

**FY 2022 PERFORMANCE PLAN**

<p align="center"><b>Child Care Subsidy</b></p>		<p align="center">EID/PAB</p>	<p align="center">Julie Powell x1340 Patricia Rivers x1344</p>
<p>Program Purpose</p>	<ul style="list-style-type: none"> <li>Subsidize childcare costs so that low-income families have more income for housing, food, and other necessities.</li> </ul>		
<p>Program Information</p>	<ul style="list-style-type: none"> <li>This performance plan is based on the State Fiscal Year (SFY) schedule, which runs from June 1 to May 31.</li> <li>Parent(s) must be either working or in school to qualify for a childcare subsidy. Children must be ages 0 to 13, or underage 18 if they are physically or mentally incapable of caring for themselves or subject to court supervision.</li> <li>There are three categories of families eligible for the Child Care Subsidy program:               <ul style="list-style-type: none"> <li>Fee-paying: Families earning less than 185% of the Federal Poverty Level (approximately \$51,338 for a family of four). Their co-pay is 5-10% of the family gross monthly income, depending on household size.</li> <li>Families receiving Temporary Assistance to Needy Families (TANF) and those enrolled in the VIEW (Virginia Initiative for Employment Not Welfare) program: Subsidized at 100% per federal mandate. Recipients must be either working or participating in VIEW. Transitional Child Care is provided to former TANF recipients who are employed up to 12 months after TANF closure. TANF Transitional families co-pay is 5-10% of the family gross monthly income, depending on household size.</li> <li>Head Start / Early Head Start: Families who have at least one child in one of these programs and who earn less than 185% of the Federal Poverty Level are eligible per federal mandate. Their co-pay can range from \$0 to 10% of their gross monthly income. If the family earns less than 100% of the FPL and all children are enrolled in Head Start, the co-pay is \$0.</li> </ul> </li> <li>Families who apply for Child Care Subsidy Services will have their application processed within 30 days of receipt of the application by the agency. The waitlist was eliminated in April SFY 2021. Child Care providers in this program have agreed to accept the state Maximum Reimbursable Rate negotiated rate for childcare. The State reimburses Subsidy Providers in Arlington as follows: \$980-\$1,200/month for before or after school care, \$1,400-\$1,700/month for a preschool-aged child, \$1,400-\$1,920 for toddlers and \$1,400-\$1,960/month for an infant. Arlington County has the highest reimbursable rate in the State for Child Care Subsidy Providers. Open market rates are higher.</li> <li>The program has a 12-month continuous eligibility period. This means that once approved for subsidy, the child will be considered eligible for a minimum of 12 months if the family's monthly gross income does not exceed 85% of the State Median Income (\$7,717 for a family of four) and meets other eligibility criteria.</li> <li>The Child Care Subsidy program continued to make adjustments to accommodate the needs of Child Care providers and parents due to the public health emergency:               <ul style="list-style-type: none"> <li>✓ In March 2021, House Bill 2206 increased the Excused child absences from 36 per fiscal year to 180 for the remainder of the calendar year. This provision was temporary and ended January 1, 2022. The number of absences reverted to 36 absences per child.</li> <li>✓ The House Bill also waived monthly co-pay amounts for parents beginning April 2021 through May 31, 2022.</li> <li>✓ The House Bill temporarily provides an increase in eligibility to 85% of the state median income for all localities for all households that include a child 5 years or younger that is not enrolled in kindergarten.</li> <li>✓ The House Bill temporarily expands criteria to include job search as a qualifying activity.</li> </ul> </li> </ul>		

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	<ul style="list-style-type: none"> <li>✓ All temporary provisions of the bill were set to sunset on May 31, 2022, but have been extended through 6/30/2024.</li> <li>✓ The House Bill permanently eliminated the requirement that participants must cooperate with the Division of Child Support Enforcement in order to receive Child Care Subsidy Services.</li> </ul>
Service Delivery Model	<ul style="list-style-type: none"> <li>• The Child Care Subsidy program was delivered in a hybrid format in SFY 2022. Each staff member provided customer services in the office one day per week.</li> <li>• Since the interview waivers have been extended, service delivery in FY 2023 should remain the same. Service delivery will be reevaluated should the waivers end and the Virginia Department of Social Services (VDSS) make other adjustments to policies.</li> </ul>

