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| LOCAL COMMISSIONERS MEMORANDUM |  
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DSS-4037EL (Rev. 9/89)

Transmittal No: 96 LCM-1

Date: January 8, 1996

Division: SERVICES AND  
COMMUNITY  
DEVELOPMENT

TO: Local District Commissioners

SUBJECT: Technical Assistance on Managing Caseloads Across Child Care  
Subsidy Programs

ATTACHMENTS: Technical Assistance Papers (Available on line)

Many districts are reviewing the status of child care subsidy programs in order to develop a plan that will allow them to avoid or minimize the displacement of families in need of this service. Such actions have become especially crucial due to the lack of resolution on the budget and welfare reform at the federal level.

In order to assist districts in making these decisions, the Department has developed technical assistance materials to assist counties in examining the current status of the various subsidy programs within their county and developing a plan of action that adequately addresses both State and local priorities. These technical assistance materials are appended to this LCM. In addition to describing a general approach for priority setting and decision making, the technical assistance materials also contain specific instructions on how to implement various options open to districts, such as establishing priority populations, closing intake and closing cases. Since some of these options require amending your child care plan, the materials also contain the procedures for completing a plan amendment.

If you have any questions regarding this LCM, please contact Anne Ball of the Bureau of Early Childhood Services at 1(800)343-8859 extension 474-3775, or direct dial (518)474-3775, or on line userid AV0610.

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Rose M. Pandozy  
Deputy Commissioner  
Services and Community Development

## TECHNICAL ASSISTANCE PAPER:

### MANAGING CHILD CARE SUBSIDY CASES ACROSS FUNDING PROGRAMS

In response to numerous inquiries and requests for assistance from local social services districts concerned about the status of federal funding for child care subsidies, the Bureau of Early Childhood Services has compiled the following technical assistance materials. The development of these materials was prompted by the immediate issues raised by the lack of resolution on the federal budget and welfare reform legislation and its impact on child care subsidy programs, especially the At Risk Low Income Child Care (ARLICC) program. However, we are hopeful that this guidance will prove to be an ongoing resource to counties.

Many districts have exhausted FFY 95 funds available to them in the ARLICC program and have sought guidance on how to address the potential disruption in funding. Districts should analyze the need to inform ARLICC recipients that they will lose their child care subsidy shortly unless some State or federal action is taken to provide additional funds. Also, districts should look at ways to make rational decisions on what cases to close and which to keep open based on county priorities or realities. The following technical assistance materials are designed to facilitate a greater degree of flexibility and "seamlessness" across the various subsidy programs.

In the following section, a general construct for establishing priorities across subsidy programs is described. This is followed by a brief description of the various actions available to districts in managing child care subsidy caseloads. Appended to this overview document is a series of technical assistance sheets. Each sheet provides greater detail on implementing the various county options, and the circumstances in which the county may wish to employ one or more of these actions.

### ESTABLISHING LOCAL PRIORITIES

The process that a district should undertake, regardless of their fiscal situation, is to prioritize the populations that they want to serve, estimate the size of the priority populations, and estimate the number of children they can serve based upon the level of funding available. Districts select the reasons for which child care may be provided under the Title XX and the State Low Income Day Care programs and report them in the county's CSP/JOBS child care plan. Districts are not required to formally maintain priorities other than those contained in State or federal law and regulation. However, without a defined priority listing, the district will have no supportable basis for closing cases preferentially that would withstand a fair hearing.

Currently, districts are required to submit their priorities for CCDBG only. Federal regulations require that states prioritize children with special needs and families with very low income as per federal rule. The Department added a state priority for children of parents under age 21. Districts may select additional priorities which include: former Transitional Child Care recipients, children of homeless parents, children of parents in substance abuse programs and locally identified priorities.

Priorities could be developed in such a way as to allow counties to make determinations between those that are working versus those that are in education programs, or between a two parent family where one parent is seeking employment and a one parent family where the parent is working. While all of these are laudable uses of the funds when there are sufficient funds, counties may make different judgements as to which of these situations they would like to sustain if there are insufficient funds to support all of them. Districts must amend their child care plan to reflect changes in priorities across any of the subsidy programs.

#### MANAGING CASELOAD SIZES ACCORDING TO PRIORITIES

Outlined below is a summary of options that will allow the counties to exercise local judgement in managing the reduction of caseloads while State and federal budget action is pending. More detailed information is provided as individual technical assistance worksheets. A technical assistance worksheet is provided for each of the options.

