: the parent changes providers effective June 3rd and has not yet paid June's monthly parental fee. The fee should be applied to the new provider effective June 4th in full.

MISCELLANEOUS CASE MANAGEMENT

- In a situation where the children will not require child care for a short period of time, the authorization should be closed and the case left open until the children resume care. This should occur when the children will be out of care for three months or less. For example, if the children in a family go to visit a non-custodial parent for the summer, the authorization should be terminated and the case left open. When the children return and need care, a new authorization should be set up. If longer than three months, the case shall be closed.
- The Low-Income program allows clients to have their case re-opened within 30 days of termination, without submitting a new application, if they have corrected that which was the basis for the termination.
- “With regard to services to students enrolled in grades 1 through 12, no funds may be used for services provided during the regular school day, for any services for which the students received academic credit toward graduation, or for any instructional services which supplant or duplicate the academic program of any public or private school.” (Federal Regulation: 42 USC 9858d(b))

INTERCOUNTY TRANSFERS (VOLUME 3, SECTION 3.921 D.)

Households who move from one county to another are not guaranteed continued Low-Income assistance in the new county. The following policies apply to transfers:

- The client notifies the sending county (the county in which the client currently resides) of the need to transfer services.
- The sending county contacts the receiving county (where the client is moving) to determine if the client can continue receiving services. REMEMBER INCOME ELIGIBILITY LEVELS CAN VARY FROM ONE COUNTY TO ANOTHER.
- The sending county informs the client of the decision of the receiving county. If the receiving county is able to accept the client, primarily dependent upon availability of openings, the sending county sends appropriate paperwork such as the current redetermination and log notes.
- If the receiving county accepts the client, a new application is completed.
- The counties shall negotiate the length of time the sending county will continue paying for child care. However, this length of time is not to exceed one month from the date the client moved into the receiving county.

- If the receiving county cannot accept the client, the case is terminated in accordance with Section 3.924.3 and the client is notified that they will need to apply for services in the new county as a new applicant.
- If the client does not notify the sending county of their need to transfer services, the receiving county is under no obligation to accept the client as an immediate transfer.

If a client from County A owes a provider a large sum of money and they are planning to transfer to County B, that debt transfers with the client to the receiving county and can affect the determination of eligibility. The client needs to make satisfactory repayment arrangements with the provider in County A before they can be eligible for child care benefits in County B. If no satisfactory payment arrangements are made or if payment is not made, the client is not eligible for child care subsidies.

Questions and Answers

1. *What happens when one county authorizes Low-Income child care for training and then the client moves to another county that does not recognize training as an eligible activity?*

The client will not be able to transfer their Low-Income case to the new county and will be terminated from the program. It is the client's responsibility to obtain the needed information on the new county although it is good practice to assist the client to obtain needed information.

2. *Can the same application be used when a client transfers from one county to another?*

No. A separate application must be completed for the receiving county to be kept in the client file.

3. *Can income eligibility differences between counties impact a client's ability to transfer from one county to another?*

Yes. Although a client may have been eligible in one county, she/he may not be eligible in a different county if that county has a lower income eligibility level.

TERMINATION OF CHILD CARE (3.908)

Child care benefits can be terminated for a number of reasons. A complete list of termination reasons can be found in Appendix F. When child care is terminated the client must receive notice at least ten days **in advance** of the discontinuation of benefits (3.924.3) allowing for an additional three days for mailing. If the county fails to give this advance notice, the county can be held liable for the child care costs until such advance notice is given. **The county must continue to pay child care benefits during the notice period.**

The CHATS system automatically schedules terminations for 15 days from the date of the worker's action to comply with the requirement of 10 days notice and the 3 days for mailing.

Below are some instances when a case should be terminated.

- If written verification of earned or unearned income is not available or received within the 30-day deadline, the client is no longer eligible for child care subsidies. A termination should be sent to that client. (3.904.1 F 1)
- If information from the redetermination indicates that the client is no longer income eligible, a termination notice should be sent.
- If a review of a child's attendance record indicates unexplained or frequent or consistent absences, the rules state counties shall take action to correct the problem or terminate placement (3.912 A 1 a). Therefore, counties can terminate the placement as appropriate for unexplained and/or frequent or consistent absences.

Termination of benefits to any client requires that advance notice be given and appeal information be provided. Failure to do so may result in the termination being overturned at a hearing. See the section on Client Appeals and Evidentiary Hearings.

Any termination notice must clearly and accurately state the reason for the termination.

Example: A termination notice is sent because a client has not submitted her redetermination. As soon as she received the notice, she immediately delivers her redetermination paperwork to her county child care worker. When the worker reviews the redetermination, she determines that the client now exceeds the income guidelines. The worker cannot close the case based on the previous termination notice. A new termination notice must be sent listing the correct reason and giving proper advance notice (3.908 B).

Termination notices, *unlike child care authorization certificates*, should not be mailed to providers. These notices are purely intended to inform the recipient of actions on their case. Child care certificates are the intended communication source for providers.

A copy of the termination notice should be kept in the client's file in the event of an appeal.

CLIENT APPEALS AND EVIDENTIARY HEARINGS (3.924.4 AND 3.830)

Clients must receive advance notice of termination from the Low-Income program. That notice should include information regarding the client's right to appeal the decision.

Clients have the right to appeal any adverse decision on the part of the county. The client is entitled to request a county dispute resolution conference or a state level fair hearing pursuant to Section 3.830.24.

Continuation of Benefits

If a client requests a hearing within the time limit, the client can request that benefits continue until there is a hearing decision in the county's favor. If the county prevails at hearing, the county will initiate a recovery from the client of benefits paid since the original termination date (3.830).

If an evidentiary hearing is held, the child care worker should expect to testify regarding the case and to present documents contained in the client's case file. For this reason, it is important to have all documentation complete through each step of the client's case. It should not be necessary to go back and document what happened after the fact.

CLIENT RIGHTS (3.924)

- Use or disclosure of information to anyone regarding current or previous clients is prohibited except for purposes directly connected to the administration of public assistance, welfare and related state department activities. Such activities include: administration of county child care programs (establish eligibility, determine amount and type of child care assistance to be provided, providing child care assistance), or any investigation, prosecution or criminal or civil proceeding in connection with the administration of the program (3.924.2 A and B).
- Clients have the right to confidentiality regarding all aspects of their case including information about their income, household members and their child care arrangements. No information about a particular client should be released without the express written consent of the client. (3.924.2).

- Clients have the right to have their case handled in a matter consistent with state and federal anti-discrimination laws. (3.924.1).

