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INDEPENDENT REGULATORY  
REVIEW COMMISSION

Mizner

IRRC Number: #2073

(1) Agency  
Department of Public Welfare  
Bureau of Employment and Training Programs  
Bureau of Child Day Care Services

(2) I.D. Number (Governor's Office Use)  
  
# 14-464

(3) Short Title  
  
Child Care/Subsidized Child Care Eligibility Regulation

(4) PA Code Cite  
  
55 PA Code Chapter 3040

(5) Agency Contacts & Telephone Numbers  
  
Primary Contact: Kathryn J. Holod  
Office of Children, Youth and Families  
787-8691

(6) Type of Rulemaking (check one)  
  
 Proposed Rulemaking  
 Final Order, Adopting Regulation  
 Final Order, Proposed Rulemaking Omitted

(7) Is a 120-Day Emergency Certification Attached?  
  
 No  
 Yes: By the Attorney General  
 Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.  
  
55 PA Code - Chapter 3040  
These regulation changes apply to Sections 3040.27, 3040.32 and 3040.63. Sections 3040.27 and 3040.32 establish the income limits for families who are eligible for and receive subsidized child care. Families are eligible for subsidized child care when their income is below 185% of the Federal Poverty Income Guidelines (FPIG) and can continue to receive subsidized child care until their income reaches 235% of the FPIG. Section 3040.63 establishes the revised co-payment schedule. The change in the co-payment schedule: 1) simplifies the schedule; 2) revises the ranges of income between co-payment increases to make them consistent; 3) eliminates the formula and replaces it with a co-payment schedule; 4) reduces the amount of the co-payment for some families who are receiving subsidized child care; and 5) increases the amount of the co-payment for families with income between 200% of the FPIG and 235% of the FPIG.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.  
  
55 PA Code - Chapter 3040  
Articles II, IV and VII of the Public Welfare Code (62 P.S. Sections 201-211, 401-493 and 701-703; Act 1997-58; and Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) P.L. 104-193, 42 U.S.C. §§ 9858-9858(q) (CCDBG).

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

No.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

55 PA Code – Chapter 3040.32

The change in the current regulations is needed to allow families who are receiving subsidized child care to remain financially eligible as their income increases to more than 185% of the FPIG. Under the current regulations, after February 1, 2000, families become ineligible for subsidized child care when their income is more than 185% of the FPIG. The current regulations have a grandfathering provision which allows families with income of more than 185% of the FPIG and not more than 235% of the FPIG to continue to receive a subsidy until February 1, 2000. Many families have indicated that after February 1, 2000, they will have difficulty paying the total cost of their child care when their income exceeds 185% of the FPIG and they are no longer eligible for subsidized child care. Under the new regulations, families are eligible for the subsidized child care program if their income is at or below 185% of the FPIG and can remain eligible for subsidized child care until their income exceeds 235% of the FPIG. The regulations retain the income limit of 185% of the FPIG for initial eligibility for subsidized child care.

55 PA Code – Chapter 3040.63

The Department finds the change to the co-payment desirable for several reasons: (1) Under the current regulation, the Department revises the income ranges in the co-payment schedule to reflect the annual FPIG changes. When the co-payment formula in the current regulation is applied to changes to the FPIG, changes occur in the co-payments which do not benefit some families. (2) When some families' income changed, the amount of change in the co-payment did not correspond proportionately to the amount of the change in the family income. (3) Families with incomes approaching 185% of the FPIG complained that the co-payments under the current co-payment schedule were too high.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

Failure to implement these changes will result in some families losing subsidized child care.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

These changes will benefit nearly 4,000 children of families whose income is more than 185% of the FPIG and not more than 235% of the FPIG and who would have become ineligible for subsidized child care effective February 1, 2000. After the effective date of these regulation changes, any family receiving subsidized child care whose income is more than 185% and no more than 235% of the FPIG can remain eligible for subsidized child care, assuming that family meets all other eligibility requirements. However, a family that applies for subsidized child care is ineligible if the family's annual income exceeds 185% of the FPIG.

Approximately one-third of all families receiving subsidized child care, or approximately 32,666 families whose income was below 200% of the FPIG, realized a decrease in their co-payments when the Department administratively implemented the co-payment schedule effective October 1, 1999, only for those families who realized a decrease in their weekly co-payment.

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

About 2,500 to 3,000 families whose income is more than 185% of the FPIG but not more than 235% of the FPIG, who would become ineligible on February 1, 2000 without these changes, can remain in the subsidized child care program. However, approximately 1,436 of those families with income over 200% of the FPIG will realize an increase in their co-payments over what they are currently paying. The increase will range from \$5 to \$20 per week, depending on the amount of the family's annual income and family size. Without this change in regulation, however, these families would have to pay the full cost of child care beginning February 1, 2000, because they would no longer be eligible for subsidy.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

Approximately 98,000 working TANF, former TANF and low-income working families receive subsidized child care annually and will have to comply with these regulations. Child care providers who participate in the subsidized child care program and eligibility agents with whom the Department contracts will also have to comply with the regulations.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

Since the current regulations were implemented on February 1, 1999, families, providers, advocates and legislators have commented that the weekly co-payment amounts and income limit of 185% of the FPIG for receiving subsidized child care presented a hardship for some families. These groups suggested that the co-payments should be lowered and families with income between 186% of the FPIG and 235% of the FPIG remain in subsidized child care.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

The entire population of welfare, former welfare and low-income working families will be subject to the new co-payment schedule. The new co-payment schedule includes decreases for only some of the families. Other families will not realize any changes under the new co-payment schedule. The weekly co-payments for some families will decrease as shown below.

Example: Subsidized Child Care

<u>Family Size</u>	<u>Annual Income</u>	<u>Current Weekly Co-Payment</u>	<u>New Weekly Co-Payment</u>
2	\$17,500	\$45.00	\$35.00
3	\$15,500	\$30.00	\$25.00

We anticipate that those former TANF families and low-income working families who will realize a decrease in their co-payments will pay a total of \$6.000 million less on an annual basis. We also anticipate that those TANF families who will realize a decrease in their co-payments will pay a total of \$1.000 million less on an annual basis. Since the co-payment decreases took effect October 1, 1999, rather than the beginning of a fiscal year, the savings are \$5.250 million for Fiscal Year 1999-00 and in subsequent years, the savings will be \$7.000 million annually.

Families who will continue to receive subsidized child care when their annual income is more than 185% of the FPIG and does not exceed 235% of the FPIG will realize savings depending on the cost of their child care. Under the current regulations, effective February 1, 2000, a family would have become ineligible for subsidized child care and would pay the entire cost of child care. When the new regulation is effective and the family remains eligible for subsidized child care, the family will realize a savings. For example, a family of four with two children and an annual income of \$36,000 per year will have a co-payment of \$85 per week. If the total cost of child care is \$200 per week, the family will be saving \$115 per week, or \$5,980 per year per family.

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

N/A

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

The Department has two types of costs associated with these regulations.

First, the cost to implement the co-payment changes resulting from these regulations is \$5.250 million in State Fiscal Year 1999-00. The Department must budget more funds to the subsidized program as a result of the decrease in the co-payments for Fiscal Year 1999-00. For future years, the cost of the co-payment change is estimated at \$7.000 million per year for a 12-month period beginning July 1, 2000. Funding is already available in the Department's day care appropriation and cash grant appropriation for State Fiscal Year 1999-00.

Second, the cost to extend the income limit from 185% of the FPIG to 235% of the FPIG in State Fiscal Year 1999-00 is \$6.200 million for the period from February 1, 2000 through June 30, 2000 and \$14.800 million on an annual basis beginning in State Fiscal Year 2000-01. For Fiscal Year 1999-00, these costs can be absorbed within the existing day care budget. However, if the Department did not extend the income limit effective February 1, 2000, resulting in 4,000 children losing eligibility for subsidized child care, those funds would have been used for other purposes within the child care budget or, in some counties, shortened the length of stay for children on the waiting list.