**PM1: How much did we do?**

Staff	<p>Total 3.25 FTEs:</p> <ul style="list-style-type: none"> <li>• 0.25 FTE Supervisor (25% Of 1 FTE)</li> <li>• 3 FTE Benefit Program Specialist (100% of 3 FTEs)</li> </ul>
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Customers and Service Data		<b>SFY 2019</b>		<b>SFY 2020*</b>		<b>SFY 2021</b>		<b>SFY 2022</b>	
	<b>Type of Family</b>	<b># of Children</b>	<b>%</b>						
	Fee Paying	116	64%	183	62%	181	62%	311	74%
	VIEW/TANF	48	27%	83	28%	71	28%	56	13%
	Early/ Head Start	16	9%	30	10%	22	10%	53	13%
	<b>Total</b>	<b>180</b>	<b>100%</b>	<b>295</b>	<b>100%</b>	<b>274</b>	<b>100%</b>	<b>420</b>	<b>100%</b>
	Locally Funded**	3	-	4	-	7	-	8	-

\*The reason for the increase in the number of children for SFY 2020 was due to the change in reporting. The state now gives agencies an unduplicated year-to-date child count for each Budget Line. In previous years, data from the last month of the SFY (May) was used. In May 2020, the program served 151 children.

\*\*Local funding includes support for youth parents and other designated populations. In SFY 2020, Arlington County received additional grant funding to support 6 families. These families were enrolled in SFY 2021. Locally funded families are not included in PM 2 or PM 3 measures.

