

3 Child Care Affordability

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

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

3.1 Family Co-payments

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

3.1.1 Family co-payment

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

- a. What is the maximum percent of a family's gross income any family could be charged as a co-payment? *6%*
- b. Does the Lead Agency certify that their sliding fee scales are always based on income and family size (regardless of how many different scales they may use)?

Yes.

No. If no, describe: [Click or tap here to enter text.](#)

3.1.2 Sliding fee scale

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

a. Is the sliding fee scale set statewide?

Yes.

No. If no, describe how the sliding fee scale is set: [Click or tap here to enter text.](#)

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

	A	B	C	D	E	F
Family Size	Lowest income at initial eligibility where the family is first charged a co-pay (greater than \$0).	What is the monthly co-payment for a family of this size based on the income level in (A)?	What percentage of income is the co-payment in (B)?	Highest income at initial eligibility where a family is charged a co-pay before a family is no longer eligible.	What is the monthly co-payment for a family of this size based on the income level in (D)?	What percentage of income is this co-payment in (E)?
1	\$1,490	\$30	2%	\$3,722	\$217	6%
2	\$1,948	\$39	2%	\$4,867	\$276	6%
3	\$2,406	\$48	2%	\$6,011	\$351	6%
4	\$2,864	\$57	2%	\$7,157	\$418	6%
5	\$3,322	\$66	2%	\$8,302.	\$485	6%

c. What is the effective date of the sliding-fee scale(s)? *July 1, 2024*

d. Provide the link(s) to the sliding-fee scale(s):

<https://www.hhs.nd.gov/sites/www/files/documents/EA/CCAP/DN241.pdf>

e. Does the Lead Agency allow providers to charge families additional amounts above the required co-payment in instances where the provider's price exceeds the subsidy payment?

No.

Yes.

If yes:

- i. Provide the rationale for the Lead Agency's policy to allow providers to charge families additional amounts above the required co-payment, including a demonstration of how the policy does not provide a barrier and promotes affordability and access for families: *The Lead Agency does not mandate the rates child care providers choose and allows providers to charge and collect payment from families above the state max rate. This policy gives families a better range of providers to choose from. The Lead Agency sets payment rates at the 75th percentile of the most recent MRS to help ensure families can afford and have access to child care.*

- ii. Provide data (including data on the size and frequency of such amounts) on the extent to which CCDF providers charge additional amounts to families: *The Lead Agency reviewed data from a 6-month time period and determined that on average less than 16% of providers who certified for payment from CCAP, certified for more than the state max rate*

3.2 Calculation of Co-Payment

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

3.2.1 Family co-payment calculation

- a. How is the family's contribution calculated, and to whom is it applied? Check if the fee is a dollar amount or if the fee is a percent of income below, and then check all that apply under the selection, as appropriate.

- i. The fee is a dollar amount and (check all that apply):
 - The fee is per child, with the same fee for each child.
 - The fee is per child and is discounted for two or more children.
 - The fee is per child up to a maximum per family.
 - No additional fee is charged after a certain number of children.
 - The fee is per family.
 - The contribution schedule varies because it is set locally/regionally (as indicated in 1.2.1). Describe: *Click or tap here to enter text.*
 - Other. Describe: *Click or tap here to enter text.*
- ii. The fee is a percent of income and (check all that apply):
 - The fee is per child, with the same percentage applied for each child.
 - The fee is per child, and a discounted percentage is applied for two or more children.
 - The fee is per child up to a maximum per family.
 - No additional percentage is charged after a certain number of children.
 - The fee is per family.
 - The contribution schedule varies because it is set locally/regionally (as indicated in 1.2.1). Describe: *Click or tap here to enter text.*
 - Other. Describe: *Click or tap here to enter text.*

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

No.

Yes.

If yes, check and describe those additional factors below:

- i. Number of hours the child is in care. Describe: [Click or tap here to enter text.](#)
 - ii. Quality of care (as defined by the Lead Agency). Describe: [Click or tap here to enter text.](#)
 - iii. Other. Describe: [Click or tap here to enter text.](#)
- c. Describe any other policies the Lead Agency uses in the calculation of family co-payment to ensure it does not create a barrier to access. Check all that apply:
- i. Base co-payments on only a portion of the family's income. For instance, only consider the family income over the federal poverty level.
 - ii. Base co-payments on the number of children in the family and reduce a portion of the co-payments as the number of children being served increases.
 - iii. Other. Describe: [Click or tap here to enter text.](#)

3.3 Waiving Family Co-payment

3.3.1 Waiving family co-payment

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

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

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

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

- i. Families with an income at or below 100% of the Federal Poverty Level for families of the same size.
- ii. Families with an income above 100% but at or below 150% of the Federal Poverty Level for families of the same size.
- iii. Families experiencing homelessness.
- iv. Families with children with disabilities.
- v. Families enrolled in Head Start or Early Head Start.
- vi. Children in foster care or kinship care, or otherwise receiving or needing to receive protective services. Describe the policy: [Click or tap here to enter text.](#)

- vii. Families meeting other criteria established by the Lead Agency.
Describe the policy: *The Lead Agency waives co-payments for households that are also eligible for TANF, TANF Transition, Diversion, Crossroads, Alternative Response for Substance Exposed Newborns (ARSEN), and through the North Dakota Child Care Initiative the Lead Agency is waiving co-payments for all households at or below 30% SMI and for households identified under protective services.*