*S. Lundquist 9-24-99*

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.  
(\$ Amounts in Thousands)

	FY Year 1999-2000	FY +1 Year 2000-2001	FY +2 Year 2001-2002	FY +3 Year 2002-2003	FY +4 Year 2003-2004	FY +5 Year 2004-2005
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
Regulated Community	(\$5,250)	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)
Local Government						
State Government						
Total Savings						
<b>COSTS (Chapter 3040:)</b>						
Regulated Community						
Local Government						
State Government Total	\$5,250	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Day Care Program	\$2,992	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Cash Grants Program	\$2,258	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Total Costs						
<b>REVENUE LOSSES:</b>						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

Some families receiving subsidized child care who are in the regulated community will realize savings due to the decrease in the amount of the weekly co-payments.

There is no cost to local government.

There is a cost to state government for both regulatory changes.

First, there are additional costs to state government to implement the co-payment schedule for State Fiscal Year 1999-00. The cost is \$5.250 million. There is \$2.992 million from the day care appropriation and \$2.258 million from the cash grant appropriation to cover this cost. The estimated cost to state government for State Fiscal Year 2000-01 is \$7.000 million. There will be an estimated \$4.000 million from the day care appropriation and an estimated \$3.000 million from the cash grant appropriation to cover this cost.

The Department determined the total cost to state government for the co-payment change by completing an analysis of the decrease in the co-payment for each identified income range for all family sizes. The Department then took the number of families in each of these income ranges and calculated the weekly co-payment decreases. The Department then annualized the weekly decreases to arrive at the total amount of the state's increased cost.

Second, the Department has determined that the cost to continue to provide subsidized child care to families whose income exceeds 185% of the FPIG but does not exceed 235% of the FPIG after February 1, 2000 is \$6.200 million for State Fiscal Year 1999-00. There are adequate funds in the child care budget in this fiscal year to support this change and no additional funds are needed. The Department determined the cost for State Fiscal Year 1999-00 by taking the annual cost of providing a subsidy to a child and prorated the cost to serve 4,000 children for the five-month period. The cost for Fiscal Year 2000-01, which is \$14.800 million, represents the annualized figure.

*John Rasky 9-24-99*

(20b) Provide the past three year expenditure history for programs affected by the regulation.

(Dollar amounts in thousands)

Program	FY -3 1996-1997	FY -2 1997-1998	FY -1 1998-1999	Current FY 1999-00
<b>Chapter 165 &amp; 168</b>				
Cash Grants (State)	\$523,236	\$323,388	\$259,688	\$211,394
Cash Grants (Federal)	\$496,892	\$500,059	\$537,333	\$588,333
<b>Chapter 3040</b>				
Day Care (State)	\$ 48,309	\$ 47,717	\$ 57,545	\$ 58,513
Day Care (Federal)	\$ 74,539	\$ 101,627*	\$109,873	\$126,804
Day Care (Other)	\$ 0	\$ 0	\$ 0	\$ 0

\* Reflects encumbrances and expenditures as of 06/30/98. It should be noted that \$4.492 million of the year end encumbrance is in excess of the anticipated expenditures for the 1997-1998 Fiscal Year.

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

Decreasing the co-payment amount for some families means they will receive a larger subsidy for their child care costs from the Department. By increasing the income limit to remain in subsidized child care up to 235% of the FPIG, more families will benefit from subsidized child care. Families whose income is more than 185% of the FPIG and does not exceed 235% of the FPIG pay a reasonable co-payment, which helps prepare them for the total cost of child care once they are no longer eligible for subsidized child care.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

There are no nonregulatory alternatives.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

The Department considered regulatory alternatives for the co-payment schedule and income limits.

First, the Department considered two regulatory alternatives for revising the current co-payment schedule. One alternative was to revise the current co-payment formula, but adjust some of the income ranges. This alternative was rejected because it would not correct the problems of anomalies, which would occur when the annual FPIG changes occur. Another alternative was to lower the amount of co-payment for each family size and use the co-payment schedule that was effective prior to February 1, 1999. If the Department reverted to the co-payments of the previous levels which were effective prior to February 1, 1999, it could result in increasing costs by \$32.140 million per year, or the equivalent of terminating subsidy to 12,000 children. Because the Department has increased enrollment and expanded the provision of subsidy to many families since February 1, 1999, when the current regulations took effect, it needs all of its resources in the State Fiscal Year 1999-00 budget to maintain subsidized child care to those families.

Second, the Department considered increasing the income limit for a family's initial eligibility for subsidized child care to 235% of the FPIG with no priority for entry into the subsidized child care system being given to families with income at or below 185% of the FPIG. The Department rejected this alternative because not all families with annual income at or below 185% of the FPIG are receiving subsidy, as evidenced by the 5,000 children currently on the waiting list. The Department also rejected this alternative because it would cost \$110.000 million annually. If the Department implemented this alternative within the current budgetary constraints, it would mean that 19,000 fewer children from families under 185% of the FPIG would be served each year to make room for the children from higher income families.

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

No provisions of these regulations are more stringent than federal standards. The CCDBG Act which authorizes states to pay for child care services offers states discretion in implementing their subsidized child care program to welfare, former welfare and low-income working families. The CCDBG Act requires states to have income guidelines for all families who participate in the subsidized child care program receiving CCDBG funding and a co-payment schedule based on income and family size. These new regulations do not exceed federal standards.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

By increasing the income level to 235% of the FPIG for families to remain eligible for subsidized child care, Pennsylvania will have one of the higher range of income limits established by the states.

The example below shows the new co-payment and income limits for Pennsylvania compared to the co-payment for surrounding states. The family includes one parent with two children receiving full-time subsidized child care. The family has an annual income of \$17,700. This example demonstrates that the new co-payment amounts do not differ from the current amount for all families, but does indicate that Pennsylvania's co-payments and income limits are within the range of other states.

Weekly Family Co-payments

Income Limit

Pennsylvania:	\$35.00 (new)	235% of the FPIG
	35.00 (current )	185% of the FPIG
New Jersey:	43.90	200% of the FPIG
Ohio:	30.00	185% of the FPIG
Maryland:	41.86	152% of the FPIG

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No.

**(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.**

The changes to the current regulations will require some minor changes to the software programs that are used to manage the subsidized child care program. No current report forms or other record keeping forms will be affected.

**(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.**

None.

**(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?**

The regulation will be effective February 1, 2000.

**(31) Provide the schedule for continual review of the regulation.**

The Department will revise the actual dollar amounts for income limits based annually to correspond to the annual change to the FPIG.



**CO-PAYMENT CHART  
FAMILY CO-PAYMENT SCALE**

(BASED ON THE 1999 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 1		Family Size: 2		Family Size: 3	
	Annual Income		Annual Income		Annual Income	
\$5.00	Less than:	\$6,590	Less than:	\$7,760.00	Less than:	\$8,930
\$10.00	\$6,590.01	\$8,240	\$7,760.01	\$9,410.00	\$8,930.01	\$10,580
\$15.00	\$8,240.01	\$9,890	\$9,410.01	\$11,060.00	\$10,580.01	\$12,230
\$20.00	\$9,890.01	\$11,540	\$11,060.01	\$12,710.00	\$12,230.01	\$13,880
\$25.00	\$11,540.01	\$13,190	\$12,710.01	\$14,360.00	\$13,880.01	\$15,530
\$30.00	\$13,190.01	\$14,840	\$14,360.01	\$16,010.00	\$15,530.01	\$17,180
\$35.00	\$14,840.01	\$16,490	\$16,010.01	\$17,660.00	\$17,180.01	\$18,830
\$40.00	\$16,490.01	\$18,140	\$17,660.01	\$19,310.00	\$18,830.01	\$20,480
\$45.00	\$18,140.01	\$19,364	\$19,310.01	\$20,960.00	\$20,480.01	\$22,130
\$50.00			\$20,960.01	\$22,610.00	\$22,130.01	\$23,780
\$55.00			\$22,610.01	\$24,260.00	\$23,780.01	\$25,430
\$60.00			\$24,260.01	\$25,910.00	\$25,430.01	\$27,080
\$65.00			\$25,910.01	\$25,991.00	\$27,080.01	\$28,730
\$70.00					\$28,730.01	\$30,380
\$75.00					\$30,380.01	\$32,030
\$75.00					\$32,030.01	\$32,618
	185% FPIG	\$15,244.00	185% FPIG	\$20,461.00	185% FPIG	\$25,678.00