**PM2: How well did we do it?**

2.1	Quality control accuracy rate
2.2	Percent of allocated state funds spent for fee paying families

**PM3: Is anyone better off?**

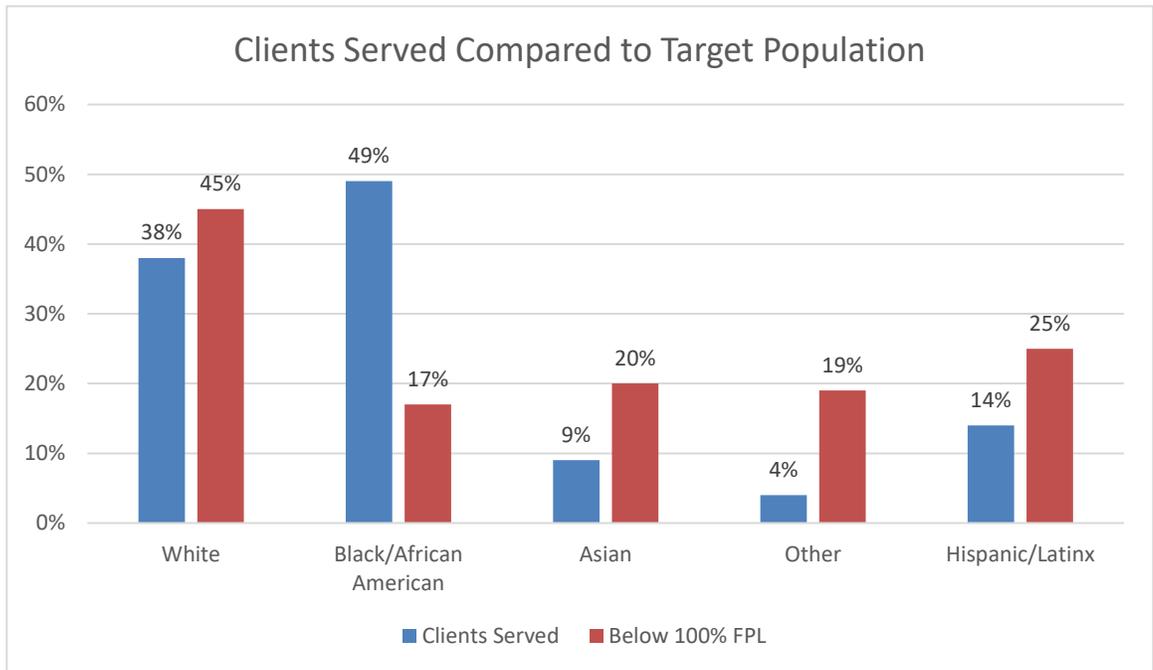
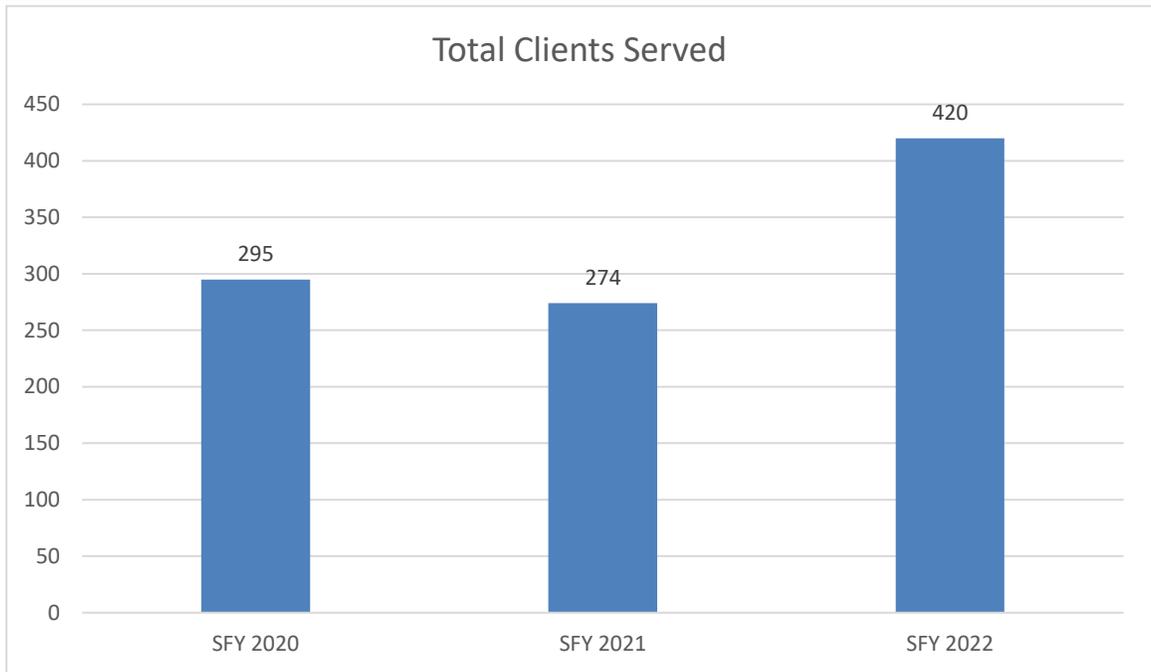
3.1	Percentage of income required for childcare expenses
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Child Care Subsidy Program

Measure 1 Program Participants

Data



Data Summary

- In SFY 2022, there were 420 children that received childcare subsidy services.
- Between FY 2020 and SFY 2022 the number of children served increased 42%, from 295 in SFY 2021 to 420 in SFY 2022.

**What is the story behind the data?**

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- In SFY 2021, the passage of House Bill 2206 in March 2021 temporarily adjusted a number of program requirements to provide families with more flexibility during the COVID public health emergency. Excused absences were increased, copays were suspended, job search was considered a qualifying activity, and income thresholds were raised. Despite these provisions, the impacts of the COVID pandemic – including job loss, childcare closures, and virtual schooling – resulted in fewer families receiving services in SFY 2021.
- In SFY 2022, the majority of the flexibilities established by House Bill 2206 remained in place through May 2022. As the economy improved, schools reopened, and childcare slots became available, significantly more families were able to access child care subsidies.
- The racial and ethnic demographics of families served in SFY 2022 differs from that of families with incomes below 100% of the federal poverty level: the program served a higher percentage of Black families, and a lower percentage of Asian and Hispanic families. Not all families with incomes below the federal poverty level are eligible to receive child care subsidies due to nonfinancial criteria.

