

FY 2023 PERFORMANCE PLAN

Child Care Subsidy		EID/PAB	Julie Powell x1340 Patricia Rivers x1344
Program Purpose	<ul style="list-style-type: none"> Subsidize childcare costs so that low-income families have more income for housing, food, and other necessities. 		
Program Information	<ul style="list-style-type: none"> This performance plan is based on the State Fiscal Year (SFY) schedule, which runs from June 1 to May 31. Parent(s) must be either working or in school to qualify for a childcare subsidy. Children must be ages 0 to 13, or 18 if they are physically or mentally incapable of caring for themselves or subject to court supervision. There are three categories of families eligible for the Subsidy program: <ul style="list-style-type: none"> Fee-paying: Virginia implemented a new co-payment scale effective January 1, 2023, based on per-child monthly fee for each child receiving assistance up to three (3) children. The flat per-child monthly fee increases with family income, not to exceed 7% of the family's gross monthly income. The scale is as follows according to the Federal Poverty Guideline (FPG) or State Median Income: \$60 per child (101-200% FPG), \$120 per child (201-300% FPG), and \$180.00 per child (301 FPG-85% State Median Income). Families with incomes at or below the federal poverty guidelines (0-100%) are exempt from copayments. 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 Childcare is provided to former TANF recipients who are employed up to 12 months after TANF closure. TANF Transitional families' co-payments are based on the new co-payment scale not to exceed 7% of their gross monthly income. 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-payments are based on the new co-payment scale not to exceed 7% of their gross monthly income. Child Care providers in this program have agreed to accept the state Maximum Reimbursable Rate negotiated rate for childcare. The State reimburses providers in Arlington as follows: \$980-\$1,400/month for before or after school care, \$1,200-\$1,700/month for a preschool-aged child, \$1,340-\$1,920 for toddlers and \$1,360-\$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. 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 (\$8,080 for a family of four) and meets other eligibility criteria. The Child Care Subsidy program continued to adjust accommodate the needs of Child Care providers and parents due to the public health emergency: <ul style="list-style-type: none"> ✓ The passage of House Bill 2206 in March 18, 2021 increased 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. 		

FY 2023 PERFORMANCE PLAN

	<ul style="list-style-type: none"> ✓ The House Bill also waived monthly co-pay amounts for parents beginning April 2021 through December 31, 2022. Co-payments were reinstated effective January 1, 2023. ✓ 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. ✓ The House Bill temporarily expands criteria to include job search as a qualifying activity. ✓ All temporary provisions of the bill are slated to end June 30, 2024.
--	--

Service Delivery Model	<ul style="list-style-type: none"> • The Child Care Subsidy program was delivered in a hybrid format in SFY 2023. The Public Assistance Bureau staff most often teleworked four days week and provided customer services in the office one day per week. • Since the interview waivers have been extended, service delivery in FY 2024 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.
------------------------	--

PM1: How much did we do?

Staff	<p>Total 3.25 FTEs:</p> <ul style="list-style-type: none"> • 0.25 FTE Supervisor (25% Of 1 FTE) • 3 FTE Benefit Program Specialists (100% of 3 FTEs)
-------	--

	SFY 2020		SFY 2021		SFY 2022		SFY 2023		
	Type of Family	# of Children	%	# of Children	%	%# of Children	%	# of Children	%
Customers and Service Data	Fee Paying	183	62%	181	62%	311	74%	309	86%
	VIEW/TANF	83	28%	71	28%	56	13%	24	7%
	Early/Head Start	30	10%	22	10%	53	13%	27	8%
	Total	295	100%	274	100%	420	100%	360	100%
	Locally Funded*	4	-	7	-	8	-	2	-

*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?