ELIGIBILITY FOR CHILD CARE ASSISTANCE UNDER OTHER PROGRAMS

For programs other than Low-Income Child Care Assistance, child care eligibility is determined by workers in the specific program area. For specific questions about these other program areas, contact program staff in the respective program at the State Department of Human Services.

ELIGIBILITY FOR COLORADO WORKS (TANF) CHILD CARE

Child care is a support service for families who are participating in the Colorado Works/TANF program. The eligibility for Colorado Works child care is determined by eligibility guidelines.

Children up to the age of 13 are eligible for child care. Children with special needs may receive care up to the age of 18 (or 19 if in high school and she/he will graduate by 19).

Examples of Colorado Works/TANF families who may be eligible for child care:

1. Any Colorado Works/TANF family who is participating in a Colorado Works approved activity.
2. Any family participating in either the State diversion or county diversion program. Low-income child care eligibility should be assessed for long term assistance. Special codes should be used in CHATS.
3. Colorado Works/TANF applicants who have not yet received their benefits but are required to participate in Colorado Works activities (i.e.: Assessment, job search, etc.)
4. Families in which the primary parent or caretaker has been sanctioned, but the Colorado Works/TANF case remains open, and only if they are participating in activities to lift the sanction.
5. Employed Colorado Works/TANF families who are still eligible to receive a cash assistance grant. These families are required to pay a parental fee based on the fee schedule in Appendix B.

The Children of TANF Families Who Are Not Eligible for Child Care Subsidies Under the Colorado Works Program:

An adult caretaker, other than the biological parent, who is caring for the children in the Colorado Works program, but the caretaker is not a participant receiving cash assistance, may be eligible for child care under the Low Income program. The caretaker must meet all other Low Income program criteria and are assessed a parental fee in accordance with the fee schedule in Appendix B. The TANF cash assistance grant paid for the children is not included when assessing a parental fee for this family. For example, if the grandmother and/or grandfather of the children have custody of the children and receive a TANF assistance grant for the children, they may apply for the Low Income Child Care Assistance Program. The TANF assistance they receive for the children will not be counted but the grandparent(s) must apply and meet all Low-Income criteria.

Questions and Answers

1. If a Colorado Works participant obtains employment, do you automatically discontinue Colorado Works/TANF child care?

No. When a Colorado Works participant gets a job, the determination will need to be made if the client will remain eligible for TANF benefits. If the family remains eligible for TANF benefits, then you would continue care under the Colorado Works program. The family would then be required to pay a parental fee according to the parental fee schedule, based on their gross income. If the determination is made that the family may be ineligible for TANF benefits, then the family should be coded as PT in the CHATS system and transferred to low-income via the county's transition policy.

2. If a grandmother is receiving TANF benefits for her grandchildren but not herself, and she returns to work, is she covered under Colorado Works/TANF child care?

No. Colorado Works/TANF child care is for families in which the primary parent or caretaker is also receiving TANF benefits for themselves. The caretaker who is not receiving benefits would need to be referred to the Low Income child care program and would be required to meet Low Income eligibility criteria.

3. How long should a family receive TANF child care when they receive State or county diversion funds?

The family should receive TANF child care in the month that they receive the diversion funds. After that month, the family should apply for Low-Income child care.

ELIGIBILITY FOR CHILD WELFARE SPECIAL CIRCUMSTANCE CHILD CARE

Special Circumstance child care is a capped program. Annual allocations are issued to county departments of social services. The allocations are based on a formula that

includes each county's total number of families enrolled in Program Areas 4, 5 and 6 and their county's child care rate limits. Counties are expected to manage their expenditures to their allocations.

Eligibility for *Special Circumstance* child care is determined by county Child Welfare staff. The purpose of this care is to maintain children in their own homes or in the least restrictive out-of-home care when there are no other child care options available. *Refer to Volume 7, Section 7.502 for eligibility rules.*

- Foster parent(s) may be eligible for child care assistance either through the Special Circumstance or Low-Income programs. If the foster parents are working or in training and meet Low-Income guidelines, Low-Income should be used if possible. If the foster parent(s) need child care due to child welfare related reasons, e.g., maintaining the child in the least restrictive setting, Special Circumstance child care can be used.
- A county may pay *up to twice their county limit* for special needs children. It is not mandatory for a county to pay higher rates for special needs. However, a county should consider the impact on availability of care for special needs children if reasonable rate accommodations are not made. Higher rates should be tied to the needs of the child and the individualized care plan developed by the provider to meet those needs (3.905.1 A 4 and B 3).

Emergency Assistance child care is limited to 12 months per family.

The county that has custody of a child is responsible for the financial and casework decisions related to the case. The need for continuing child care must be reviewed every 6 months.

Efforts should be made to coordinate child care eligibility and to use the low-income program whenever possible for eligible activities.

Parental Fees for Child Welfare Special Circumstance Families (3.905 B 1 c)

Special Circumstance families are not required to pay a parental fee.

ELIGIBILITY FOR EMPLOYMENT FIRST CHILD CARE

Families enrolled in Employment First may access child care support services. *Refer to the Food Stamp Staff Manual, Section B-4215 for eligibility rules.*

Participants in the Employment First program may be reimbursed for child care costs associated with seeking employment, attending school, or participating in workfare.

Once someone finds employment and begins working they can no longer receive child care reimbursement through Employment First. Additionally, a person must be receiving Food Assistance (formerly known as Food Stamps).

It is suggested that counties use Employment First Child Care as the last resource for child care due to limited funding.

Parental Fees for Employment First Families (3.905 B 1 d)

Employment First families pay no parental fees.

Once someone goes to work they must apply for Low-Income child care. Employment First can ONLY pay child care while someone looks for work or participates in training.

PROVIDERS

Low-Income, Colorado Works, Employment First and Child Welfare Special Circumstance families may select from any of these provider types:

- School-Age Center/Day Camp
- Child Care Center
- Preschool
- Day Care Home
- Family Child Care Providers
- Out of Home Non-Relatives
- In Home Relative
- Infant Toddler Home
- Large Day Care Home
- Out of Home Relatives
- In Home Non-Relative
- Other Exempt

ELIGIBLE FACILITIES (VOLUME 3, SECTION 3.909)

Licensed Child Care Facilities (3.909 B)

Home Care Options

- Regular Day Care Homes
- Infant Toddler Homes
- Large Day Care Homes

Center Care Options

- Child Care Centers
- Pre-Schools
- School age facilities

These facilities are distinguished one from another by their location, staff-to-child ratios, age of children in care and other factors.