Weekly Co-pay	Family Size: 4		Family Size: 5		Family Size: 6	
	Annual Income		Annual Income		Annual Income	
\$5.00	Less than:	\$10,100	Less than:	\$11,270	Less than:	\$12,440
\$10.00	\$10,100.01	\$11,750	\$11,270.01	\$12,920	\$12,440.01	\$14,090
\$15.00	\$11,750.01	\$13,400	\$12,920.01	\$14,570	\$14,090.01	\$15,740
\$20.00	\$13,400.01	\$15,050	\$14,570.01	\$16,220	\$15,740.01	\$17,390
\$25.00	\$15,050.01	\$16,700	\$16,220.01	\$17,870	\$17,390.01	\$19,040
\$30.00	\$16,700.01	\$18,350	\$17,870.01	\$19,520	\$19,040.01	\$20,690
\$35.00	\$18,350.01	\$20,000	\$19,520.01	\$21,170	\$20,690.01	\$22,340
\$40.00	\$20,000.01	\$21,650	\$21,170.01	\$22,820	\$22,340.01	\$23,990
\$45.00	\$21,650.01	\$23,300	\$22,820.01	\$24,470	\$23,990.01	\$25,640
\$50.00	\$23,300.01	\$24,950	\$24,470.01	\$26,120	\$25,640.01	\$27,290
\$55.00	\$24,950.01	\$26,600	\$26,120.01	\$27,770	\$27,290.01	\$28,940
\$60.00	\$26,600.01	\$28,250	\$27,770.01	\$29,420	\$28,940.01	\$30,590
\$65.00	\$28,250.01	\$29,900	\$29,420.01	\$31,070	\$30,590.01	\$32,240
\$70.00	\$29,900.01	\$31,550	\$31,070.01	\$32,720	\$32,240.01	\$33,890
\$75.00	\$31,550.01	\$33,200	\$32,720.01	\$34,370	\$33,890.01	\$35,540
\$80.00	\$33,200.01	\$34,850	\$34,370.01	\$36,020	\$35,540.01	\$37,190
\$85.00	\$34,850.01	\$36,500	\$36,020.01	\$37,670	\$37,190.01	\$38,840
\$90.00	\$36,500.01	\$38,150	\$37,670.01	\$39,320	\$38,840.01	\$40,490
\$95.00	\$38,150.01	\$39,245	\$39,320.01	\$40,970	\$40,490.01	\$42,140
\$100.00			\$40,970.01	\$42,620	\$42,140.01	\$43,790
\$105.00			\$42,620.01	\$44,270	\$43,790.01	\$45,440
\$110.00			\$44,270.01	\$45,872	\$45,440.01	\$47,090
\$115.00					\$47,090.01	\$48,740
\$120.00					\$48,740.01	\$50,390
\$125.00					\$50,390.01	\$52,040
\$130.00					\$52,040.01	\$52,499
	185% FPIG	\$30,895.00	185% FPIG	\$36,112.00	185% FPIG	\$41,329.00

**CO-PAYMENT CHART**  
**FAMILY CO-PAYMENT SCALE**

(BASED ON THE 1999 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 7 Annual Income	Family Size: 8 Annual Income	Family Size: 9 Annual Income
\$5.00	Less than: \$11,960	Less than: \$13,130	Less than: \$14,300
\$10.00	\$11,960.01	\$13,130.01	\$14,300.01
\$15.00	\$13,610.01	\$14,780.01	\$15,950.01
\$20.00	\$15,260.01	\$16,430.01	\$17,600.01
\$25.00	\$16,910.01	\$18,080.01	\$19,250.01
\$30.00	\$18,560.01	\$19,730.01	\$20,900.01
\$35.00	\$20,210.01	\$21,380.01	\$22,550.01
\$40.00	\$21,860.01	\$23,030.01	\$24,200.01
\$45.00	\$23,510.01	\$24,680.01	\$25,850.01
\$50.00	\$25,160.01	\$26,330.01	\$27,500.01
\$55.00	\$26,810.01	\$27,980.01	\$29,150.01
\$60.00	\$28,460.01	\$29,630.01	\$30,800.01
\$65.00	\$30,110.01	\$31,280.01	\$32,450.01
\$70.00	\$31,760.01	\$32,930.01	\$34,100.01
\$75.00	\$33,410.01	\$34,580.01	\$35,750.01
\$80.00	\$35,060.01	\$36,230.01	\$37,400.01
\$85.00	\$36,710.01	\$37,880.01	\$39,050.01
\$90.00	\$38,360.01	\$39,530.01	\$40,700.01
\$95.00	\$40,010.01	\$41,180.01	\$42,350.01
\$100.00	\$41,660.01	\$42,830.01	\$44,000.01
\$105.00	\$43,310.01	\$44,480.01	\$45,650.01
\$110.00	\$44,960.01	\$46,130.01	\$47,300.01
\$115.00	\$46,610.01	\$47,780.01	\$48,950.01
\$120.00	\$48,260.01	\$49,430.01	\$50,600.01
\$125.00	\$49,910.01	\$51,080.01	\$52,250.01
\$130.00	\$51,560.01	\$52,730.01	\$53,900.01
\$135.00	\$53,210.01	\$54,380.01	\$55,550.01
\$140.00	\$54,860.01	\$56,030.01	\$57,200.01
\$145.00	\$56,510.01	\$57,680.01	\$58,850.01
\$150.00	\$58,160.01	\$59,330.01	\$60,500.01
\$155.00		\$60,980.01	\$62,150.01
\$160.00		\$62,630.01	\$63,800.01
\$165.00		\$64,280.01	\$65,450.01
\$170.00			\$67,100.01
\$175.00			\$68,750.01
\$180.00			\$70,400.01
\$185.00			\$72,050.01
	185% FPIG \$46,546.00	185% FPIG \$51,763.00	185% FPIG \$56,980.00