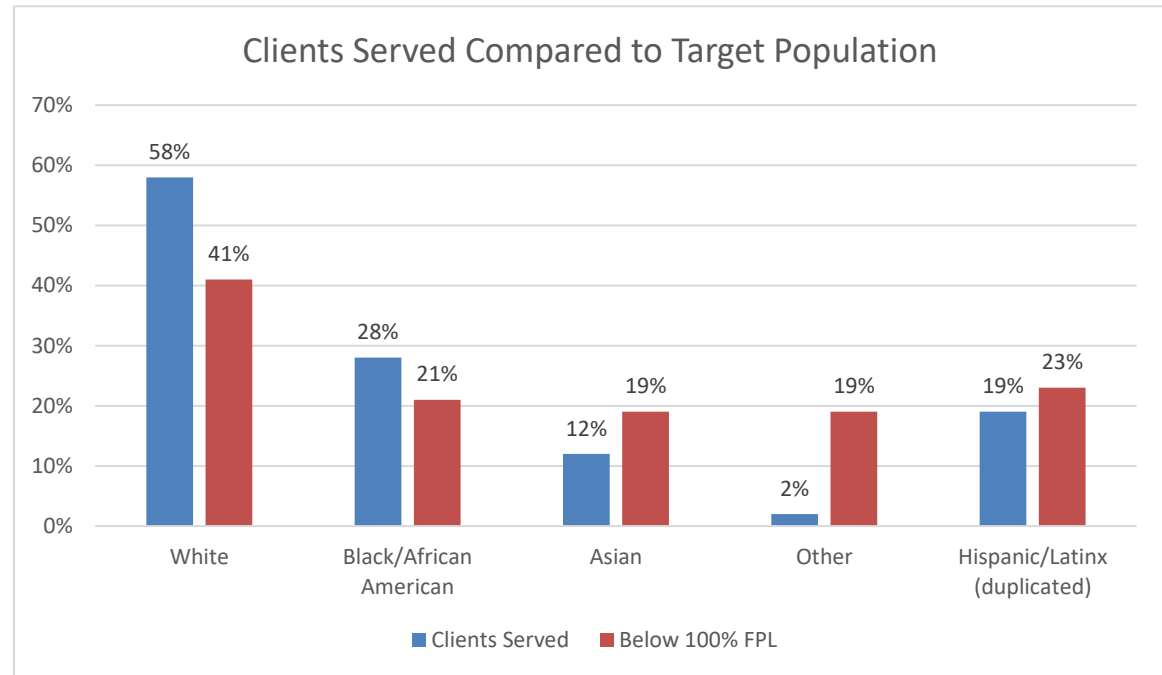
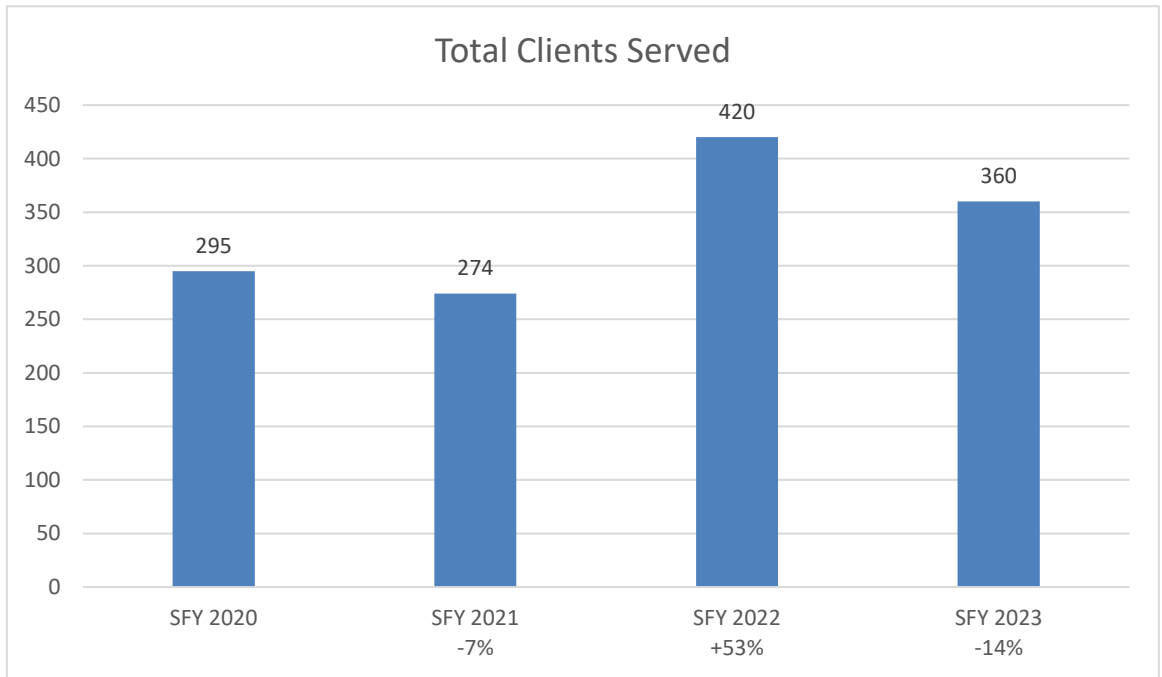
3.1	Percentage of income required for childcare expenses
-----	--