Licensed Home Care

Licensed home care occurs in a "place of residence," in someone's home. The primary caregiver is typically a resident in that home.

Regular Day Care Homes are usually licensed for six children plus two additional school-age children. Of the six primary children, no more than two of those can be under two years of age unless the license specifically states that more young children can be in care.

Large day care homes are licensed for a maximum of twelve children with two caregivers if more than six children are present. No more than two children under age two year may be in care and they must have older siblings in care.

Infant toddler homes are licensed for four children with one caregiver. No children over three years of age may be in care. No more than one child under twelve months of age may be in care.

Licensed Center Care

Child care centers are licensed for children two and a half years of age and older. The maximum age for children in care is specified on the license. Care for children over that age should not be authorized. The capacity of a center is based on space available. Child care centers may be licensed as an *Infant* and/or *Toddler nursery*. Infant nurseries are for children six weeks to eighteen months of age. Toddler nurseries are for children twelve months of age and walking independently to three years of age.

Staff to child ratios for child care centers are as follows:

AGES OF CHILDREN	NUMBER OF STAFF
6 weeks to 18 months (infants)	1 staff member to 5 infants
12 months to 36 months	1 staff member to 5 toddlers
24 months to 36 months	1 staff member to 7 toddlers
2 1/2 years to 3 years	1 staff member to 8 children
3 years to 4 years	1 staff member to 10 children
4 years to 5 years	1 staff member to 12 children
5 years and older	1 staff member to 15 children
Mixed age group 2 1/2 years to 6 years*	1 staff member to 10 children

* In other age combinations, the staff ratio for the youngest child must be utilized if more than 20% of the group is composed of younger children.

Preschools may be part of a child care center or may be separately licensed. Licensed preschools are commonly part-day programs.

School-age child care centers are licensed for children who are school-age and in full-day school. These programs offer before and after school care during the school year and full day care during off school times. The full day programs are also known as day camps.

Legally Exempt Child Care (Volume 3, Section 3.909 A.)

Legally exempt child care providers are not required to have a child care license because they do not provide the level of care that requires a license. Exempt providers must be 18 years of age.

An eligible provider **CANNOT** be:

- A parent as defined in Section 3.903: biological parent, step-parent, significant other who is taking the place of a parent, or a person in common-law marriage with the biological parent.
- Younger than 18 years of age

Relative Home - A relative home is child care by a relative of the child in the relative's home, not in the home of the child.

In-Home by Relative - In-home care by a relative is child care by a relative in the child's own home.

Exempt Day Care Home - An exempt day care home offers child care in the provider's home to a child not related to the provider.

In-Home by Non-Relative - In-home care by a non-relative is child care by a person not related to the child in the child's own home.

Other Exempt - Other exempt providers include child care providers who provide the child care in another state and child care centers who are not required to have a state child care license (EFAC's). The most common instances of child care centers that do not require a state license in Colorado are the child care facilities on military installations that are licensed for child care by the federal government.

A legally exempt provider can take care of children from two different families who are not related to the provider if the children are not in care at the same time.

Counties are required to list a relationship code in Chats on authorization screens. These codes must be accurate.

Registering Legally Exempt Providers (3.910)

All legally exempt facilities must provide the following information:

- Name
- Physical Address and Mailing Address
- Phone number
- Social Security Number or Tax Id Number
- Date of Birth (3.905.1 A 5)

Legally exempt providers will be asked to sign a form entitled Child Care Standards For Non-Licensed Providers (see Appendix A). By signing this form, the provider is promising to meet the standards set forth for as long as they are providing care under the CCCAP program. If they fail to meet those standards, the county may terminate the Fiscal Agreement.

Criminal Record Checks/Central Registry (3.905.1 A 1)

Criminal records check may be conducted. If the check reveals a child abuse conviction or other safety related conviction, the child care worker will inform parents of the conviction. Central Registry checks may also be conducted, however, that information cannot be shared with parents. Central Registry checks should not be done by CCCAP staff but should be requested by the provider who can then release the information to the CCCAP worker thereby waiving confidentiality.

If a county opts to do a criminal records screen on legally-exempt child care providers, the providers should be notified in advance that the check will be done. The county should supply the provider with the fingerprint card and mailing envelope which can be obtained from Central Stores. Contact State CCCAP staff for more information about ordering the cards.

The cost of a criminal record check through the Colorado Bureau of Investigations (CBI) is \$16 (this cost is subject to change at any time). The fee is paid by either the county or the provider. The fingerprinting must be done by a law enforcement agency, the sheriff's or police department which may have a separate fee for its service.

Once the fingerprints are submitted to CBI, the processing can take up to two months. Counties should consider that delay in setting their policy regarding criminal record checks. For more information on CBI and criminal record checks, contact Sue Bailey at (303) 239-4230 or write to her at CBI, 690 Kipling, Suite 3000, Lakewood, Colorado, 80215.

Based on the information received in a background check, the county may decide not to enter into a Fiscal Agreement. Fiscal Agreements should be denied in accordance with section 3.913.3.

W-9's (required by Human Services Accounting Rules)

All child care providers will be asked to submit a Form W-9. This is an Internal Revenue Service (IRS) form that counties are required to have on file before they pay for services.

At the end of each year, counties will send providers a Form 1099. This will tell the provider and the IRS how much the provider was paid during the year by CCCAP.

- Counties are responsible for collecting and maintaining W-9 forms on all providers.

Direct Deposit for Providers

All counties are required to use the Citibank Electronic Benefits Transfer process for the child care payments. All CHATS payroll funds are transferred to Citibank, who is then responsible for disbursement of those funds to the providers. It is mandatory that all licensed center child care providers have their child care payments directly deposited into their bank account. Licensed child care homes and legally exempt providers are strongly encouraged to have their child care payments directly deposited to avoid delays in payments. All new providers must be provided with a ACH Clearinghouse form that they must complete and return to Citibank in order to set up the direct deposit.

QUEST card: Centers must use direct deposit. Homes and exempt providers are encouraged to have direct deposit, but may elect for card.

FISCAL AGREEMENT FOR ALL PROVIDERS (3.905.1 A 3 AND B2)

A fiscal agreement between the county and the child care provider is very much like a contract. It outlines the provider's responsibilities and the rates the county agrees to pay. A copy of the Fiscal Agreement is included in Appendix A.

Fiscal agreements between the county and the provider are renewed at least once every three years or when a CCCAP rate change has occurred.

With every Fiscal Agreement, licensed providers should submit a copy of their private pay rates, those rates that they charge the general public. In practice, CCCAP rates should never exceed a provider's private rates.