**CO-PAYMENT CHART**  
**FAMILY CO-PAYMENT SCALE**  
(BASED ON THE 1999 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 10 Annual Income	Family Size: 11 Annual Income	Family Size: 12 Annual Income
\$5.00	Less than: \$15,470.00	Less than: \$16,640	Less than: \$17,810
\$10.00	\$15,470.01	\$17,120.00	\$18,290
\$15.00	\$17,120.01	\$18,770.00	\$19,940
\$20.00	\$18,770.01	\$20,420.00	\$21,590
\$25.00	\$20,420.01	\$22,070.00	\$23,240
\$30.00	\$22,070.01	\$23,720.00	\$24,890
\$35.00	\$23,720.01	\$25,370.00	\$26,540
\$40.00	\$25,370.01	\$27,020.00	\$28,190
\$45.00	\$27,020.01	\$28,670.00	\$29,840
\$50.00	\$28,670.01	\$30,320.00	\$31,490
\$55.00	\$30,320.01	\$31,970.00	\$33,140
\$60.00	\$31,970.01	\$33,620.00	\$34,790
\$65.00	\$33,620.01	\$35,270.00	\$36,440
\$70.00	\$35,270.01	\$36,920.00	\$38,090
\$75.00	\$36,920.01	\$38,570.00	\$39,740
\$80.00	\$38,570.01	\$40,220.00	\$41,390
\$85.00	\$40,220.01	\$41,870.00	\$43,040
\$90.00	\$41,870.01	\$43,520.00	\$44,690
\$95.00	\$43,520.01	\$45,170.00	\$46,340
\$100.00	\$45,170.01	\$46,820.00	\$47,990
\$105.00	\$46,820.01	\$48,470.00	\$49,640
\$110.00	\$48,470.01	\$50,120.00	\$51,290
\$115.00	\$50,120.01	\$51,770.00	\$52,940
\$120.00	\$51,770.01	\$53,420.00	\$54,590
\$125.00	\$53,420.01	\$55,070.00	\$56,240
\$130.00	\$55,070.01	\$56,720.00	\$57,890
\$135.00	\$56,720.01	\$58,370.00	\$59,540
\$140.00	\$58,370.01	\$60,020.00	\$61,190
\$145.00	\$60,020.01	\$61,670.00	\$62,840
\$150.00	\$61,670.01	\$63,320.00	\$64,490
\$155.00	\$63,320.01	\$64,970.00	\$66,140
\$160.00	\$64,970.01	\$66,620.00	\$67,790
\$165.00	\$66,620.01	\$68,270.00	\$69,440
\$170.00	\$68,270.01	\$69,920.00	\$71,090
\$175.00	\$69,920.01	\$71,570.00	\$72,740
\$180.00	\$71,570.01	\$73,220.00	\$74,390
\$185.00	\$73,220.01	\$74,870.00	\$76,040
\$190.00	\$74,870.01	\$76,520.00	\$77,690
\$195.00	\$76,520.01	\$78,170.00	\$79,340
\$200.00	\$78,170.01	\$79,007.00	\$80,990
\$205.00		\$80,990.01	\$82,640
\$210.00		\$82,640.01	\$84,290
\$215.00		\$84,290.01	\$85,634
\$220.00			\$87,110.01
\$225.00			\$88,760.01
\$230.00			\$90,410.01
\$235.00			\$92,060.01
	185% FPIG \$62,197.00	185% FPIG \$67,414.00	185% FPIG \$72,631.00

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WITH THE LEGISLATIVE REFERENCE BUREAU  
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BY: \_\_\_\_\_  
(Deputy Attorney General)

\_\_\_\_\_  
Date of Approval

Check if applicable  
Copy not approved. Objections  
attached.

Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:

DEPARTMENT OF PUBLIC WELFARE  
(Agency)

LEGAL COUNSEL: Jean E. Shaybill

DOCUMENT/FISCAL NOTE NO. #14-464

DATE OF ADOPTION: \_\_\_\_\_

BY: J. J. Dourtevin

TITLE: SECRETARY  
(Executive Officer, Chairman or Secretary)

Copy below is hereby approved as to form and legality. Executive or Independent Agencies.

BY: Towles

10/1/99  
Date of Approval

(Deputy General Counsel)  
(Chief Counsel, Independent Agency)  
(Strike inapplicable title)

Check if applicable. No Attorney General approval or objection within 30 days after submission.

DEPARTMENT OF PUBLIC WELFARE  
OFFICE OF CHILDREN, YOUTH AND FAMILIES  
[55 Pa. Code, Chapter 3040]  
Subsidized Child Day Care Eligibility

## **PREAMBLE**

### **Statutory Authority**

The Department of Public Welfare (Department) by this order adopts amendments to Chapter 3040, under the authority of Articles II, IV and VII of the Public Welfare Code (62 P.S. §§ 201-211, 401-493 and 701-703), the act of December 16, 1997 (P.L. 549, No. 58 (Act 58) and Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), Pub. L. No. 104-193, known as the Child Care and Development Block Grant (CCDBG) (42 U.S.C.A. §§ 9858-9858q).

### **Purpose of Amendments**

These amendments will change certain sections of Chapter 3040 relating both to income limits for low-income families who receive child care subsidy and to the weekly co-payment schedule. The provisions set forth in these amendments also apply to subsidized child care recipients who are receiving Temporary Assistance for Needy Families (TANF) benefits. The changes will provide increased access to subsidized child care for low-income working families and include refinements to the Department's subsidized child care program. Proposed rulemaking is omitted because the regulation relates to Commonwealth grants and benefits (45 P.S. § 1204 (1)(iv)). In addition, proposed rulemaking is omitted as unnecessary and contrary to public interest because these changes increase benefits to many families who are eligible for the subsidized child care program and make additional families eligible beginning February 1, 2000. By omitting proposed rulemaking, families will receive the benefits much sooner and families with income between 186% and 235% of the Federal Poverty Income Guidelines (FPIG) will not lose their child care subsidy beginning February 1, 2000 (45 P.S. § 1204(3)).

### **Background**

The current regulations for subsidized child care are codified at 55 Pa. Code Chapters 165, 168 and 3040 and became effective February 1, 1999. Chapters 165 and 168 establish eligibility criteria for child care benefits for families who are receiving cash assistance benefits under the Temporary Assistance for Needy Families (TANF) program. Chapter 3040 establishes eligibility criteria for families who formerly received cash assistance and for other low-income working families.

When the current regulations were adopted, the Department made a commitment to monitor the impact of the regulations on TANF families, former TANF families and other low-income working families. The Department tracked, through monthly reports from the Child Care Information Services (CCIS) agencies, the number of children enrolled in subsidized care, the number of children on the waiting list, the length of time families were on the waiting list for subsidized child care, the number of families who left

the subsidized child care program and the number of families on the waiting list who did not enroll in the subsidized child care program because of the co-payment amounts. The Department also received comments from parents, providers, advocates and legislators regarding the impact of the current regulations.

From the monitoring results, the Department determined that the enrollment of children into the subsidized child care program greatly increased since February 1999; and the waiting list was substantially reduced both in terms of time families waited for subsidy and the number of families on the waiting list for any length of time. The results indicated that nearly 95 percent of the children on the waiting list prior to February 1999 were enrolled into service; the time families spent waiting for subsidized child care dropped from an average of six to eight months to an average of a few weeks at most; less than 2 percent of families on the waiting list refused subsidized child care because of the co-payment amount; and the number of families leaving the subsidized child care program since February 1999 increased approximately 1 percent over the previous year.

However, the comments from parents and other individuals identified three major areas in the current regulations that created difficulties for some families: the income limit (185% of the FPIG) for receiving subsidized child care after February 1, 2000; the amount of the weekly co-payment generally; and the amount of the co-payment specifically for parents with only one child who is school-age and needs only part-time before- and after-school care.

There were suggestions that the Department return to the co-payment schedule and the income limit of 235% of the FPIG for initial eligibility for subsidized child care that were in place prior to February 1, 1999. While the Department did not see a large number of families leave the subsidized child care program, there was a concern that families whose income exceeded 185% of the FPIG as of February 1, 2000, who under the current regulation would lose subsidy, would be at risk of not being able to handle the full cost of child care. The Department determined that to return to the income limits for initial eligibility that were in place prior to February 1, 1999 without a comparable waiting list priority system would either mean an increase in the budget of \$110 million per year or would necessitate extensive cuts in availability of a child care subsidy for low-income families below 185% of the FPIG. The Department determined that it could continue eligibility for subsidy to families whose income did not exceed 235% of the FPIG to remain in the subsidized child care program and pay an increased co-payment without jeopardizing the pace of enrollment into the subsidized child care program, service for the families already receiving subsidy, or the length of time that families wait for subsidized child care.

Additionally, the Department determined that it should also revise the co-payment schedule to reflect the higher income limit. In doing that, the Department also made a decision to lower the maximum percentage of annual gross income that a family would be required to pay from 14.5% at 185% of the FPIG to 13.5% at 235% of the FPIG. As a result, the weekly co-payment for about one-third of those families with

annual income below 200% of the FPIG will be reduced by \$5 to \$10 per week. These decreases take place in many of the income ranges below 200% of the FPIG, including some below 100% of the FPIG. The majority of the decreases are for families within the income ranges of 170% to 200% of the FPIG. The families in these income ranges had some of the largest co-payment increases when the current co-payment schedule became effective February 1, 1999.