<b>Recommendations</b>	<b>Target Dates</b>
<ul style="list-style-type: none"> <li>• Ensure staff does outreach to ethnicities with lower participation rates, emphasizing the job search component of HB 2206.</li> <li>• Ensure that immigrant families are aware that the program is only concerned with the child’s legal status versus that of the parents.</li> <li>• Work closely with the Thrive Child Care Coordinator to assist with outreach efforts.</li> </ul>	<ul style="list-style-type: none"> <li>• SFY 2023 Q4</li> <li>• SFY 2023 Q4</li> <li>• SFY 2023 Q4</li> </ul>

**Forecast**

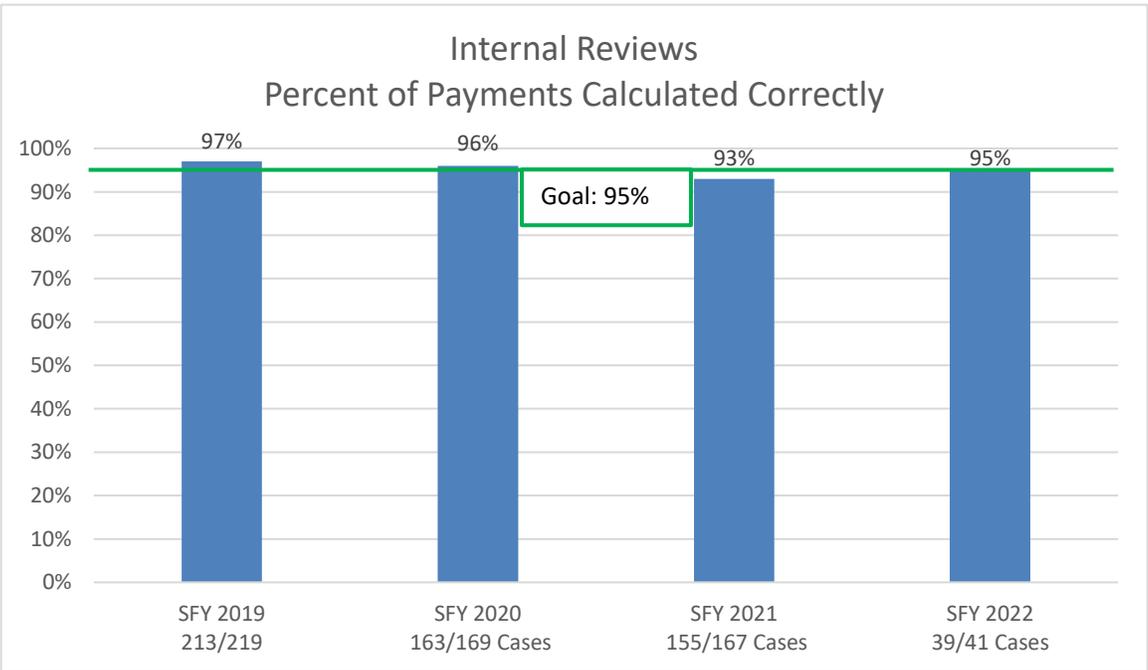
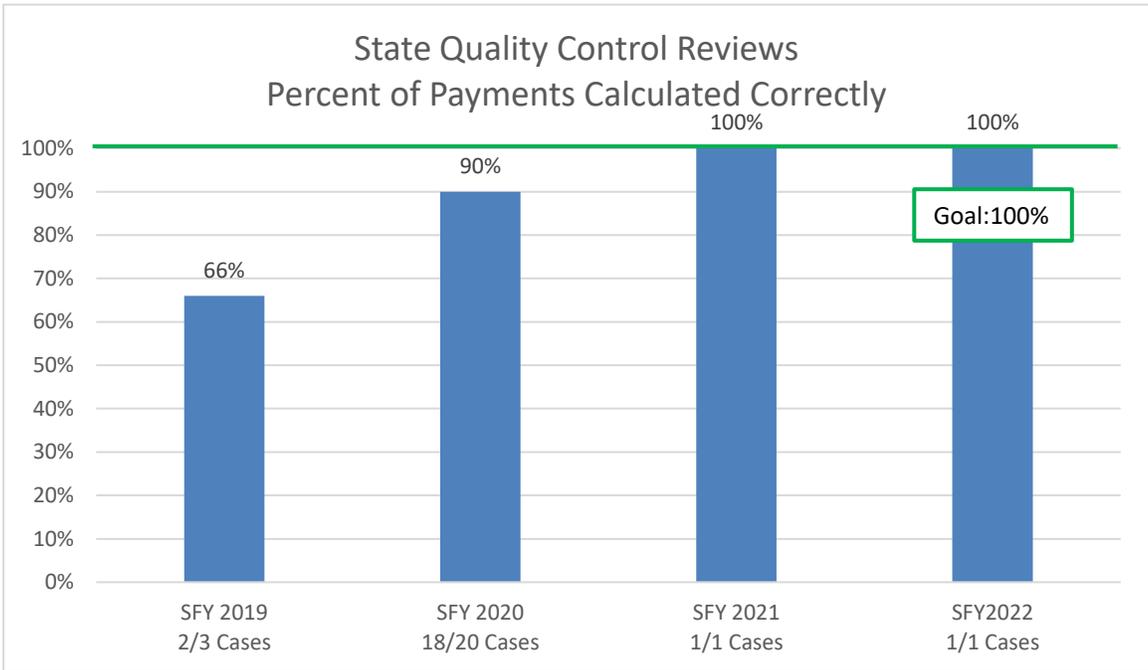
- In SFY 2023, we anticipate the numbers to remain the same due to the state extension of the provisions of HB 2206 through June 30, 2024.