FY 2023 PERFORMANCE PLAN

Child Care Subsidy Program

Measure 1 Number of children served

Data



Data Summary

- In SFY 2023, 360 children received childcare subsidy services; the number of children served increased 22%, from 295 in SFY 2020 to 360 in SFY 2023.

FY 2023 PERFORMANCE PLAN

- SFY 2023, the number of children served decreased by 14% from the peak of 420 the previous year.
- White and Black recipients were over-represented in comparison to the population of Arlington residents with incomes below the federal poverty level; Asian and Hispanic residents were underserved.

What is the story behind the data?

- 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. Some of these provisions have been extended through June 30, 2024, including job search being considered a qualifying activity, and income thresholds were raised for children age five and younger.
- Some of the flexibilities that were in place during the pandemic expired after SFY 2022, including the suspension of copays. As these flexibilities expired, the number of families served decreased.
- The number of TANF/VIEW and Head Start families served decreased in SFY 2023 because families engaged in job search rather than employment were required to be coded as fee-based rather than as TANF/VIEW or Head Start participants.
- A higher proportion of Black and White families were served in SFY 2023, while Asian and Hispanic families are underserved in comparison to the population with incomes below the federal poverty level. Not all families with incomes below the federal poverty level are eligible to receive childcare subsidies due to nonfinancial criteria which must also be met.
- Subsidized Childcare providers receive considerably less reimbursement than private pay providers. As a result, Arlington has had a limited number of subsidized provider participation which in turn limits access to care for childcare recipients.
- Due to the increase in the number of children served in SFY 2022 and 2023 many recipients must look outside of the county to find suitable subsidy childcare providers, which is not always feasible to a population that has limited financial and transportation resources. Lack of childcare providers hinders an applicant’s ability to find a vendor in a timely manner, thereby limiting access to the subsidy program.
- Arlington processed 10% more applications in SFY 2023 than in SFY 2022.

Recommendations

Target Dates

- | Recommendations | Target Dates |
|--|---|
| <ul style="list-style-type: none"> • Continue to work closely with the Childcare Licensing Unit to showcase the need and help secure more subsidy providers. | <ul style="list-style-type: none"> • Ongoing |
| <ul style="list-style-type: none"> • Ensure that immigrant families are aware that the program is only concerned with the child’s legal status versus that of the parents. | <ul style="list-style-type: none"> • Ongoing |
| <ul style="list-style-type: none"> • Participate in work groups and work with the Thrive Childcare Coordinator, who is a provider advocate and liaison to understanding provider needs. | <ul style="list-style-type: none"> • Ongoing |
| <ul style="list-style-type: none"> • Use the data from our Annual Childcare Customer Satisfaction Survey and concerns expressed to the | <ul style="list-style-type: none"> • SFY 2024 Q4 |