On October 1, 1999, the Department administratively implemented the co-payment reduction for those families whose co-payments will be less under the new regulations than under the current regulations. The Department also administratively implemented the provision that families with only one school-age child needing before- and after-school care pay one-half the weekly co-payment. That was effective March 1, 1999.

### Purpose of the Regulations

The Department determined that there are adequate resources to increase the income limits for families to remain eligible for subsidized child care and adjust the co-payment schedule to reflect the higher income limits. The purpose of amending the regulations is to expand the eligibility limit for families continuing to receive subsidized child care from 185% to 235% of the FPIG; to revise the co-payment schedule to achieve more uniform increments in co-payments for families as income increases; to cap the co-payment for families whose income does not exceed 235% of the FPIG at 13.5% of their annual income; and to allow families who have only one child needing part-time before- and after-school care to pay one-half the weekly co-payment.

### Summary of Changes

There are three changes in the new and revised regulations: 1) an increase in the income limit for families receiving subsidized child care; 2) a revised co-payment schedule that reflects the higher income limit and a reduction from 14.5% to 13.5% as the highest amount of a family's annual gross income to be used for the family's co-payment; and 3) a provision that a family with only one child receiving part-time before- and after-school care pay one-half of the weekly co-payment. Following is a discussion of the changes. The description of the one-half weekly co-payment for a child in school is included with the discussion on co-payment.

### Changes to Income Limit

Current Regulation – A family whose annual income is at or below 185% of the FPIG can apply for and receive subsidized child care. Once enrolled in subsidized child care, families whose annual income is between 186% and 235% of the FPIG can continue to receive subsidized child care until February 1, 2000. Under the current regulations, these families will lose their child care subsidy effective February 1, 2000. The income limit for eligibility for entry into the subsidized child care program remains at 185 percent of the FPIG.

**New Regulation** – At § 3040.27, the Department is deleting the grandfathering provision which indicates that a family who is enrolled in the subsidized child care program prior to February 1, 1999 and whose income exceeds 185% of the FPIG and is not greater than 235% of the FPIG continues to receive subsidized child care until February 1, 2000. The Department is revising § 3040.32(f) to provide that a family that applies for subsidized child care is ineligible if the family's gross annual income exceeds 185% of the FPIG. The Department is adding a new subparagraph (g) to § 3040.32 to indicate that when a family is receiving subsidized child care and its gross annual income exceeds 235% of the FPIG, that family is ineligible for subsidized child care.

The Department has determined that after February 1, 2000, as a family's income increases beyond 185% of the FPIG and up to 235% of the FPIG, the family could benefit from a continuation of a child care subsidy. There are 4,000 children who currently would benefit from this change. If these regulations are not adopted, subsidy for these children will be terminated effective February 1, 2000. Continuing to receive subsidized child care eases a family's transition to paying for the full cost of child care once subsidy ends. Without a continued subsidy, many families may experience a financial difficulty in paying the full cost of child care once their income is greater than 185% of the FPIG, and may risk losing their child care services.

### **Co-Payments**

**Current Regulation** -- The current regulation includes a co-payment schedule in which a family's weekly co-payment is a family fee based on income and family size regardless of the number of children needing subsidized care. Under this co-payment schedule, the family's annual co-payment does not exceed 10% of the family's annual income when the family's income does not exceed 100% of the FPIG, and does not exceed 14.5% of the family's annual income when the family's income does not exceed 185% of the FPIG. Families whose income is more than 185% of the FPIG and not more than 235% of the FPIG and who were "grandfathered" until February 1, 2000 are paying the same co-payment as families whose income is 185% of the FPIG. Consequently, families with incomes from 185% to 235% of the FPIG pay a lower percentage of their income for child care than some families with incomes at 185% of the FPIG. Also, there is no provision in the current regulation for families with only one child who is enrolled in school to pay one-half of the weekly co-payment when that child is receiving only part-time, before- and after-school care.

**New Regulation** -- § 3040.63: The Department is revising the co-payment schedule to accommodate families enrolled in the subsidized child care program whose income increases up to 235% of the FPIG.

Under the revised co-payment schedule, the Department retains the principle that a family's weekly co-payment is based on income and family size, regardless of the number of children needing subsidized child care.



The revised co-payment schedule provides for increases in the weekly co-payment of \$5 as the family's annual income increases into a higher income range. Each co-payment amount of \$5 is applicable to income ranges set at intervals of \$1,650. By using an income range set at intervals of \$1,650 for each co-payment level, minor fluctuations in income will not result in a change of co-payment for a family, unless the change puts them in a new income range. The income ranges allow a family's income to fluctuate up or down without a resulting co-payment change.

Paragraph (a)(3): The Department is revising this paragraph to provide that the family's annual co-payment shall not exceed 13.5 % of the family's annual income when the annual income does not exceed 235% of the FPIG.

In other changes to § 3040.63, the Department is:

- adding a provision that the family's annual co-payment shall not exceed 10% of the family's annual income when the annual income does not exceed 100% of the FPIG;
- adding a provision that if the family's annual income exceeds 235% of the FPIG during any time the family is receiving subsidized child care the family will no longer be eligible for subsidized child care;
- adding a provision that if the family's annual income does not exceed 185% of the FPIG at the time of initial determination of eligibility and does not exceed 235% of the FPIG during the time the family is receiving subsidized child care, the family is income-eligible;
- revising the co-payment schedule at Appendix B, which reflects family size, income limits and weekly co-payment amounts; and
- adding a provision to allow a family that has only one child who is enrolled in school, including kindergarten, and who receives a total of fewer than 5 hours daily of before- and/or after-school child care to pay one-half the weekly co-payment found in Appendix B.

The Department is revising the co-payment schedule at Appendix B to accommodate families whose income increases to 235% of the FPIG and reducing the percentage of a family's income that is required to meet the family's weekly co-payment responsibility.

Some families with income between 200% and 235% of the FPIG who otherwise would have become ineligible for subsidized child care on February 1, 2000, when the "grandfather" clause expires, will continue to receive a subsidy but will pay a higher co-payment than families with income at 185% of the FPIG. The amount of the increased weekly co-payment for these families is far less than the actual weekly cost of

child care these families would have to pay if their subsidy were terminated effective February 1, 2000. This increased co-payment is proportional to increases in co-payments that other families receiving subsidy experience as their income increases. The revised co-payment schedule also includes the co-payment amounts for some families whose income is between 170% and 185% of the FPIG which are lower than reflected in the previously published co-payment schedule in Appendix B.

In addition, the Department is changing the co-payment schedule to reflect more equal, progressive increments in co-payments as a family's income increases. An additional revision is the method for determining the co-payment. The Department is deleting the formula used to determine the co-payment amount set forth in current regulations at § 3040.63(d)(2). The complex formula resulted in anomalies when the annual FPIG changed in 1999. The revision to the regulations enables the Department to revise the co-payment schedule to reflect the annual FPIG changes and results in co-payments that are increased in \$5 intervals when a family's annual income increases by \$1,650. The Department will issue appropriate revisions to the co-payment schedule annually when the FPIG is revised.

Under the current regulation, a family with only one school-age child needing part-time before- and after-school care had to pay a full weekly co-payment that often was a greater amount than the weekly cost of child care, leaving the family ineligible for a subsidy. Many of these families expressed concern about the lack of alternatives for care of their children during these periods. The Department recognized that these families might leave their children unattended before and after school and could benefit from subsidized child care.

### Fiscal Impact

#### Public Sector

Commonwealth -- The Department will realize an increase in costs to the subsidized child care program of \$7 million on an annual basis because of the revisions to the current co-payment schedule. The Department will provide the additional funds to offset the increase in costs to assure there are adequate resources to continue services to children receiving subsidy and to assure that no children are terminated from subsidy because of lack of available funds.

Political Subdivisions -- Local governments will not have increased costs due to these final form regulations.