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Child Care Subsidy Program

Measure 2.1 Quality control accuracy rate

Data



Data Summary

- This program met its internal accuracy goals in SFY 2020, SFY 2021 and SFY 2022 and met the state accuracy standard of 90%.
- Due to the COVID Pandemic, the Child Care Regional Consultant did not conduct the annual audit of our agency in SFY 2021 or 2022.

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- For internal audits, the Eligibility Supervisor reviews up to 3 Child Care Subsidy cases per worker per month and completes additional reviews for new staff members depending on level of expertise and policy knowledge.
- In SFY 2022, in-house audits covered 41 cases, of which 39 were correct meeting the audit goal of 95%. We met the state accuracy standard of 90%.

**What is the story behind the data?**

- This program exceeded the state accuracy standards of 90%. The Internal Audits met the projected goal of 95%.
- Staff are expected to read and follow policy guidance as updated and distributed via the state broadcast system and on-line manual. This performance guidance is included in the staff’s key work expectations.
- There were no errors in the state audit in SFY 2022 and only two errors in the internal audits.
- Program Supervisor was unable to read three cases per worker per month due to the need to provide coverage for the Title-IV Caseload and training the new Management Specialist who will take over that caseload.

**Recommendations**

**Target Dates**

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| <ul style="list-style-type: none"> <li>• Continue to provide policy training and ensure that updates are reviewed at monthly staff and bureau meetings.</li> <li>• Maintain the expectation with all Benefit Programs Specialists that they read and follow policy guidance as it is updated and distributed.</li> <li>• Using the Public Assistance standard for case readings, the program supervisor will continue to read three cases per worker per month.</li> <li>• Continue to review cases selected for State Quality Control reviews prior to submitting them to the State for review.</li> <li>• Continue to monitor 100% of all cases completed by new Benefit Programs Specialists.</li> </ul> | <ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> <li>• Monthly</li> <li>• Ongoing</li> <li>• Ongoing</li> </ul> |
|---|---|