FY 2023 PERFORMANCE PLAN

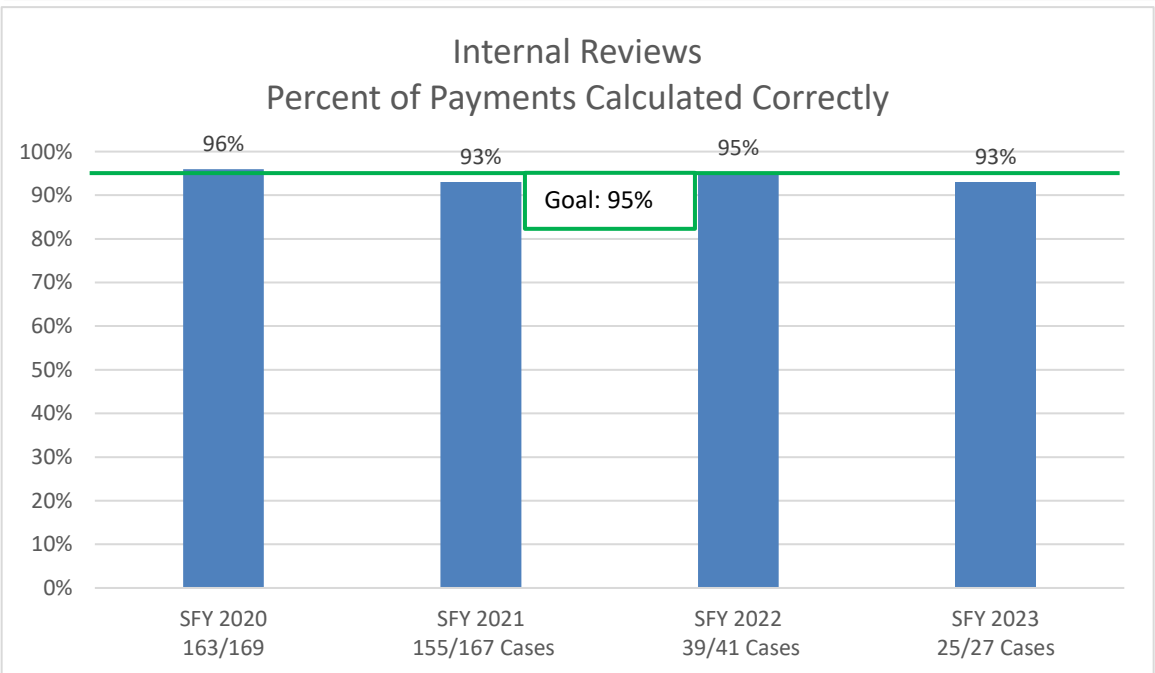
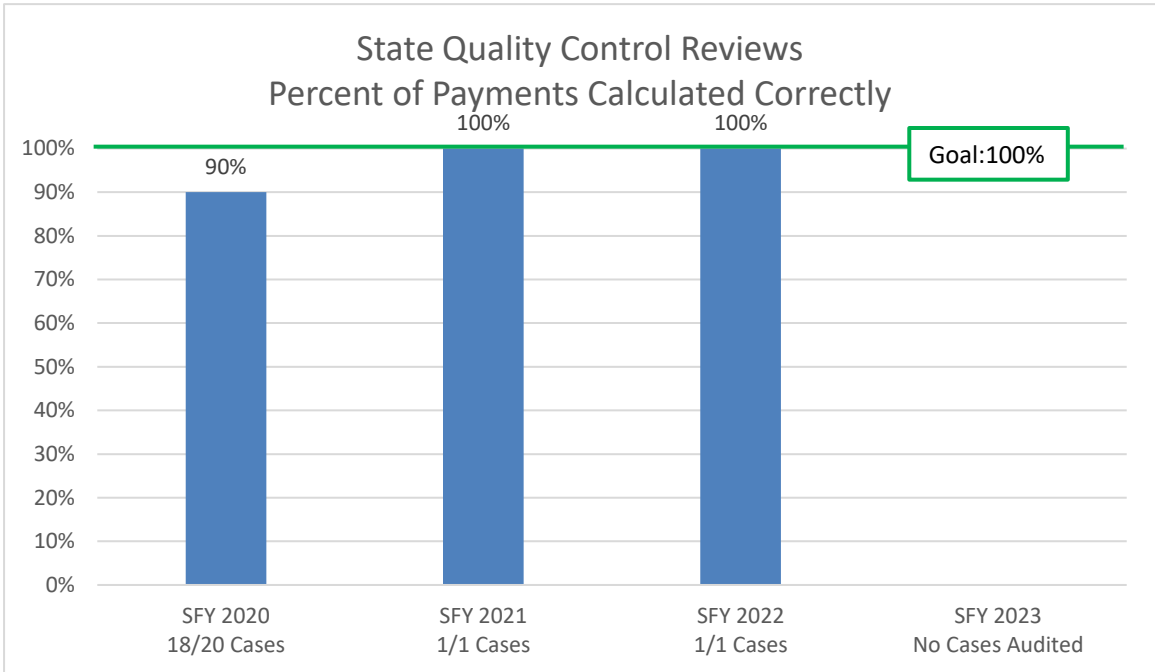
Benefit Programs Specialists to increase awareness and improve customer service.	
Forecast	
<ul style="list-style-type: none">• In SFY 2024, we anticipate being able to serve at least 360 children which is the updated state target for Arlington County.	