##### o Close Intake

The easiest action for a county to take is to simply close intake. The county can close intake across all funding streams or just in specific subsidy programs. This does not require a plan amendment.

Clients who inquire about eligibility may be placed on a waiting list. If a client requests an application, they must be given one. If they apply and there are no available funds, the application would be denied due to lack of funds (415.0).

##### o Limit Income Eligibility

Districts wishing to lower either Title XX or State Low Income Day Care (SLIDC) eligibility levels could do so by requesting a plan amendment. Currently, districts are prohibited from lowering income eligibility under the Transitional Child Care (TCC), At Risk Low Income Child Care (ARLICC) and Child Care and Development Block Grant (CCDBG).

##### o Shift Cases to Other Funding Streams

If there is room to accept additional cases into another funding stream, the claiming category must be modified in WMS and BICS. Counties may shift priority cases into another funding stream, even though doing so might mean displacing another family whose situation does not present as high a priority.

A plan amendment may be necessary, particularly if the county has a waiting list or a number of applicants which must be prioritized.

##### o Close existing cases

Prior to closing cases, the availability of money from other funding streams should be explored to see if families can be shifted rather than closed. If cases have to be closed, the district will have to determine criteria by which cases are to be selected for closing. In the absence of a written

policy of prioritization, districts can close cases based on such criteria as the order they come in at recertification, or last on first off, or highest income to lowest income. Whatever criteria are chosen, they must be applied consistently for all families and all district staff should be made aware of the criteria.

This strategy could also be combined with one of shifting cases. The priority listing could be used to close a case to make room for a case being shifted over from another depleted funding program.

This does not require a plan amendment unless it coincides with a change in eligibility.

o Restrict Programmatic Eligibility

Districts have the option to offer subsidy for employment, looking for employment and education/training under the Title XX, LIDC and CCDBG programs.. Additionally, child care needed due to illness/incapacity can be offered under Title XX and Protective under CCDBG. Districts may opt to restrict programmatic eligibility under these programs and may do so by requesting a plan amendment.

7. Closing Programs

At this point, Title XX, SLIDC, ARLICC, and CCDBG are all optional programs. JOBS- and Employment-related child care and Transitional Child Care are mandated programs. If a district no longer wants to participate in one of the optional subsidy programs, a plan amendment would be required.

TECHNICAL ASSISTANCE SHEET #1

Option: Close Intake

1. Prior Department approval required? no

2. Child care plan amendment required? no

3. Programs that can be included under this option:

ARLICC, SLIDC, Title XX, CCDBG.

4. Process:

Determine whether you will be closing intake to all programs or only some programs. See comments section below.

5. Notification Requirements:

All LDSS staff who either accept applications or are responsible for providing information to clients about child care programs should be notified. We advise notifying the CCR&R as well as providers. Although not required, the Department would like to be notified when you are closing intake.

6. Related regulations or statute:

18 NYCRR 415.0

7. Restrictions:

If individuals insist on applying even though you have explained that there are no funds available, they must be allowed to complete an application. The application then would be denied based on a lack of funds.

8. Comments:

An important thing to keep in mind is that there are situations in which you want to provide child care immediately. Therefore, you may want to keep intake open in one program. The most flexible program in terms of programmatic eligibility is Title XX. The second most flexible is CCDBG. When a case is closed in any of the other funding streams, you may be able to switch an open CCDBG or Title XX case over and free up the CCDBG or Title XX funds. More information on shifting cases can be found on the TA sheet of that title.

TECHNICAL ASSISTANCE SHEET #2

Option: Shift cases to other funding streams\_\_\_\_\_

1. Prior Department approval required?\_\_No\_\_\_\_\_

2. Child care plan amendment required?\_\_No\_\_\_\_\_

3. Programs that can be included under this option:

ARLICC, SLIDC, Title XX, CCDBG

4. Process:

Determine whether there are funds available in other funding streams. Any families that will be shifted from one stream to another have to meet the financial and programmatic eligibility criteria of the funding stream to which they will be shifted. They will also have to be using a provider permitted by the funding stream.

If there are no funds available in another funding stream, you will need to make sure you base your decision to displace one family for another on clearly defined priorities established by your district. The TA sheet on establishing priorities provides further information on this. The family who is being displaced would have their case closed due to lack of funds. The TA sheet on closing cases provides further information on this.

The authorization should be changed to indicate the new funding stream for the case that will remain open.