**Forecast**

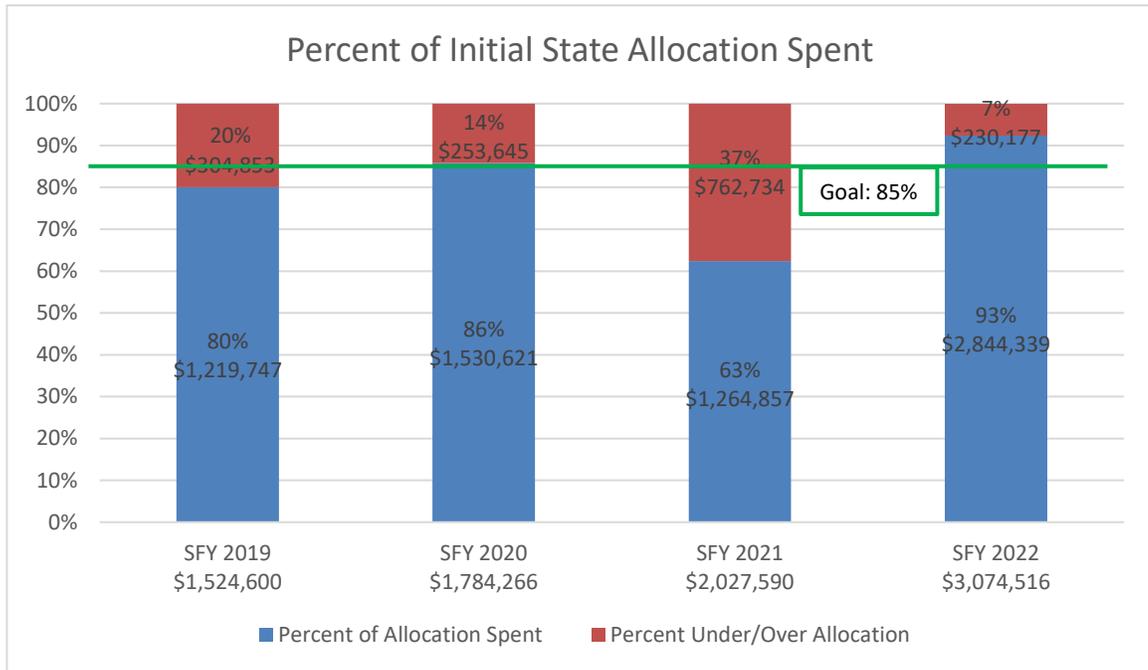
- In SFY 2023, we anticipate continuing to meet our goal of a 95% accuracy rate for internal in-house reviews; and 100% accuracy rate for Quality Control review.

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**Child Care Subsidy Program**

**Measure**      2.2      Percent of allocated state funds spent for fee paying families

**Data**



**Data Summary**

- For SFY 2022, The Child Care Subsidy Program spent \$2,844,339 or 93% of the initial state allocation of \$3,074,516. Seven percent or \$230,177 of the allocation was unspent. The program exceeded its spending goal of 85% of the allocated funds.
- Data for this component is taken from the Fiscal Projection Report for Arlington County in VACMS under Funds Management.

**What is the story behind the data?**

- In SFY 2022, the State increased Arlington’s allocation by 34%. The program underspent the allocation in SFY 2022 by 7%. As Child Care cases are closed, funds are returned to the allocation. Funds are also returned mid-month when parents fail to use the Electronic Child Care (ECC) card to record attendance.
- In SFY 2021 & 2022, the state increased funding and the child targets to localities as part of their Waitlist Reduction Project, to support families searching for employment, and families who have children under 5 and whose income is below the 85% State Median Income. The provisions of HB2206 and the increase in funding allowed us to serve more children.
- Arlington’s Fee Child Care Waitlist was cleared on 04/02/21. Although the state focus shifted from the percentage of allocated spending to enrolling a targeted number of children, barriers to receive and maintain a childcare subsidy remain. Applicants cannot be approved for childcare services if they are not in an approved work or educational activity, over income, failure to select a vendor, or failure to provide verifications in a timely manner.
- Subsidized Child Care providers receive considerably less reimbursement than private pay providers, resulting in a limited number of subsidized providers and limited access to care for childcare recipients. Lack of childcare availability can hinder applicants’ ability to select a vendor in a timely manner.