FY 2023 PERFORMANCE PLAN

Child Care Subsidy Program

Measure 2.1 Quality control accuracy rate

Data



Data Summary

- In SFY 2023, the Child Care Regional Consultant did not conduct the annual audit of our agency nor was a case pulled by State Quality Control Unit.

FY 2023 PERFORMANCE PLAN

- 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 2023, in-house audits covered 27 cases, of which 25 were correct (93%). This is below the internal audit goal of 95%, but exceeded 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 did not meet 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 was no state audit in SFY 2023 and only two errors in the internal audits. Because of the small number of cases reviewed, these two errors resulted in an accuracy rate below the target of 95%.
- Program Supervisor was unable to read three cases per worker per month due to staffing shortages and increased workloads.

Recommendations

Target Dates

- Continue to provide monthly policy training and ensure that updates are reviewed at staff and bureau meetings.
- Continue to review cases selected for State Quality Control reviews prior to submitting them to the State for review.
- Continue to monitor 100% of all cases completed by new Benefit Programs Specialist.

- Ongoing
- Ongoing
- Ongoing

Forecast

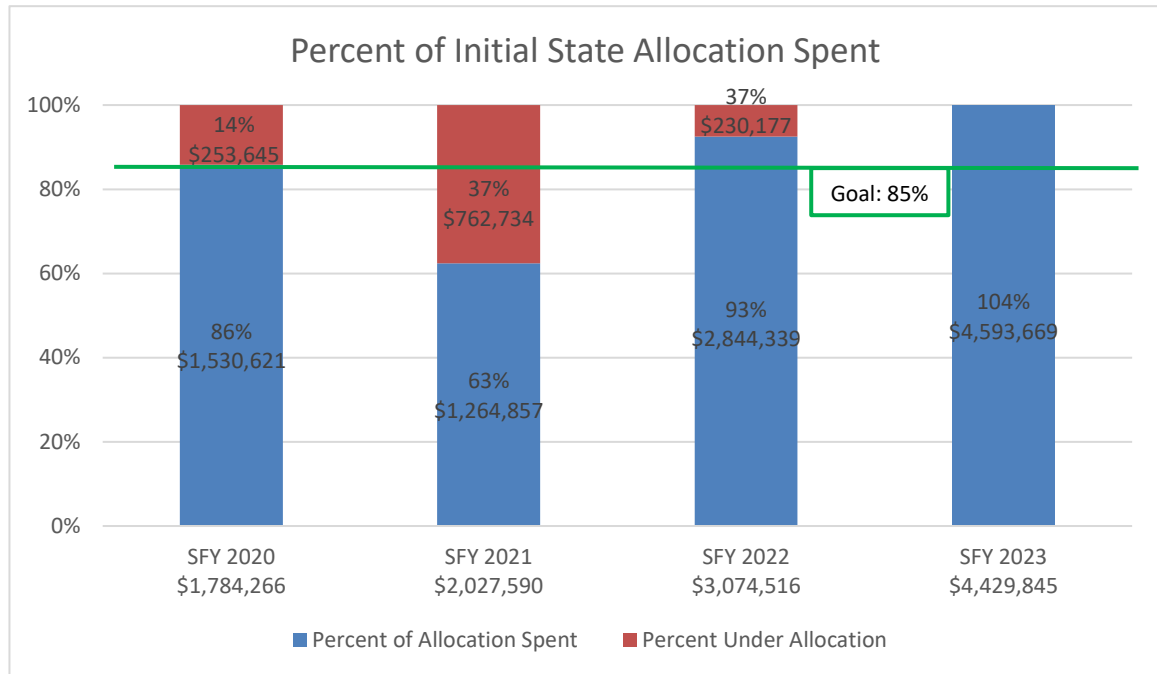
- In SFY 2024, we anticipate meeting our goal of a 95% accuracy rate for internal in-house reviews; and 100% accuracy rate for state Quality Control review.