Questions and Answers

1. *When can a county deny or terminate a Fiscal Agreement?*

A county can terminate or deny a fiscal agreement at any time for any reason. For the county to terminate a fiscal agreement for any reason other than when the county believes a child's health or safety is endangered or when the provider is under a negative licensing action, the county must give the provider 30 days advance notice by registered mail. In the case of a danger to a child's health or safety, or negative licensing action (probation or license revocation, for example) against the provider, the county may terminate the agreement immediately with verbal notice followed by written notice to the provider within

7 calendar days. Any termination notice must also include information regarding their right to an informal conference.

2. *Is a fiscal agreement binding like a contract?*

Yes.

3. *Can a fiscal agreement be amended?*

Yes. Fiscal agreements can be amended to change the rate information. An amendment form is available for this purpose. A copy can be found in Appendix A.

4. *Do the providers have any rights if their fiscal agreement is terminated or denied?*

Yes, but those rights are very limited. Providers may now request and must be granted an informal conference in three specific instances: (1) when a Fiscal Agreement is denied, (2) when a Fiscal Agreement is terminated, and (3) when there is a dispute over payment decisions made by the county. When the issue involves payment decisions, the provider can request that state program staff be present, although that presence may be by telephone. In all other instances, the conference should be with county staff and supervisor along with the county director or his/her designee. According to the rules, the informal conference must be held within two weeks of the date of the provider's written request.

Payment to the Parent

Counties may choose to make child care payments to the client ONLY IF THE CLIENT IS USING A LEGALLY EXEMPT PROVIDER. The county will register the name, address, social security number, date-of-birth, and telephone number of the provider, but does not enter into a fiscal agreement with the provider. The parent must sign the Child Care Services Parental Payment Agreement (Appendix). The Attendance Record and Billing form is to be completed and signed by both the parent and the provider. Payment is made directly to the parent and they are required to complete the EBT/direct deposit form. The parent is required to pay the provider the full amount of the payment, plus the amount of any parental fee. If a parent does not pay their provider, they lose their eligibility for child care benefits until satisfactory payment arrangements have been made between the parent and the provider.

Questions and Answers

1. Are counties required to pay the parents when a parent chooses a legally exempt provider?

No. Counties may opt to pay the parent instead of the provider, but are not required to do so.

2. When can you terminate a parental payment agreement?

You can only terminate a parental payment agreement when the parent is no longer eligible for benefits or when the parent changes child care providers. There must be a parental payment agreement in place for each legally exempt provider used by the parent. If a parent changes to licensed care no new parental payment agreement would be signed.

CERTIFICATES

The Child Care Certificate contains information on child care arrangements which have been authorized by the county child care worker. A copy of the Certificate is sent to the parent and the provider, so that all parties concerned are aware of the arrangements. The number of units per month, parental fee, rate of reimbursement, and additional comments are recorded on the Certificate.

Each time changes occur to the number of units, parental fees, reimbursement rates, a change to the Certificate must be made and copies sent to the provider and parent.

Certificates contain a start and end date. It is mandatory to fill in the start date. The end date is optional for Low-Income child care. The following are guidelines for end date entries:

A Certificate must be sent to the provider and parent within 7 working days of verbal confirmation of child care arrangements. (3.905 D 1).

- | | |
|--|---|
| • Low-Income employed | * |
| • Low-Income adult education | Up to 48 months (county option) |
| • Low-Income teen parent in high school/teen parenting program | * |
| • Colorado Works (TANF) | Case management decision |
| • Special Circumstance | 6 months (to coincide with Discrete Plan reviews) |
| • Employment First | Case management decision |

*Not required but it is a good practice to add termination dates to ensure noticing and that care does not continue if eligibility changes.

Detailed instructions on Certificate completion can be found in the CHATS Manual.

In the Low-Income Program, when a child is not going to be in care for an extended period of time and that period of time is limited or definite, the child care worker should close the certificate. This will mean that no child care will be paid until a new certificate is in place or the case is closed because the family no longer needs child care.

PROVIDER RATES (3.911)

Counties may opt to adopt baseline State rate limits based on the State Market Rate Survey(conducted every two years), or they may elect to set their own rate limits.

Counties who elect to set their own rates must notify the state regarding implementation of their rates.

- **Licensed** providers must submit their private pay charges including their registration, transportation, activity charges. The county sets up a Fiscal Agreement based on the provider's charges, but no higher than the county's limit.
- **Legally exempt** provider rates are set by the county. The county sets up a Fiscal Agreement based on the rate established by the county.

When can a county change its rate limits?

Counties can change rates limits whenever the county chooses, but it is the county's responsibility to change their rates in CHATS and the county must provide prompt notice to the State regarding new rates.

Part-time and Full-time Rates (3.911 A)

Part-time rates are set at 55% of the county's full-time rate limit or the county may opt to set their part-time rates as determined by their own county policy.

- ⇒ Part-time rates are paid for under five hours of care.
- ⇒ Full-time rates are paid for five to eleven hours of care.
- ⇒ Providers who care for children more than eleven hours of care in one day are eligible for a full-time rate and a part-time rate.

Example:

Child "A" receives care from 7:00 am to 6:00
p.m. = Full-time unit
Child "B" receives care from 7:00 am to 8:00
p.m. = Full- and part-time unit

Special Needs Rates

A county may pay *up to twice their county limit* for special needs children. Special needs children are defined as:

A child who has a physical or mental disability which is verified by a physician or other appropriate professional. A higher special needs rate for each child must be negotiated and connected to a specific reason for higher rates. For example, a child may need constant attention, due to a physical disability, therefore the provider incurs a higher cost of care.
(3.903)

It is not mandatory for a county to pay higher rates for special needs. A county should consider the impact on availability of care for special needs children if reasonable rate accommodations are not made. Higher rates should be tied to the needs of the child and the individualized care plan developed by the provider to meet those needs (3.905.1 A 4 and B 3).

Special Needs Rates Apply To:	
<input checked="" type="checkbox"/>	Low-Income
<input checked="" type="checkbox"/>	Colorado Works/TANF
<input checked="" type="checkbox"/>	Special Circumstance
<input checked="" type="checkbox"/>	Employment First

Special needs children are eligible for child care up to the age of 18, or 19 if in high school and will graduate by their 19th birthday.

Alternative Care Rates

A county may set rates for types of care that are difficult to find like weekend, night and sick care. Counties should set rates that will ensure that this type of care is available to CCCAP parents. For technical assistance in setting these rates, administrators should contact State CCCAP staff.