5. Notification Requirements:

Generally, if a case is being shifted to another funding stream, no notification is required. However, if a family is being displaced to enable another family to receive benefits, the displaced family would receive a closing notice due to lack of funds. Additionally, if a family is (or will be) using an informal provider and they are being shifted to or from CCDBG, client notification may be required. Because CCDBG does not differentiate rates for family day care and informal out of home care, a family moving into or out of CCDBG may not be eligible for the same rate. (See example under comments).

6. Related regulations or statute:

NA

7. Restrictions:

Shifting should only occur when the district is trying to keep existing cases open or, when closing cases is necessary, to allow a higher priority case to remain open.

8. Comments:

The following are two examples where notification would be required when shifting families from one funding stream to another:

County X- Informal rate is \$75, FDC rate is \$100.

Case A - Working mother with child in informal out-of-home care receiving CCDBG. Her provider charges \$85. Under CCDBG she is eligible for \$85 rate minus parent fee. However, district has run out of CCDBG funds and has to move parent to ARLICC. Client notification is required because maximum reimbursable rate for this provider out of ARLICC is \$75.

Case B - Working mother with two children being cared for by their neighbor in the neighbor's home. Case is paid out of ARLICC. Neighbor charges \$85 per child. District pays \$75 minus the parent fee. Parent pays the additional amount above \$75 not paid by the district. District is out of ARLICC and has to transfer case to CCDBG. Parent needs to be notified that they are eligible for higher reimbursement rate.

TECHNICAL ASSISTANCE SHEET #3

Option: Establishing Priority Populations

1. Prior Department approval required? Yes
2. Child care plan amendment required? Yes
3. Programs that can be included under this option:

ARLICC (see comments section), SLIDC, CCDBG, Title XX

4. Process:

You will need to do a plan amendment to establish additional priorities within the ARLICC, SLIDC, CCDBG and Title XX programs. For the CCDBG program, you must maintain the federally mandated priorities of the very low income and families with children who have special needs along with the State mandated priority of children with custodial parents under 21 years of age who are in school, working or in training. However, you may create subcategories within the broader categories of very low income, special needs and/or adolescent parents. For example, your first priority may be the very low income but within that priority you may have a subcategory of working before education and training. You may also want to modify your definition of very low income to a lower income level than currently listed in your plan.

Priority populations for the funding streams may be established by submitting an attachment to your plan. The attachment should indicate what the priority populations are, which funding streams are included, the effective date and a contact person and phone number. A sample form is provided for your convenience. If your priority populations will vary by funding streams, submit a separate form for each. The form may be modified to suit your needs. You must follow the plan amendment requirements to change the priority populations for these programs. The attachment must be submitted to the Department for prior approval along with a justification of the priority populations selected, maintained on file with your county plan, and shared with all local district staff working in any of the affected child care programs.

5. Notification Requirements:

If cases will be closed due to the establishment of priorities (see discussion under Restrictions), 10 days notice of the closing must be provided. Plan amendments to establish priorities require the prior submission of the plan amendment to the Department. If cases will be closed based on the plan amendment, the plan amendment must be published for public comment and submitted to the local advisory council for review, then submitted to the Department for prior approval. If cases will not be closed based on the plan amendment, the plan amendment only needs to be submitted to the Department for prior approval.

Although not required, we advise notifying the CCRR serving your district and, if cases will be closed, notifying the affected providers.

6. Related regulations or statute:

- 18 NYCRR 358.3-3 - ten day notice
- 18 NYCRR 341 - Local advisory council
- 18 NYCRR 407.10 - Plan amendments
- 45 CFR 98.20(b) - Establishing priorities in CCDBG program

7. Restrictions:

The establishment of priorities may be used to limit intake. In addition, if the number of cases within a particular funding stream needs to be reduced due to lack of funds, priorities can be used to close cases to the level where sufficient funds are available to maintain the cases in the funding stream. Any closed cases must be shifted to other available funding streams. However, as long as funds are available within a particular funding stream, priorities can not be used to close out some cases in order to serve other families.

Priorities cannot have the effect of excluding families solely on the basis of the high cost of care.

8. Comments:

ARLICC is for working families only. However, districts may choose to prioritize single versus two parent families, for example.