FY 2023 PERFORMANCE PLAN

Child Care Subsidy Program

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

Data



Data Summary

- For SFY 2023, The Child Care Subsidy Program spent \$4,593,669.22 or 104% of the initial state allocation of \$4,429,845. All of the allocation plus an additional request for funding was spent. The program exceeded its spending goal of 85% of the allocated funds.
- Data for this component is taken from the Fiscal Projection Report that was run on 07/01/23 for Arlington County in VACMS under Funds Management.

What is the story behind the data?

- In SFY 2023, the State increased Arlington’s allocation by 44%. The program overspent the allocation in SFY 2023 by 4% and was also allocated additional funds. 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.
- From SFY 2021-2023, 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 the program to serve more children.
- Arlington’s Fee Child Care Waitlist was cleared on 04/02/21, and the state focus shifted from the percentage of allocated spending to enrolling a targeted number of children.
- Applicants cannot be approved for childcare services if they are not in an approved work or educational activity, over income, fail to select a vendor, or fail to provide verifications in a

FY 2023 PERFORMANCE PLAN

timely manner. Subsidy applicants continue to face challenges in locating childcare providers in this area.

- 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 timeline manner.
- The State conducted a Market Rate Survey of Child Care providers from mid-June through September 2021. The results of this survey were never received by local agencies. The Dept. of Education used the results to re-set rates effective 10/01/22. Unfortunately, Arlington’s Maximum Reimbursable Rate (MRR) remains unchanged.
- 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 who is not enrolled in kindergarten. These temporary provisions will end 06/30/2024.
- The original child target for Fee services for SFY 2023 was 349 but was increased to 360 to accommodate the number of eligible Arlington families.