Counties should have a policy defining alternative child care rates which include definitions of the types of care and any conditions. For example, a county has a weekend rate that begins on Saturday and ends Sunday.

PAYMENT POLICIES

Counties are encouraged to develop and implement payment policies that address what care will be authorized and paid. Counties may consider the following types of policies:

Absences

The county should determine the maximum number of absences that will be paid and for what reasons.

Activity Fees (3.905 D)

Activity fees are capped at \$80 per year per child or the county may opt to set their own limit on activity fees. A year begins when the activity fee payment is first made for a child. The following policies apply to activity fee payments:

- The provider must submit a copy of their private pay charges for activity fees before payment can be made.
- Activity fees are payable only for those activities in which all children participate. Activity fees do not cover individualized, extra or optional activities.

Authorization of Child Care Prior to Employment or Training

Parents can receive child care benefits for a period of time prior to beginning in an eligible activity. This includes a parent starting a job or teen parent education program. Child care may be authorized if child care arrangements would otherwise be lost.

Authorization of Child Care Between Employment or Teen Parent Education

The rules allow for child care benefits between eligible activities if the child care arrangements would otherwise be lost.

Authorization for 24 Hours of Child Care

Care for a child is allowable for less than 24 hours. Occasionally 24 hour care is needed in limited situations. These situations should be approved by the director or designee. The Child Care Assistance Program is not designed to pay for 24 hour care for long periods of time. Therefore, if a parent will be out of the household for a period longer than one day then the person caring for the children will need to apply for child care assistance themselves. For example, if a person is required to travel overnight for work but will return the next day, 24 hour care can be authorized.

Changes of providers (3.907 A)

Change of providers must be reported by clients within a calendar month. Failure to do so may result in the county's disapproval of payment for the new provider in the month the change was made.

When providers dispute payment decisions made by the county, they can request an informal conference to be held with the county director or designee, the supervisor and the county staff responsible for the decision and, if requested by the provider, state program staff to interpret the payment policies.

Duplicate Payments

Duplicate payments can be made for the same child to two providers for a limited number of days and only if child care arrangements would otherwise be lost.

Holiday Pay

Providers are paid for the following holidays: New Year's, Memorial Day, Labor Day, Independence Day, Thanksgiving, Christmas. The following policies apply to holiday payment:

- The provider must be closed on the holiday and the child normally scheduled to be in care.
- Full-time or part-time payment is based on the child's typical unit of care.

Maximum Hours of Care

There is no regulation in CCCAP which lists a maximum number of hours.

Registration Fees (3.905 D)

Registration fees are capped at \$105 per year per child or the county may opt to set their own limit on registration fees. A year begins when the registration payment is first made for a child. The following policies apply to registration fee payments:

- The provider must submit a copy of their private pay charges for registration fees before payment can be made.

Sick Care

A child can be approved for sick care costs from a provider other than the primary provider.

Informal emergency or sick child care providers can be reimbursed as long as they are registered with the county. No payment can be made until the provider is registered with the appropriate county and a Fiscal Agreement is in place.

Sleep time

The policy for sleep time is determined by each county. They are no longer defined as a payment policy in the Child Care Assistance Program rules.

Transportation (3.905 D)

Transportation fees are capped at \$325 per year per child or the county may opt to set their own limit on transportation fees. A year begins when the transportation fee payment is first made for a child. The following policies apply to transportation fee payments:

- The provider must submit a copy of their private pay charges for transportation fees before payment can be made.
- Transportation fees are payable for transporting children from one provider to another; or transporting children from one provider to a school.

Examples of Non-Allowable Transportation Fee Charges:

- transporting a child from the child's home to the provider's place of business
- charging transportation fees as part of an activity cost

Travel Time

A parent can be approved to receive child care for a reasonable amount of travel time to and from a job or training.

Unscheduled Care

Counties can pay for a maximum number of days of unscheduled care per month. The intent of this rule is to give counties the flexibility to deal with extraordinary circumstances. It is not to provide parents with days off without the kids around. The two days of unscheduled child care is in addition to any sick days the county department reimburses.

Questions and Answers

1. *Can providers ask CCCAP parents to pay more than the county's rates or other additional costs?*

Parents cannot be asked to pay more for child care over and above what the county is paying. Parents also cannot be charged for registration, activity or transportation fees once those amounts are expended for the year.

2. *What can parents be asked to pay beyond their parental fee?*

Optional Activities - Parents can be asked to pay for optional activities such as swimming lessons or dance lessons. These would be activities that are made available at the option of all parents and are not automatically assumed to include all the children in care.

Late Fees - Parents can be required to pay late fees. These are charged primarily by centers that have specific business hours. Centers frequently have a policy under which they charge parents for care that extends beyond their business hours. This fee could be as much as \$1.00/minute for each minute that the parent is late after closing time. CCCAP parents can be charged for those late fees just as private pay parents would.

Termination Pay - Depending on the provider's contract, a provider can require parents to give two weeks notice before terminating their care. CCCAP is not bound by that agreement but CCCAP parents may be. This issue is one between the parent and the provider and is governed by the language of the contract. Child care workers should not attempt to resolve this issue but should leave it to the parent and the provider to resolve.

Absences beyond the county maximum- Counties determine the number of absences paid per county policies. Any additional absences beyond the county maximum are the responsibility of the parent. If a child is absent from child care due to illness, the parent may contact the county department to request additional absences with a Doctor's note.

PROVIDER COMPLAINTS (3.913)

- Complaints regarding licensed day care homes alleging violation of licensing regulations should be forwarded to the State Department of Human Services, Division of Child Care licensing staff or the appropriate contract county the same day it is received.
- Complaints regarding relative or legally-exempt providers providing illegal child care (care for more than one family's children) should also be forwarded to state child care licensing staff or the appropriate contract county. (3.913 C).
- Complaints regarding child care centers alleging violation of licensing regulations should be forwarded the same day as received to state child care licensing staff. (3.913 C, D).
- Complaints regarding relative or legally-exempt providers alleging violation of non-discrimination laws, denial of parental access, or health and safety issues that do not reach the level of child protection concerns should be forwarded to the Division of Child Care, Child Care Assistance Program staff. (3.913.1).

In addition to the above procedure, any complaint regarding a child care provider alleging child abuse or neglect should also be forwarded to the appropriate county child protection unit immediately. (3.913 A).

The only anonymous complaints that should be taken are those which allege child abuse or neglect. All other complaints must include information regarding the person making the complaint. Complainant information will be maintained as confidential by the investigating unit. (3.913.1 C).