#### Private Sector

Approximately 4,000 children whose family income falls between 185% and 235% of the FPIG who were receiving subsidized child care and who otherwise would have lost subsidy effective February 1, 2000, will continue to remain in the subsidized child care program after February 1, 2000. All families whose income is below 185% of

the FPIG can apply for subsidy and are eligible to continue to receive subsidy until their income reaches 235% of the FPIG, assuming they meet all other eligibility factors. It is estimated that there will be 2,500 to 3,000 families that will be affected by this change annually and that will remain eligible when their family income ranges from 186% to 235% of the FPIG. In addition, nearly 23,000 families will realize a decrease in their weekly co-payment amounts based on the new co-payment schedule.

### General Public

There will be a benefit to the general public. Families are able to remain eligible for subsidized child care until their income reaches 235% of the FPIG. Remaining in subsidized child care will help families remain self-sufficient because they have adequate child care supports to continue employment. Some families with incomes below 185 percent of the FPIG will have lower weekly co-payment amounts than under the current regulations. Also, families with only one child attending school and needing part-time before- and after-school care will pay one-half the weekly co-payment.

### Paperwork Requirements

The eligibility agents, the CCIS agencies in each county, will experience a time-limited increase in paperwork because they will need to complete eligibility redeterminations and determine a co-payment amount for families receiving subsidized child care whose income falls between 185% and 235% of the FPIG after February 1, 2000.

### Effective Date

The regulations are effective February 1, 2000.

### Sunset Date

No sunset date applies to this final regulation.

### Regulatory Review

Under §5.1(c) of the Regulatory Review Act, the Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. §§745.1-745.15), the agency submitted a copy of this regulation with proposed rulemaking omitted on OCT 13 1999 to the Independent Regulatory Review Commission and to the Chairmen of the Senate Committee on Health and Human Services and the House Committee on Aging and Youth. On the same date, the regulation was submitted to the Office of the Attorney General for review and approval pursuant to the Commonwealth Attorneys Act.

In accordance with §5.1(d) and (e) of the Act, this regulation was approved by the Committees on \_\_\_\_\_ and was approved by the Commission on \_\_\_\_\_

### Contact Person

The contact person for these regulations is Ms. Kathryn J. Holod, Director, Bureau of Child Day Care Services, Bertolino Building, 4<sup>th</sup> Floor, Harrisburg, PA 17102, (717) 787-8691.

### Findings

The Department of Public Welfare finds:

- a. That public notice of intention to adopt the administrative regulation by this Order is omitted because the regulation relates to Commonwealth grants and benefits and is unnecessary and contrary to public interest under §§ 204(1)(iv) and 204 (3) of Act No. 240 of July 31, 1968, P.L. 769 (45 P.S. §§ 1204(1)(iv) and 1204(3) and the regulations thereunder (1 Pa. Code §7.4(1)(iv) and § 7.4(3)).
- b. That the adoption of this regulation in the manner provided in this Order is necessary and appropriate for the administration and enforcement of the Public Welfare Code.

The Department of Public Welfare, acting under the Public Welfare Code, orders:

- a. The regulations of the Department of Public Welfare are amended to read as set forth in Annex A to this Order.
- b. The Secretary of the Department of Public Welfare shall submit this Order and Annex A to the Office of Attorney General and the Office of General Counsel for approval as to legality and form as required by law.
- c. The Secretary of the Department of Public Welfare shall certify this Order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- d. This Order shall take effect February 1, 2000.

Feather O. Houstoun  
Secretary of Public Welfare

**TITLE 55. PUBLIC WELFARE**  
**PART V. CHILDREN, YOUTH AND FAMILIES MANUAL**  
**SUBPART B. ELIGIBILITY FOR SUBSIDY**  
**CHAPTER 3040. SUBSIDIZED CHILD CARE ELIGIBILITY**

\*\*\*\*\*

**§ 3040.27. [Grandfathering provisions] Reserved.**

[A child who is enrolled in the subsidized child care program prior to the effective date of this regulation continues to receive subsidized child care for one year from the effective date of this regulation, without regard to the eligibility conditions listed below provided all other eligibility conditions are met:

(1) The family income exceeds 185% and is not greater than 235% of the FPIG. If the family income during this period exceeds 235% of FPIG, the child is ineligible for subsidy. The parent/caretaker of a child grandfathered under this section is required to pay the co-payment established for a family of its size at 185% of FPIG.

(2) The family eligibility is established based on the parent's/caretaker's participation in an approved training program and annual family income does not exceed 235% of the FPIG. If the training program is completed prior to the expiration of the one-year period, and, if at that time the parent/caretaker does not meet the employment requirements, the family is ineligible for subsidy.]

\*\*\*\*\*

**§3040.32. Financial eligibility.**

\*\*\*\*\*

(f) The family is ineligible for child care subsidy **AT INITIAL DETERMINATION OF ELIGIBILITY** if the annual family income exceeds [the Department's maximum gross income limit of] 185% of FPIG [with the exception of those families listed in § 3040.27 (relating to grandfathering provisions)].

(g) **THE FAMILY IS INELIGIBLE FOR CHILD CARE SUBSIDY AT REDETERMINATION IF THE ANNUAL FAMILY INCOME EXCEEDS 235% OF FPIG.**

\*\*\*\*\*

**§3040.63. Calculating a co-payment.**

\*\*\*\*\*

(a) (3) The family's annual co-payment may not exceed [14.5%] **13.5%** of the family's annual income.

**(a) (4) IF THE FAMILY'S ANNUAL INCOME IS 100% OF FPIG OR LESS, THE ANNUAL CO-PAYMENT MAY NOT EXCEED 10% OF THE FAMILY'S ANNUAL INCOME.**

\*\*\*\*\*

(c) **IF AT INITIAL APPLICATION, the annual income for the family exceeds 185% of the FPIG OR IF AT REDETERMINATION THE ANNUAL INCOME FOR THE FAMILY EXCEEDS 235% OF THE FPIG, the family is not eligible for subsidized child care.**

(d) **If the annual income for the family does not exceed 185% of the FPIG AT INITIAL DETERMINATION OF ELIGIBILITY OR DOES NOT EXCEED 235% OF THE FPIG AT REDETERMINATION AND THE FAMILY IS OTHERWISE ELIGIBLE, the eligibility agent shall determine the co-payment by using the co-payment chart in Appendix B[.].**

**[(1) In Appendix B, the co-payment is determined by family size and the annual income calculated in accordance with § 3040.63(b)(4). If the family's annual income falls between two FPIG percentages, use the higher FPIG percentage.**

**(2)](1) The co-payment as set forth in Appendix B is calculated [as follows:**

- (i) Determine the family size.
- (ii) Determine the family's annual income.
- (iii) Identify the annual income amount which is 100% FPIG for the family size.
- (iv) Divide (ii) by (iii).
- (v) Multiply (iv) by 100 and round to the nearest thousandth, which is the percentage of FPIG for that family.
- (vi) Reduce the result of (v) to the next lower whole number divisible by 10.
- (vii) Multiply (iii) by (vi) and add \$1.

(viii) Locate the result of (v) in the chart listed below under the column labeled "% FPIG." If the result of (v) is not a multiple of 10, round up to the next multiple of ten and locate in the chart listed below under the column labeled "% FPIG." Locate the corresponding "N" factor in the chart below.

<u>% FPIG</u>	<u>N</u>
10%	5.5%
20%	6%
30%	6.5%
40%	7%
50%	7.5%
60%	8%
70%	8.5%
80%	9%
90%	9.5%
100%	10%
110%	10.5%
120%	11%
130%	11.5%
140%	12%
150%	12.5%
160%	13%
170%	13.5%
180%	14%
185%	14.5%

(ix) Multiply the result of (vii) by the "N" factor established in (viii) to establish the annual co-payment amount and round to nearest hundredth.