The following list of priority populations is provided for use in planning. It is not all inclusive, nor are the populations listed in any particular order. Additionally, the priorities may be grouped or you may wish to add additional populations. For example, you may list working families as your top priority or have a subcategory that would prioritize single working parents over two parent working families.

single working parent-TCC closed due to time limitations

single working parent

two-parent family-both working

teen parent in high school

working grandparent

two-parent family-one working, one in educ./trng or disabled

two-parent family-neither working

CHILD CARE PRIORITY POPULATIONS

COUNTY: \_\_\_\_\_ CONTACT PERSON: \_\_\_\_\_ DATE: \_\_\_\_\_

SUBSIDY PROGRAM(S): \_\_\_\_\_

LIST OF PRIORITY POPULATIONS IN ORDER FROM FIRST PRIORITY TO LAST.

TECHNICAL ASSISTANCE SHEET #4

Option: Closing Cases

1. Prior Department approval required? No\*

2. Child care plan amendment required? No\*

3. Programs that can be included under this option:

ARLICC, SLIDC, Title XX, CCDBG

4. Process:

The process will vary based on the reason for the case closings.

If cases are being closed because you have no more funds available but plan to keep the funding stream open, you need to provide the client with a ten day notice indicating the case will close due to lack of funds. Aid continuing does not apply under this circumstance. Selecting cases to be closed should be done based on your priority populations (see TA sheet #3). In the absence of priority populations, you may close cases based on length of time in receipt of care, or at recertification. If based on length of time in receipt of service you may close either those receiving care for the least amount of time or those receiving care for the longest time. However, you must use the same basis for all case closings.

If you are closing cases due to a lack of funds and will also be closing the program, you will need to complete a plan amendment. You need not wait until the plan amendment is completed to send out the ten day notice.

\* If you are closing cases due to a change in eligibility standards you will need to complete a plan amendment and you cannot send out closing notices until the amendment has been approved by the Department. If you are both out of funds and changing eligibility standards you can close cases due to a lack of funds prior to your plan amendment. However, if there are funds available in this (or other funding streams for which the client would be eligible) you cannot close the case until the plan amendment is complete and the client is no longer eligible for any available funding stream.

5. Notification Requirements:

Ten day client notice is required for all closings.

Closings based on plan amendments (change in eligibility, etc.) require the normal plan amendment notification (i.e. publication of public notice for public comment and submission to the local advisory council).

Although not required, we advise notifying your providers and the CCRR serving your district.

Prior to any case closings that require a plan amendment, the Department must approve the plan amendment as discussed above. We would appreciate notification (although not required) when cases are closed due to lack of funds even if there are no plan amendments.

6. Related regulations or statute:

18 NYCRR 358.3-3 - ten day notice  
18 NYCRR 341 - Local Advisory Councils  
18 NYCRR 407.10 - Plan amendments  
18 NYCRR 415.0 - Closings due to lack of funds

7. Restrictions:

NA

8. Comments:

\* If case closings are due to a change in programmatic or financial eligibility standards or the establishment of priorities, prior Departmental approval would be required via a plan amendment.

TECHNICAL ASSISTANCE SHEET #5

Option: LOWER INCOME ELIGIBILITY

1. Prior Department approval required? Yes

2. Child care plan amendment required? Yes

3. Programs that can be included under this option:

Title XX and State Low Income Day Care (SLIDC)

4. Process:

a. Submit the proposed amendments to lower income eligibility to your local advisory council for review.

b. After (or concurrent with) the submittal of the proposed amendments to the advisory council, you must publish the proposed amendments for public comment. The public notice should include the proposed effective date of the amendment.

c. Review your current child care plan and determine which pages of the plan will be affected. You need only submit the pages affected by the change to the Department.

d. The Department has 30 days to respond to a request for a plan amendment. However, because you are required to publish the proposed amendments for public comment prior to submitting your amendment to the Department, you may want to send a draft of your notice and amendments prior to publication of your notice. If we are aware that it is coming, we will make every effort to respond verbally to your request as soon as possible.

e. Clients affected by the amendment must be given 10 days notice. The notice can be sent as soon as you receive Department approval of the plan amendment.

f. Action can be taken on individual cases after the 10 day notification period has expired.

5. Notification Requirements:

Publication of the plan amendment and client notification is described in the Process section above. Although not required, we strongly urge you to notify any providers who will be affected by the amendment and the CCRR serving your area.

6. Related regulations or statute:

18 NYCRR 358-3.3 -ten day notice requirements

18 NYCRR 341 - Local Advisory Councils

18 NYCRR 407.10 - Plan amendments

7. Restrictions:

Income eligibility levels for TCC, ARLICC, and CCDBG are established by the Department and cannot be amended unless the Department amends its State plan.