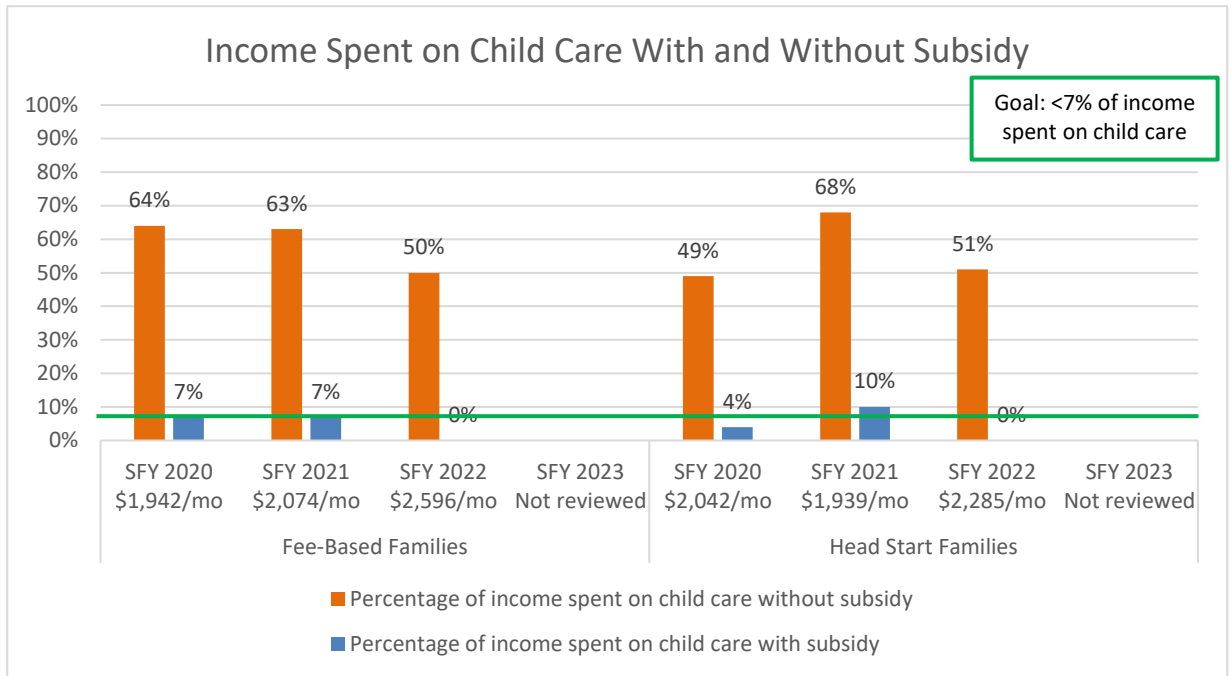
Recommendations	Target Dates
<ul style="list-style-type: none"> • Continue to remind parents of the importance of utilizing the ECC Card to record attendance and continue to provide families with instructions to record attendance using the Interactive Voice Response (IVR) System if they are unable to record attendance in person. • In SFY 2020, Virginia shifted to monitoring a target number of children served, rather than percentage of allocated funds spent. Explore developing a measure to align with new State target in FY 2024 Q3. • Continue to participate on the local Child Care Initiative team and with the state’s Building Child Care Supply Work Group. • 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. 	<ul style="list-style-type: none"> • Ongoing • SFY 2024 Q3 • As needed • As needed
Forecast	
<ul style="list-style-type: none"> • In SFY 2024 it is anticipated that the program will spend 100% of the initial state fee allocation of \$6,095,534. 	

FY 2023 PERFORMANCE PLAN

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.
- Data is based on a review of all families open in May of the fiscal year. In SFY 2023, the review was not conducted due to staffing constraints.

What is the story behind the data?

- Co-payments are capped at 7% of a family’s monthly gross income. Co-payments resumed January 2023 after being waived due to COVID beginning April 2021. When co-payments resumed, a new co-payment model was implemented based on per-child monthly fee for each child receiving assistance up to three (3) children. The flat per-child monthly fee increases as family income increases not to exceed 7% of the family’s gross monthly income. The scale is as follows: \$60 per child (101-200% FPG), \$120 per child (201-300% FPG) AND \$180.00 per child (301% FPG-85% State Median Income). The provision in HB2206 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 would apply to all Head Start families whereas it may not apply to all Fee-based households.

FY 2023 PERFORMANCE PLAN

- While the State is aware of Arlington’s lack of Subsidy-approved providers, there are no plans to increase Arlington’s reimbursement rate in SFY 2024. Some localities received a rate increase effective 10/01/22.
- In FY 2023, the Child Care Coordinator was able to get 7 Child Care providers to accept/participate in the State Child Care Subsidy Program.
- A Child Care Subsidy Satisfaction Survey of 24 families was conducted in April 2023 via telephone. Of those 24 contacted, 13 families responded which gave us a response rate of 54%. 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 lack of before/aftercare and summer options for school-aged children.

Recommendations	Target Dates
<ul style="list-style-type: none"> • Resume calculation of this measure. • Continue conducting these Child Care Satisfaction Surveys so that we can understand not only the positive impact of the program on our families, but any issues that the families are having in utilizing the program. • Work with Arlington Thrive’s Child Care Coordinator whose duties include advocating for providers to accept the subsidy by offering administrative and financial assistance to be a subsidy provider. 	<ul style="list-style-type: none"> • May 2024 • Annually in April • Ongoing

Forecast
<ul style="list-style-type: none"> • In SFY 2024, family income and subsidy calculations are expected to remain consistent with SFY 2022. We also anticipate applications will continue to increase due to job search continuing to be an approved activity.