

To: Sherri Sutera, Program Director
Care 4 Kids Program

From: Julie Giaccone, CCDF Administrator
Office of Early Childhood

CC: Distribution List

Subject: Family Fee Scale



Program Issue: Effective April 1, 2024, the Child Care and Development Fund (CCDF) Final Rule updated regulations (45 CFR Part 98) were passed. The regulation prohibits States and Territories from charging family co-payments above seven percent (7%) of a family's income. (§ 98.45(b)(5) and § 98.45(l)(3)).

Background: The Care 4 Kids subsidy program currently charges families a copayment based on former regulation¹ and current policy manual Section 17b-749-13f: **Parent Fee and Financial Responsibilities**

1. The parent shall be responsible for all costs not reimbursed by CCAP on behalf of the parent. In addition, families with earnings or self-employment income shall be responsible for paying a portion of the authorized cost of care based on a monthly sliding fee scale.
2. To determine the monthly fee, the family's gross countable annual income shall be compared to the state median income standard (SMI) for the family size as promulgated annually by the Department of Health and Human Services. The fee shall be equal to the following percentage of the family's gross countable income:
 - A. for families with income below twenty percent of the SMI, two percent;
 - B. for families with income of twenty percent to less than thirty percent of the SMI, four percent;
 - C. for families with income of thirty percent to less than forty percent of the SMI, six percent;

¹ Effective July 1, 2024, Public Act (P.A.) Number (No.) 24-91 repealed sections 17b-749-01 to 17b-749-23 of the Regulations of Connecticut State Agencies (R.C.S.A.). P. A. No. 24-91 further directed the Commissioner of the Office of Early Childhood ("OEC") to implement the provisions of 45 CFR 98 in order to administer the Care 4 Kids child care subsidy program and to develop policies and procedures necessary to implement such program. Until such time as the new regulations are promulgated, the OEC has adopted the former regulations as OEC's policies and procedures necessary to administer and implement the Care 4 Kids child care subsidy program. Further, unless and until otherwise revised, all existing OEC Care 4 Kids policy memoranda, referred to as Care 4 Kids Policy Transmittals, implementing the Care 4 Kids subsidy program, remain in full force and effect.

- D. for families with income of forty percent to less than fifty percent of the SMI, eight percent; and
- E. for families with income of fifty percent of SMI to at or below eighty five percent of SMI, ten percent.

On September 13, 2024, the OEC submitted a transitional waiver to the Administration of Children and Families requesting an extension of the April 1, 2024 deadline in which the 7% cap was to be implemented.

Policy Directives: To align with the amended CCDF Final Rule, effective January 1, 2025, all family co-pays will be at or below 7% of a family’s income.

To determine the monthly fee, the family’s gross countable annual income shall be compared to the state median income standard (SMI) for the family size as promulgated annually by the Department of Health and Human Services. The fee shall be equal to the following percentage of the family’s gross countable income:

- A. for families with income below twenty percent of the SMI, family fee will be waived;
- B. for families with income of twenty percent to less than forty percent of the SMI, three percent;
- C. for families with income of forty percent to less than sixty percent of the SMI, five percent;
- D. for families with income of sixty percent of SMI to at or below eighty-five percent, seven percent.

Family Income % of SMI	Family Fee %
0 –less than 20% SMI	0%
20% -less than 40% SMI	3%
40% - less than 60% SMI	5%
60% - at or below 85% SMI	7%

The parent shall be responsible for all costs not reimbursed by CCAP on behalf of the parent. In addition, families with earnings or self-employment income shall be responsible for paying a portion of the authorized cost of care based on a monthly sliding fee scale not to exceed 7%.

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