(x) Divide the result of (ix) by 52 to determine the weekly co-payment amount. Round down to the nearest whole dollar divisible by \$5. The result is the weekly co-payment] **IN \$5 INCREMENTS FOR EACH \$1650 OF ANNUAL INCOME.**

**(e) IF A FAMILY HAS ONLY ONE CHILD WHO IS ENROLLED IN SCHOOL, INCLUDING KINDERGARTEN, AND WHO RECEIVES A TOTAL OF FEWER THAN 5 HOURS OF BEFORE- AND/OR AFTER-SCHOOL CHILD CARE, THE FAMILY SHALL PAY ONE-HALF THE WEEKLY AMOUNT DERIVED FROM THE CHART IN APPENDIX B.**

[(e)] (f) If the co-payment is equal to or exceeds the weekly reimbursement rate for care **OR IF THE DEPARTMENT'S WEEKLY PAYMENT TO THE PROVIDER WOULD BE LESS THAN \$5**, the family is not eligible for child care subsidy with [the] **THAT** provider [selected by the family].

\*\*\*\*\*



**CO-PAYMENT CHART  
FAMILY CO-PAYMENT SCALE**

(BASED ON THE 1999 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 1		Family Size: 2		Family Size: 3	
	Annual Income		Annual Income		Annual Income	
\$5.00	Less than:	\$6,590	Less than:	\$7,760.00	Less than:	\$8,930
\$10.00	\$6,590.01	\$8,240	\$7,760.01	\$9,410.00	\$8,930.01	\$10,580
\$15.00	\$8,240.01	\$9,890	\$9,410.01	\$11,060.00	\$10,580.01	\$12,230
\$20.00	\$9,890.01	\$11,540	\$11,060.01	\$12,710.00	\$12,230.01	\$13,880
\$25.00	\$11,540.01	\$13,190	\$12,710.01	\$14,360.00	\$13,880.01	\$15,530
\$30.00	\$13,190.01	\$14,840	\$14,360.01	\$16,010.00	\$15,530.01	\$17,180
\$35.00	\$14,840.01	\$16,490	\$16,010.01	\$17,660.00	\$17,180.01	\$18,830
\$40.00	\$16,490.01	\$18,140	\$17,660.01	\$19,310.00	\$18,830.01	\$20,480
\$45.00	\$18,140.01	\$19,364	\$19,310.01	\$20,960.00	\$20,480.01	\$22,130
\$50.00			\$20,960.01	\$22,610.00	\$22,130.01	\$23,780
\$55.00			\$22,610.01	\$24,260.00	\$23,780.01	\$25,430
\$60.00			\$24,260.01	\$25,910.00	\$25,430.01	\$27,080
\$65.00			\$25,910.01	\$25,991.00	\$27,080.01	\$28,730
\$70.00					\$28,730.01	\$30,380
\$75.00					\$30,380.01	\$32,030
\$75.00					\$32,030.01	\$32,618
	185% FPIG	\$15,244.00	185% FPIG	\$20,461.00	185% FPIG	\$25,678.00

Weekly Co-pay	Family Size: 4		Family Size: 5		Family Size: 6	
	Annual Income		Annual Income		Annual Income	
\$5.00	Less than:	\$10,100	Less than:	\$11,270	Less than:	\$12,440
\$10.00	\$10,100.01	\$11,750	\$11,270.01	\$12,920	\$12,440.01	\$14,090
\$15.00	\$11,750.01	\$13,400	\$12,920.01	\$14,570	\$14,090.01	\$15,740
\$20.00	\$13,400.01	\$15,050	\$14,570.01	\$16,220	\$15,740.01	\$17,390
\$25.00	\$15,050.01	\$16,700	\$16,220.01	\$17,870	\$17,390.01	\$19,040
\$30.00	\$16,700.01	\$18,350	\$17,870.01	\$19,520	\$19,040.01	\$20,690
\$35.00	\$18,350.01	\$20,000	\$19,520.01	\$21,170	\$20,690.01	\$22,340
\$40.00	\$20,000.01	\$21,650	\$21,170.01	\$22,820	\$22,340.01	\$23,990
\$45.00	\$21,650.01	\$23,300	\$22,820.01	\$24,470	\$23,990.01	\$25,640
\$50.00	\$23,300.01	\$24,950	\$24,470.01	\$26,120	\$25,640.01	\$27,290
\$55.00	\$24,950.01	\$26,600	\$26,120.01	\$27,770	\$27,290.01	\$28,940
\$60.00	\$26,600.01	\$28,250	\$27,770.01	\$29,420	\$28,940.01	\$30,590
\$65.00	\$28,250.01	\$29,900	\$29,420.01	\$31,070	\$30,590.01	\$32,240
\$70.00	\$29,900.01	\$31,550	\$31,070.01	\$32,720	\$32,240.01	\$33,890
\$75.00	\$31,550.01	\$33,200	\$32,720.01	\$34,370	\$33,890.01	\$35,540
\$80.00	\$33,200.01	\$34,850	\$34,370.01	\$36,020	\$35,540.01	\$37,190
\$85.00	\$34,850.01	\$36,500	\$36,020.01	\$37,670	\$37,190.01	\$38,840
\$90.00	\$36,500.01	\$38,150	\$37,670.01	\$39,320	\$38,840.01	\$40,490
\$95.00	\$38,150.01	\$39,245	\$39,320.01	\$40,970	\$40,490.01	\$42,140
\$100.00			\$40,970.01	\$42,620	\$42,140.01	\$43,790
\$105.00			\$42,620.01	\$44,270	\$43,790.01	\$45,440
\$110.00			\$44,270.01	\$45,872	\$45,440.01	\$47,090
\$115.00					\$47,090.01	\$48,740
\$120.00					\$48,740.01	\$50,390
\$125.00					\$50,390.01	\$52,040
\$130.00					\$52,040.01	\$52,499
	185% FPIG	\$30,895.00	185% FPIG	\$36,112.00	185% FPIG	\$41,329.00

**CO-PAYMENT CHART**  
**FAMILY CO-PAYMENT SCALE**  
(BASED ON THE 1999 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 7 Annual Income	Family Size: 8 Annual Income	Family Size: 9 Annual Income
\$5.00	Less than: \$11,960	Less than: \$13,130	Less than: \$14,300
\$10.00	\$11,960.01	\$13,130.01	\$14,300.01
\$15.00	\$13,610.01	\$14,780.01	\$15,950.01
\$20.00	\$15,260.01	\$16,430.01	\$17,600.01
\$25.00	\$16,910.01	\$18,080.01	\$19,250.01
\$30.00	\$18,560.01	\$19,730.01	\$20,900.01
\$35.00	\$20,210.01	\$21,380.01	\$22,550.01
\$40.00	\$21,860.01	\$23,030.01	\$24,200.01
\$45.00	\$23,510.01	\$24,680.01	\$25,850.01
\$50.00	\$25,160.01	\$26,330.01	\$27,500.01
\$55.00	\$26,810.01	\$27,980.01	\$29,150.01
\$60.00	\$28,460.01	\$29,630.01	\$30,800.01
\$65.00	\$30,110.01	\$31,280.01	\$32,450.01
\$70.00	\$31,760.01	\$32,930.01	\$34,100.01
\$75.00	\$33,410.01	\$34,580.01	\$35,750.01
\$80.00	\$35,060.01	\$36,230.01	\$37,400.01
\$85.00	\$36,710.01	\$37,880.01	\$39,050.01
\$90.00	\$38,360.01	\$39,530.01	\$40,700.01
\$95.00	\$40,010.01	\$41,180.01	\$42,350.01
\$100.00	\$41,660.01	\$42,830.01	\$44,000.01
\$105.00	\$43,310.01	\$44,480.01	\$45,650.01
\$110.00	\$44,960.01	\$46,130.01	\$47,300.01
\$115.00	\$46,610.01	\$47,780.01	\$48,950.01
\$120.00	\$48,260.01	\$49,430.01	\$50,600.01
\$125.00	\$49,910.01	\$51,080.01	\$52,250.01
\$130.00	\$51,560.01	\$52,730.01	\$53,900.01
\$135.00	\$53,210.01	\$54,380.01	\$55,550.01
\$140.00	\$54,860.01	\$56,030.01	\$57,200.01
\$145.00	\$56,510.01	\$57,680.01	\$58,850.01
\$150.00	\$58,160.01	\$59,330.01	\$60,500.01
\$155.00		\$60,980.01	\$62,150.01
\$160.00		\$62,630.01	\$63,800.01
\$165.00		\$64,280.01	\$65,450.01
\$170.00			\$67,100.01
\$175.00			\$68,750.01
\$180.00			\$70,400.01
\$185.00			\$72,050.01
	185% FPIG \$46,546.00	185% FPIG \$51,763.00	185% FPIG \$56,980.00