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- The State conducted a Market Rate Survey of Child Care providers from mid-June through September 2021. The Department of Education used the results to re-set rates that will be effective 10/01/22; however, Arlington’s Maximum Reimbursable Rate (MRR) will remain unchanged. Results of the survey have not been provided to local agencies.
- Effective January 2022, child absences were reset to 36. Effective with HB 2206 co-payments were waived for April, May, and June 2021. This was extended in July 2021 to January 2022. It was extended again to June 1, 2022. This waiver was further extended on July 1, 2022, to January 2023.
- House Bill 2206 temporarily allowed for job search as an approved activity as well as increased the income limit to 85% of the State Median income for families that have a child under 5 years and is not enrolled in kindergarten. These temporary provisions will end 06/30/2024.
- In SFY 2020, Virginia shifted to monitoring a targeted number of children served, rather than the percentage of allocated funds spent. The targeted number of children to be served in SFY 2022 was 281. We exceeded this targeted number, reaching 311, thereby having to request an increase to this target.

<b>Recommendations</b>	<b>Target Dates</b>
<ul style="list-style-type: none"> <li>• Remind parents of the importance of utilizing the ECC Card to record attendance and continue to provide families with instructions to record attendance using the Interactive Voice Response (IVR) System if they are unable to record attendance in person.</li> <li>• Continue to participate on the local Child Care Initiative team and with the state’s Building Child Care Supply Work Group.</li> <li>• Utilize Child Care Coordinator hired by Arlington Thrive, who will assist low-income families in finding and keeping affordable childcare as well as advocating for providers to accept the subsidy by offering administrative and financial assistance to be a subsidy provider.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> <li>• As needed</li> </ul>

**Forecast**

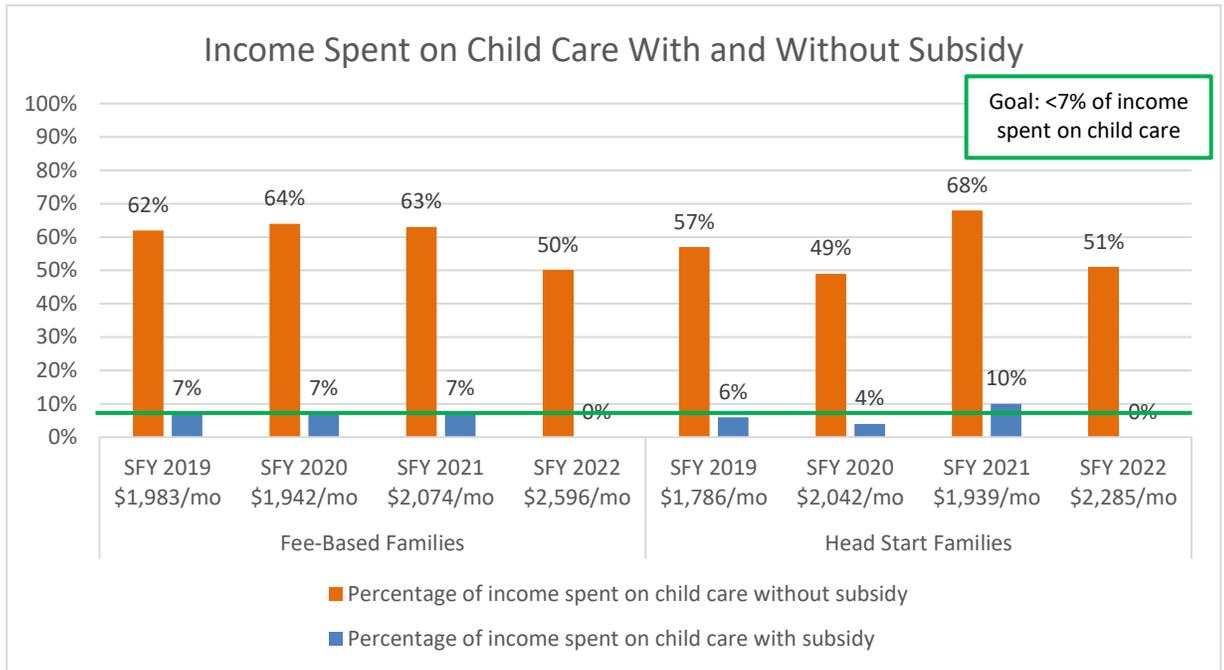
- In SFY 2023 it is anticipated that the program will spend at least 85% of the initial state fee allocations, and meet or exceed the target number of children established by the state.