Copies of any correspondence or documents obtained in a CCCAP investigation will be forwarded to the county taking the complaint and any counties known to have a fiscal agreement with that provider. Counties will then have the discretion to terminate the fiscal agreement.

If county staff or parents have concerns about a legally exempt provider, they can contact state CCCAP licensing staff and/or the Colorado Office of Resource and Referral Agencies (CORRA) to determine if any substantiated complaints regarding that provider have been received. If requested, copies of complaint information will be sent or faxed to counties for their review.

When a provider and a client have a difference of opinion or a personal disagreement, the client should be encouraged to work directly with the provider to resolve the problem. (3.913 B).

PROVIDER CONFERENCES

Providers may request and must be granted an informal conference in three specific instances: (1) when a Fiscal Agreement is denied, (2) when a Fiscal Agreement is terminated, and (3) when there is a dispute over payment decisions made by the county. When the issue involves payment decisions, the provider can request that state program staff be present, although that presence may be by telephone. In all other instances, the conference should be with county staff and the supervisor along with the county director or his/her designee. According to the rules, the request for a conference must be made within 15 days of the date of the action and it must be held within two weeks of the date of the provider's written request. See sections 3.905.1 D and 3.911 D.

RECOVERIES (3.912 C AND 3.921 G)

Recoveries should be made in accordance with the Administrative Rules in Volume 3. When payment has been made to the provider through no fault of the provider, the county should recover from the client. Recoveries shall not be made for clients who remain eligible for the program, and whose monthly fees have increased 3.906 D. Parents do have to continue to report changes within the 30 day period.

If a county finds out that they have been paying a provider for an ineligible family, the county cannot recover the costs from the provider. The only option the county has is to recover from the family.

A Child Care Recovery Statement should be used to compute and document the recovery. A copy should be sent to the person against whom the recovery will be made. Notice of their right to appeal the recovery is set forth on the back of the Statement.

If the provider submits incorrect billing resulting in an overpayment, the recovery shall be entered as a negative adjustment in CHATS. If the provider is no longer providing care the recovery may be entered into the CARS system as a client recovery.

PARENTAL EDUCATION (SECTION 3.905 A.)

The purpose of *parental education* is to inform parents about child care options and how to make the best choice possible for their children. In order for parents to be educated consumers and to choose the type of care that best meets their needs, they must receive information on all child care options available in the community.

Parental education is required for Low-Income, Colorado Works/TANF, and Employment First families. In the Child Welfare Special Circumstance program, households who are in a position to choose their child care arrangements also must receive parental education. In protection cases, the Child Welfare worker becomes more involved in selecting the type of care most appropriate for the child.

Counties are encouraged to work with their local child care resource and referral program to coordinate efforts on making child care choices.

The following is a list of information that child care staff must share with parents in the education process:

Information on State child care licensing requirements

- The difference between legally exempt and licensed child care providers
- Parental rights (see Table below)
- How to make a complaint against a provider
- What to look for in a good provider
- How to monitor the child care services they receive
- Their responsibility to work out disputes with their provider*
- Earned Income Tax Credit information
- Health Insurance Options
- Child Support Enforcement

Parental Education applies to:

- ✓ Low-Income
- ✓ Colorado Works/TANF
- ✓ Employment First
- ✓ Special Circumstance (child care for protection reasons excluded)

* This does not include problems which might constitute complaints related to abuse, licensing, or illegal care situations.

Table - Parental Rights
The right to visit your child unannounced at various times of the day.
The right to make a reasonable number of phone calls to your child.
The right to receive frequent updates on your child.
The right to know the policies regarding billing for sick time, vacations and holidays.
The right to file a complaint against your child care provider.
The right to know if the provider's license is current and if any licensing violations exist.
The right to receive advance notice of any changes in your child's care.

APPENDIX A - FORMS

The forms listed are in alphabetical order. A description of the form is given along with an explanation of its use. You should ensure that your county has current forms.

Affidavit for an Unrelated Child (SS-68)

This form is used by Low-Income child care applicants who are requesting child care for an unrelated child. The form contains two sections. Section I should be completed when the parent or legal guardian of the child for whom child care is requested is available. Section II should be completed only if the parent or legal guardian for whom care is requested is not available. The form should be completed, signed, notarized and submitted with the *Application for Child Care Services*.

Commodity Number: 394-25-67-6804

Application for Child Care Services

The application is used by people who need help paying for their child care and are seeking that help from the Low-Income child care program. The application contains information about necessary documentation that must be submitted along with the application. The purpose of the application is to obtain adequate information to determine a family's eligibility.

Commodity Number: 394-25-67-0021

Attendance Record and Billing Form (5730.2)

The billing form is mailed to child care providers monthly. The providers submit attendance information and their billing for payment by the county. This form is generated by the CHATS system to include the names and authorization numbers of the CCCAP children in care with a particular provider.

Commodity Number: 615-8214-7304

Authorization to Release Information Form

The purpose of this form is to enable the county worker to verify eligibility items with outside agencies or individuals. For example, verify unearned income with the Social Security Administration. By signing this form, the applicant gives permission for the county to obtain the necessary information. This form should identify the source of the information to be obtained before the client is asked to sign it.

Commodity Number: 394-25-67-0302

Change of Eligibility Form (SS-7A)

The Change of Eligibility forms are given to clients at the time of their enrollment in the Low-Income program. In the event that their employment status, wage, household composition or other circumstance changes which may impact their eligibility in the Low-Income program, clients are required to report those changes within 30 days of the change(s).

Commodity Number: 394-25-67-0716

Child Care Certificate (5730.1)

The child care certificate is used to confirm to both parents and providers that child care has been authorized for a child. This form sets forth the number of units of child care authorized, the rate of reimbursement and the parental fee. When any change is made to the authorization, a new certificate will be generated by CHATS to be sent to the provider and the client family.

Child Care Fiscal Agreement (SS-67)

The fiscal agreement serves as a contract between a child care provider and the county. It outlines both the provider's responsibilities and those of the county department. It also specifically states the reimbursement rate at which the provider will be paid.

Commodity Number: 394-25-67-6705

Child Care Fiscal Agreement Amendment

This form is used when amending a fiscal agreement because of a rate change. This does not replace the fiscal agreement that is in effect but simply amends it.

Commodity Number: 394-25-18-5707

Child Care Standards for Non-Licensed Providers, Self-Assurance Form (SS-31)

The self-assurance form is used when entering into a fiscal agreement with a child care provider that is not licensed or when both a parent and a provider when the county opts to pay the parent who is using a legally exempt provider.. Providers who are legally exempt from licensing are not inspected or monitored in any way. The self-assurance form outlines standards that CCCAP expects those providers to maintain. Failure to maintain those standards would be grounds for termination of the fiscal agreement.