**CO-PAYMENT CHART**  
**FAMILY CO-PAYMENT SCALE**  
(BASED ON THE 1999 FEDERAL POVERTY INCOME GUIDELINES)

Weekly Co-pay	Family Size: 10		Family Size: 11		Family Size: 12	
	Annual Income		Annual Income		Annual Income	
\$5.00	Less than:	\$15,470.00	Less than:	\$16,640	Less than:	\$17,810
\$10.00	\$15,470.01	\$17,120.00	\$16,640.01	\$18,290	\$17,810.01	\$19,460
\$15.00	\$17,120.01	\$18,770.00	\$18,290.01	\$19,940	\$19,460.01	\$21,110
\$20.00	\$18,770.01	\$20,420.00	\$19,940.01	\$21,590	\$21,110.01	\$22,760
\$25.00	\$20,420.01	\$22,070.00	\$21,590.01	\$23,240	\$22,760.01	\$24,410
\$30.00	\$22,070.01	\$23,720.00	\$23,240.01	\$24,890	\$24,410.01	\$26,060
\$35.00	\$23,720.01	\$25,370.00	\$24,890.01	\$26,540	\$26,060.01	\$27,710
\$40.00	\$25,370.01	\$27,020.00	\$26,540.01	\$28,190	\$27,710.01	\$29,360
\$45.00	\$27,020.01	\$28,670.00	\$28,190.01	\$29,840	\$29,360.01	\$31,010
\$50.00	\$28,670.01	\$30,320.00	\$29,840.01	\$31,490	\$31,010.01	\$32,660
\$55.00	\$30,320.01	\$31,970.00	\$31,490.01	\$33,140	\$32,660.01	\$34,310
\$60.00	\$31,970.01	\$33,620.00	\$33,140.01	\$34,790	\$34,310.01	\$35,960
\$65.00	\$33,620.01	\$35,270.00	\$34,790.01	\$36,440	\$35,960.01	\$37,610
\$70.00	\$35,270.01	\$36,920.00	\$36,440.01	\$38,090	\$37,610.01	\$39,260
\$75.00	\$36,920.01	\$38,570.00	\$38,090.01	\$39,740	\$39,260.01	\$40,910
\$80.00	\$38,570.01	\$40,220.00	\$39,740.01	\$41,390	\$40,910.01	\$42,560
\$85.00	\$40,220.01	\$41,870.00	\$41,390.01	\$43,040	\$42,560.01	\$44,210
\$90.00	\$41,870.01	\$43,520.00	\$43,040.01	\$44,690	\$44,210.01	\$45,860
\$95.00	\$43,520.01	\$45,170.00	\$44,690.01	\$46,340	\$45,860.01	\$47,510
\$100.00	\$45,170.01	\$46,820.00	\$46,340.01	\$47,990	\$47,510.01	\$49,160
\$105.00	\$46,820.01	\$48,470.00	\$47,990.01	\$49,640	\$49,160.01	\$50,810
\$110.00	\$48,470.01	\$50,120.00	\$49,640.01	\$51,290	\$50,810.01	\$52,460
\$115.00	\$50,120.01	\$51,770.00	\$51,290.01	\$52,940	\$52,460.01	\$54,110
\$120.00	\$51,770.01	\$53,420.00	\$52,940.01	\$54,590	\$54,110.01	\$55,760
\$125.00	\$53,420.01	\$55,070.00	\$54,590.01	\$56,240	\$55,760.01	\$57,410
\$130.00	\$55,070.01	\$56,720.00	\$56,240.01	\$57,890	\$57,410.01	\$59,060
\$135.00	\$56,720.01	\$58,370.00	\$57,890.01	\$59,540	\$59,060.01	\$60,710
\$140.00	\$58,370.01	\$60,020.00	\$59,540.01	\$61,190	\$60,710.01	\$62,360
\$145.00	\$60,020.01	\$61,670.00	\$61,190.01	\$62,840	\$62,360.01	\$64,010
\$150.00	\$61,670.01	\$63,320.00	\$62,840.01	\$64,490	\$64,010.01	\$65,660
\$155.00	\$63,320.01	\$64,970.00	\$64,490.01	\$66,140	\$65,660.01	\$67,310
\$160.00	\$64,970.01	\$66,620.00	\$66,140.01	\$67,790	\$67,310.01	\$68,960
\$165.00	\$66,620.01	\$68,270.00	\$67,790.01	\$69,440	\$68,960.01	\$70,610
\$170.00	\$68,270.01	\$69,920.00	\$69,440.01	\$71,090	\$70,610.01	\$72,260
\$175.00	\$69,920.01	\$71,570.00	\$71,090.01	\$72,740	\$72,260.01	\$73,910
\$180.00	\$71,570.01	\$73,220.00	\$72,740.01	\$74,390	\$73,910.01	\$75,560
\$185.00	\$73,220.01	\$74,870.00	\$74,390.01	\$76,040	\$75,560.01	\$77,210
\$190.00	\$74,870.01	\$76,520.00	\$76,040.01	\$77,690	\$77,210.01	\$78,860
\$195.00	\$76,520.01	\$78,170.00	\$77,690.01	\$79,340	\$78,860.01	\$80,510
\$200.00	\$78,170.01	\$79,007.00	\$79,340.01	\$80,990	\$80,510.01	\$82,160
\$205.00			\$80,990.01	\$82,640	\$82,160.01	\$83,810
\$210.00			\$82,640.01	\$84,290	\$83,810.01	\$85,460
\$215.00			\$84,290.01	\$85,634	\$85,460.01	\$87,110
\$220.00					\$87,110.01	\$88,760
\$225.00					\$88,760.01	\$90,410
\$230.00					\$90,410.01	\$92,060
\$235.00					\$92,060.01	\$92,261
	185% FPIG	\$62,197.00	185% FPIG	\$67,414.00	185% FPIG	\$72,631.00

**TRANSMITTAL SHEET FOR REGULATORY REVIEW ACT**

**RECEIVED**

I.D. NUMBER: 14-464  
 SUBJECT: Subsidized Child Day Care Eligibility  
 AGENCY: DEPARTMENT OF PUBLIC WELFARE

1999 OCT 13 PM 2:08

INDEPENDENT REGULATORY  
 REVIEW COMMISSION

**TYPE OF REGULATION**

- Proposed Regulation
- Final Regulation
- X Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
  - a. With Revisions
  - b. Without Revisions

**FILING OF REGULATION**

DATE	SIGNATURE	DESIGNATION
		HOUSE COMMITTEE ON HEALTH & WELFARE
10/13/99	<i>Kristi Knelson</i>	SENATE COMMITTEE ON PUBLIC HEALTH & WELFARE
10/13/99	<i>Bernadette Chute</i>	
10/13/99	<i>Kenn C Garner</i>	INDEPENDENT REGULATORY REVIEW COMMISSION
10/13/99	<i>Jennifer Nowri</i>	ATTORNEY GENERAL
		<del>LEGISLATIVE REFERENCE BUREAU</del>
10/13/99	<i>Jesse W Schuler</i>	Ageng / Youth Committee (House)
	<i>Julia Meitz</i>	" " " " " "

October 4, 1999