8. Comments:

If the district so desires, families who are currently in receipt of benefits and who would be affected by the change in income eligibility may be grandfathered. This must be indicated in the plan amendment and should specify the length of the grandfathering (e.g., until the family recertifies or until they otherwise become ineligible).

TECHNICAL ASSISTANCE SHEET #6

Option: Restrict Programmatic Eligibility

1. Prior Department approval required? Yes

2. Child care plan amendment required? Yes

3. Programs that can be included under this option:

SLIDC and Title XX

4. Process:

- a. Submit the proposed amendments to restrict programmatic eligibility to your local advisory council for review.
- b. After (or concurrent with) the submittal of the proposed amendments to the advisory council, you must publish the proposed amendments for public comment. The public notice should include the proposed effective date of the amendment.
- c. Review your current child care plan and determine which pages of the plan will be affected. You need only submit the pages affected by the change to the Department.
- d. The Department has 30 days to respond to a request for plan amendment. However, because you are required to publish the proposed amendments for public comment prior to submitting your amendment to the Department, you may want to send a draft of your notice and amendments prior to publication of your notice. If we are aware that it is coming, we will make every effort to respond verbally to your request as soon as possible.
- e. Clients affected by the amendment must be given 10 days notice. The notice can be sent as soon as you receive Department approval of the plan amendment.
- f. Action can be taken on individual cases after the 10 day notification period has expired.

5. Notification Requirements:

Public notice and client notification is described in the Process section above. Although not required, we strongly urge you to notify any providers who will be affected by the amendment and the CCRR serving your area. You may also want to consider notifying any educational or training program that would be adversely affected by this change.

6. Related regulations or statute:

- 18 NYCRR 358-3.3- Ten day notice
- 18 NYCRR 341- Local advisory council
- 18 NYCRR 417.10- Plan amendment

7. Restrictions:

NA

8. Comments:

If the district so desires, families who are currently in receipt of benefits and who would be affected by the change in eligibility, may be grandfathered. This must be indicated in the plan amendment and should specify the length of the grandfathering (e.g., until the family recertifies or until they otherwise become ineligible).

TECHNICAL ASSISTANCE SHEET #7

Option: Closing Programs

1. Prior Department approval required? Yes

2. Child care plan amendment required? Yes

3. Programs that can be included under this option:

ARLICC, SLIDC, Title XX, CCDBG.

4. Process:

a. Submit the proposed amendments to close the affected program(s) to your local advisory council for review.

b. After (or concurrent with) the submittal of the proposed amendments to the advisory council, you must publish the proposed amendments for public comment. The public notice should include the effective date of the amendment.

c. Review your current child care plan and determine which pages of the plan will be affected. You need only submit the pages affected by the change to the Department.

d. The Department has 30 days to respond to a request for plan amendment. However, because you are required to publish the proposed amendments for public comment prior to submitting your amendment to the Department, you may want to send a draft of your notice and amendments prior to publication of your notice. If we are aware that it is coming, we will make every effort to respond verbally to your request as soon as possible.

e. Clients affected by the amendment must be given 10 days notice. The notice can be sent as soon as you receive Department approval of the plan amendment.

f. Action can be taken on individual cases after the 10 day notification period has expired.

5. Notification Requirements:

Publication of the plan amendment and client notification is described in the Process section above. Although not required, we strongly urge you to notify any providers who will be affected by the amendment and the CCRR serving your area.

6. Related regulations or statute:

- 18 NYCRR 358-3.3- Ten day notice
- 18 NYCRR 341- Local advisory council
- 18 NYCRR 407.10- Plan amendments

7. Restrictions:

NA

8. Comments:

WE STRONGLY URGE YOU TO CONSIDER THIS OPTION ONLY AS A LAST RESORT. CLOSING A PROGRAM WILL IMPACT ON YOUR FUTURE ALLOCATIONS. IT MAY ALSO JEOPARDIZE THE STATE'S ABILITY TO ACCESS FEDERAL FUNDS. YOU CAN ACCOMPLISH ESSENTIALLY THE SAME RESULTS BY CLOSING INTAKE. IF YOU CLOSE DOWN A PROGRAM AND LATER DECIDE TO REOPEN IT, YOU WILL HAVE TO COMPLETE A PLAN AMENDMENT.