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Child Care Subsidy Program

Measure 3.1 Percentage of income required for childcare expenses

Data



Data Summary

- The childcare subsidy is effective in reducing the percentage of income families spend on childcare and increasing the amount of income available for essential household expenses such as rent, food, and medical care.
- The U.S. Department of Health and Human Services has established the threshold for [affordable child care](#) at 7-10% of family income.
- Without a subsidy, childcare costs would have accounted for 50% of the average fee-based family’s monthly income. With the subsidy, their costs accounted for 0% of income. Average monthly income for these families was \$2,596/month and their average childcare cost was \$1,302/month (\$0 co-pay and \$1,302 subsidy).
- Without a subsidy, childcare costs would have accounted for 51% of the average Head Start family’s monthly income. With the subsidy, their costs accounted for 0% of income. Average monthly income for these families was \$2,285/month and their average childcare cost was \$1,169/month (\$0 co-pay and \$1,169 subsidy).
- SFY 2022 data is based on a review of all families open during SFY 2022 – 134 fee-based and 27 Head Start.

What is the story behind the data?

- Co-payments are capped at 10% of a family’s monthly gross income. All the fee-based and Head Start families open in SFY 2022 were sampled. The number of fee-based families is greater than the number of Head Start Families.
- The State Fiscal Projection Report that was used for SFY 2022 did not list the average co-payment for Fee or Head Start. This was due to the fact that co-payments were waived during this Fiscal Year. Co-payments are expected to resume January 2023, and co-payments will be capped at 7% of a family’s gross monthly income.

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- The provision in HB 2206 increased the income limit to 85% State Median Income for families that have a child under the age of 5 and are not enrolled in kindergarten. This provision applies to all Head Start families, but not all Fee-based households. The reimbursement rates for subsidy childcare vendors were increased in SFY 2019 to operate in a more competitive market. The reimbursable rates for center-based care are higher than the rates for home-based providers.
- In April 2022, a Child Care Subsidy Satisfaction Survey of 23 randomly selected families was conducted via telephone. Of those 23 contacted, 17 families responded, for a response rate of 74%. 100% of the respondents stated that they were satisfied the Child Care Services they were receiving from the County. In addition, they were satisfied with their child’s Child Care Provider. All the families expressed appreciation for the program with many stating that they would have no idea what they would do for their childcare needs without it. There were however two problems with the program that all respondents agree upon: Difficulty in finding available childcare subsidy slots in Arlington, and difficulty using the ECC (Electronic Child Care) Swipe Machine.
- The State has addressed the issues families experience with the ECC by reducing the number of instances that the parent must use the swipe machine to record attendance: the parent only needs to swipe once per pay period for the vendor to be paid as opposed to every day. The State is currently examining easier options to record attendance as the ECC system remains challenging for many families.

<b>Recommendations</b>	<b>Target Dates</b>
<ul style="list-style-type: none"> <li>• Continue conducting Child Care Satisfaction Surveys to understand both the positive impact of the program and any issues that families are having in utilizing the program.</li> <li>• While the State is aware of Arlington’s lack of Subsidy-approved providers and increased our MRR in SFY 2019 to the highest in the State, there are no plans to increase it in SFY 2023. We will work with Arlington Thrive’s newly hired Child Care Coordinator whose duties include advocating for providers to accept the subsidy by offering administrative and financial assistance to be a subsidy provider.</li> </ul>	<ul style="list-style-type: none"> <li>• Annually in April</li> <li>• Ongoing</li> </ul>

<b>Forecast</b>
<ul style="list-style-type: none"> <li>• In SFY 2023, family income and subsidy calculations are expected to remain consistent due to the increase in the Maximum Reimbursable Rate for Level 2 Vendors in SFY 2019.</li> </ul>