Commodity Number: 394-25-67-3108

Client Responsibilities Agreement Form (SS-5)

The parent is informed of their responsibilities while they are receiving child care subsidies and must sign a Client Responsibilities form. This form includes responsibilities for payment of parental fees, reporting any changes in income, working with her/his provider and other responsibilities. This form is required for the Low-Income program.

Commodity Number: 394-25-67-0518

Denial of Application for Child Care Services

The denial notice is generated by CHATS when an application is denied. It serves as notice to the client of the denial, the reason for the denial and the client's right to appeal.

Information Sheet for Parents

This information sheet explains the 10%-20% rule and its ramifications to parents. It should be included with the redetermination form and the CHATS 20% report regarding the cost of care.

Low-Income Child Care Recovery Statement

This form should be used to calculate and document recoveries that are done through the Low-Income program. The form includes a copy of the client's appeal rights on the back side.

Commodity Number:

Parental Fee Schedule: The parental fee schedule is distributed to counties yearly via agency letter along with updated Federal Poverty Level Guidelines. The schedule is used to establish the monthly parental share or parent fee for each family depending on income and household size.

Parental Information and Resource Packet

This packet of information should be given to all parents receiving child care assistance. It includes information on the Earned Income Tax Credit, the Child Support Enforcement program and Tips for Choosing Child Care. Specific information is also included regarding the parent's responsibilities under the Low-Income child care program.

Commodity Number: 615-82-14-1018

Provider Handbook

The Provider Handbook should be sent to all providers under CCCAP. It explains, in general terms, how the CCCAP program works and answers questions that are commonly raised by providers regarding, rates, payment and record keeping.

Commodity Number:

Redetermination of Eligibility Form (SS-7)

The redetermination form is used to evaluate a client's continuing eligibility in the Low-Income child care program. This form is filled out every six months. Clients are asked about employment and training status, wages, work hours, and family/household composition.

Commodity Number: 394-25-67-0708

Self-Employment Worksheet (SS-69)

This form is to be used by applicants who are self-employed. Its purpose is to itemize the applicant's net income from self-employment. Self-employed applicants must show net gains in order to qualify for the Low-Income child care program.

Commodity Number: 394-25-67-6903

Termination Notice for Child Care Services

The termination notice is generated by CHATS when a case is terminated. It serves as notice to the client of the termination, the reason for the termination and the client's right to appeal.

Form W-9-Request for Taxpayer Identification Number and Certification

The W-9 is an Internal Revenue Service form used to request information regarding a person's taxpayer identification number (social security number) or a business' federal employer identification number (FEIN). This information is then used for reporting purposes. At each year end, a 1099 form is printed and sent to the Internal Revenue Service and the provider/vendor regarding non-taxed payments made to the provider/vendor.

APPENDIX B - LOW-INCOME PROGRAM ONLY

3.920 INCOME ELIGIBILITY INCLUSIONS/EXCLUSIONS/ADJUSTMENTS

A. INCOME INCLUSIONS

1. Wages, salary, armed forces pay, commissions, tips, cash bonuses, before deductions are made for taxes, bonds, pensions, union dues and similar deductions.
 - *Wages earned under the "Stay in School" program count as income for individuals over the age of 18 years old.*
 - *When additional benefit payments are included in payroll statements (cafeteria plan, transportation benefit, etc.) they are included as earnings.*
2. Net income from non-farm self-employment (gross receipts minus expenses from one's own business, professional enterprise, or partnership). Expenses include costs of goods purchased, rent, utilities, upkeep of necessary equipment, business taxes (not personal tax).
3. Net income from farm self-employment (gross receipts minus operating expenses from the operation of a farm by a person on his own account, as an owner, renter or sharecropper). Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, and similar items. Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farmhands, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not state and federal income taxes), and similar expenses. The value of fuel, food, or other farm products used for family living is not included as part of net income.
4. Railroad retirement insurance.
5. Veteran's pensions paid by the Veteran's Administration to disabled members of the armed forces or to survivors of deceased veterans, subsistence allowances paid to veterans for education and on-the-job training, and "refunds" paid to veterans as GI insurance premiums.

6. Pensions and annuities include pensions or retirement benefits paid to a retired person or his survivors.
7. Dividends, interest (on savings or bonds), income from estates or trusts, net rental income or royalties include dividends from stockholders or memberships in association, interest on savings or bonds, periodic receipts from estates or trust funds, net income from rental of a house, store, or other property to others, receipts from boarders or lodgers, and net royalties.
8. Inheritance, gifts, and prizes.
9. Proceeds of a life insurance policy, minus the amount expended by the beneficiary for the purpose of the insured individual's last illness and burial which are not covered by other benefits.
10. Proceeds of a health insurance policy or personal injury lawsuit to the extent that they exceed the amount to be expended or required to be expended for medical care.
11. Strike benefits.
12. Lease bonuses and royalties e.g., oil and mineral.
13. Social Security pensions, survivor's benefits and permanent disability insurance payments made prior to deductions for medical insurance.
14. Unemployment insurance benefits.
15. Worker's compensation received for injuries incurred at work.
16. Maintenance payments made by an ex-spouse for support of the spouse as a result of a dissolution of a marriage.
17. Child support payments.
18. Military allotments.
19. Non-recurring lump sum payments are included as income only in the month received. If the payment was not reported in the month received, it will be included as income the month following receipt.
20. JTPA (WIA) wages earned in work experience or on-the-job training.
21. Americop income (rule pending).

B. INCOME EXCLUSIONS

1. Earnings of a child in the household.
2. Supplemental Security Income under Title XVI.
3. Any payment made from the Agent Orange Settlement Fund, pursuant to P.L. No. 101-201.
4. The value of Food Stamp coupons (Food Assistance).
5. Benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act.
6. The value of supplemental food assistance received under the special food services program for children provided for in the National School Lunch Act and under the Child Nutrition Act, including benefits received from the special supplemental food program for women, infants and children (WIC).
7. Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act.
8. Experimental Housing Allowance Program (EHAP) payments made by HUD under Section 23 of the U.S. Housing Act.
9. Payments made from Indian judgment funds and tribal funds held in trust by the Secretary of the Interior and/or distributed per capita.
10. Distributions from a native corporation formed pursuant to the Alaska Native Claims Settlement Act (ANCSA).
11. Major disaster and emergency assistance provided to individuals and families, and comparable disaster assistance provided by states, local governments and disaster assistance organizations.
12. Payments received from the county or state for providing foster care, or for an adoption subsidy
13. Payments to volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other program under Title I (VISTA) when the value of

all such payments adjusted to reflect the number of hours such volunteers are serving is not equivalent to or greater than the minimum wage, and Title II and III of the Domestic Volunteer Services Act.

14. Low-Income Energy Assistance (LEAP) Program benefits.
15. Any grant or loan to any undergraduate student for educational purposes made or insured under any programs administered by the Commissioner of Education (Basic Educational Opportunity Grants, Supplementary Educational Opportunity Grants, National Direct Student Loans, and Guaranteed Student Loans); Pell Grant Program, the PLUS Program, the Byrd Honor Scholarship programs, and the College Work Study Program.
16. Training allowances granted by JTPA (WIA) to enable any individual, whether dependent child or caretaker relative, to participate in a training program are exempt.
17. Payments received from the youth incentive entitlement pilot projects, the youth community conservation and improvement projects, and the youth employment and training programs under the Youth Employment and Demonstration Project Act.
18. Social security benefit payments and the accrued amount thereof to a recipient when an individual plan for self-care and/or self-support has been developed.
19. Earned Income Tax Credit (EIC) payments.
20. Moneys received pursuant to the "Civil Liberties Act of 1988," P.L. No.100-383 (by eligible persons of Japanese ancestry or certain specified survivors, and certain eligible Aleuts).
21. Any portion of educational loans and grants obtained and used under conditions that preclude their use for current living costs.
22. Financial assistance received under the Carl D. Perkins Vocational and Applied Technology Education Act that is made available for attendance costs. Attendance costs include: tuition, fees, rental or purchase of equipment, materials, supplies, transportation, dependent care and miscellaneous personal expenses.

23. Any money received from the Radiation Exposure Compensation Trust Fund, pursuant to Public Law No. 101-426 as amended by Public Law No. 101-510.

C. INCOME ADJUSTMENTS 3.920.C

Verified court-ordered child support payments for children not living in the household shall be deducted prior to applying the monthly gross income to the maximum gross monthly income 3.904.1, C, 1. There must be a verification that payments are actually made. Such verification must be made at the time of initial approval of eligibility for services and at the time of each redetermination of eligibility, or more frequently if there has been a change in support payments.

It is suggested that County Child Care Assistance Programs work with Child Support Enforcement agencies to obtain up to date child support enforcement information for those families utilizing the program.

APPENDIX C - PARENT EDUCATION

TIPS FOR CHOOSING CHILD CARE

1. Determine Basic Child Care Needs of the Family

- What location is convenient?
- What type of program (child care center, family day care home, etc.) will best meet the needs of your child?
- What days and hours of care are needed?
- How much can you afford to spend on child care?

Once you have determined basic child care needs, visit a number of facilities; observe and ask questions about the following:

2. Determine the Program's Status

- Is the child care facility providing care for more than one unrelated family's children? If so, it should be licensed.
- When was the last time the facility was visited by a child care licensing inspector? What was the result of that inspection?
- Have complaints been filed against the facility? If so, what were the complaints and how were they resolved?
- Ask to see a copy of the license and the most recent report of inspection.

3. Obtain References

- Ask for names and phone numbers of parents who have used this care in the past and others whose children are currently enrolled.
- Call them for their appraisal of the quality of care provided by the facility.

4. Observe and Ask Questions about the Caregiver(s)

- Do they appear to enjoy working with children?
- Do they smile, show affection, and appear to be patient?
- Do they treat each child with respect and, if the need arises, use positive, non-punitive forms of discipline?
- Are they trained in CPR, first-aid, and child development?

5. Observe and Ask Questions about the Physical Environment

- Is the indoor space clean, well lit, orderly, and appealing?

- Are there areas in the room that allow children to participate in quiet activities?
- Does the outdoor space offer a variety of play opportunities, and is it free of potential health and safety hazards?
- Is there a sufficient number of toys available that are in good repair and of interest to children?
- Are snacks and meals nutritious? Are menus posted?
- Does the program have a plan for handling emergencies, and are emergency phone numbers placed near the phone?
- Are parents permitted to visit the program at any time without prior notice?

6. Observe the Children in Care

- Do the children seem to be happy?
- Are they busily engaged in interesting and satisfying activities?

7. Once your child is in care, continue to monitor the facility.

- Visit the facility at various times of the day. Some visits should be unannounced.
- Call or visit the caregiver whenever you have questions or concerns.
- Observe your child's behavior before and after care. Talk with your child about the hours spent in care.
- If you have concerns about the facility that cannot be resolved comfortably with the director or caregiver, file a complaint with the Colorado Department of Social Services, Office of Child Care Services, by calling 1-800-799-5876 or 303-866-5958.
- If you suspect that child abuse or neglect has occurred at the facility, contact your local department of social services or local law enforcement agency immediately.

APPENDIX E - TERMINATION CODES

The following is a list of termination codes for Low-Income program cases. For the most current list of codes, consult the C30 screen on the CHATS system. The Help screen will show all the codes available at the time.

Termination Reason Codes

- A1 Income Exceeds Maximum Allowed
 - A5 Income Did Not Exceed Cc Cost By 20%
 - A7 Income Did Not Exceed Cc Cost By 10%
 - B1 Redetermination Not Completed
 - B2 Redet Incomplete - Info Not Provided
 - C1 Fail To Report Changes
 - C5 Failed To Provide Verfic Of Self-Empl
 - C6 Self-Empl Avg Income Did Not Exceed Exp.
 - D1 Parent No Longer In An Eligible Activity
 - D2 Time In Job Search Has Expired
 - D3 Time In Education/Training Has Expired
 - E1 Parental Fees Unpaid & No Repayment Plan
 - F1 Parent Is Receiving Tanf
 - G1 Child Over Age Limit
 - G5 Spec Need Over Age 18 Not Grad By Age 19
 - G6 No Affidavit For Unrelated Child
 - G7 Failure To Provide Immunization Info
 - H7 No Eligible Children In Household
 - I1 No Training Verification Provided
 - I2 No Documentation For Disabled Parent
 - I3 No Earned Income Verification Provided
 - I4 No Unearned Income Verification Provided
 - I5 No Citizenship Verification Provided
 - V1 Withdrawal Requested
 - V5 Unable To Contact Parent
 - V6 Withdrawal Requested-Can't Find Provider
 - 06 Client Moved Out Of County
 - 07 This Is Not An Active Term Code
 - 08 Other
- *This code should only be used when all other codes do not apply. The notice must be clear and complete, referencing the regulation number.*

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