

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION

P. O. BOX 88

JEFFERSON CITY, MISSOURI

December 17, 2015

M E M O R A N D U M

What's Inside:

Transitional  
Child Care  
Level 3

TO: ALL REGIONAL AND COUNTY CD AND FSD STAFF

FROM: TIM DECKER, DIRECTOR, CHILDREN'S DIVISION  
JULIE GIBSON, DIRECTOR, FAMILY SUPPORT DIVISION

SUBJECT: Transitional Child Care Level 3

DISCUSSION:

**Section 1210.025.00 Income Eligibility Guidelines** of the Child Care Subsidy manual has been updated to include new policy for Transitional Child Care Level 3. A third level of Transitional Child Care (TCC) will be implemented in FAMIS effective January 1, 2016. Households with income that exceeds traditional child care (CC), Transitional Child Care Level 1 (TCC1) and Transitional Child Care Level 2 (TCC2), may be eligible for Transitional Child Care 3 (TCC3) at 25% of the traditional child care benefit, if all other eligibility requirements are met. Households must be active benefit recipients at the time the income exceeds income standards of the other three levels in order to be eligible for TCC3 benefits. Households eligible for TCC3 are required to pay sliding fees of \$5.00 for a full day, \$3.25 for half day and \$2.25 for part day care for each child, unless the child has a designated special need.

Households with income above the traditional income limit, yet below the TCC1 income limit will remain eligible for TCC1 at 75% of the traditional child care benefit. There are no changes in TCC1 eligibility, sliding fee or payment policies. Households with income above the TCC1 income limit but below the TCC2 income limit will remain eligible for TCC2 at 50% of the traditional child care benefit.

TCC3 eligibility applies only to households that are currently active and have a change in circumstances that will make the household ineligible for benefits at the traditional CC, TCC1 or TCC2 standards. TCC3 is not time limited and does not require any additional reporting to remain eligible. Households are still required to reapply for benefits annually and are subject to the same change reporting requirements as all other child care households.

Active and reapplying households may qualify for traditional CC, TCC1, TCC2 or TCC3. New applicants and applicants whose child care eligibility lapsed will have eligibility for child care benefits evaluated only at the traditional CC eligibility level.

When an active household reports a change that results in net income exceeding the TCC2 income level, FAMIS will evaluate eligibility for TCC3 using the TCC3 income standard. This can be a change in income, household size, and/or medical insurance premiums. If the household's income is above the TCC2 income limit, but below the TCC3 income limit, FAMIS will recommend an adverse action benefit reduction (AABR). After the adverse action expires, the action code TRC3 will appear on EULOG indicating that the EU has been converted to TCC3. If the household's income exceeds the TCC3 income level FAMIS will recommend closing the case due to excessive income (action AACL, reason MAX).

When an active household reapplies for benefits before the end of the current eligibility period, FAMIS will first evaluate the income using the traditional CC income standard. If the household's income exceeds the traditional CC standard, FAMIS will evaluate eligibility at the TCC1 standard. If the household's income exceeds the TCC1 standard, FAMIS will evaluate eligibility at the TCC2 standard. If the household's income exceeds the TCC2 standard, FAMIS will evaluate eligibility at the TCC3 standard. If the household's income exceeds the TCC3 standard, FAMIS will recommend rejecting the application due to excessive income (action REJC, reason MAX). If the household's income is greater than the traditional CC standard, but less than the TCC1 standard, FAMIS will recommend approving the application at the TCC1 level (action APPR). If the household's income is greater than the TCC1 standard but less than the TCC2 standard, FAMIS will recommend approving the application at the TCC2 level (action APPR). If the household's income is greater than the TCC2 standard, FAMIS will recommend approving the application at the TCC3 level (action (APPR).

The TCC flag in FAMIS will now appear as N, 1, 2 or 3, depending on the household's eligibility. The TCC flag appears on the following screens:

EUSUMM (FM0J)  
Action Authorization (FM3H)  
CCBUDSUM (FM3T)  
CCATTEND (FM5P)

A TCC flag of 1, 2 or 3 will also appear on the provider's paper invoices and online invoices for each child receiving transitional child care benefits.

When a family is eligible for TCC3, benefits are paid at 25% of the state maximum rate (or 25% of the provider's rate, whichever is lower). As rates are based on several factors specific to the provider and child (child's age, time of day care is provided, provider's geographic location, provider's legal status, eligibility for rate differentials, etc.) notices generated to the family and to the provider will reflect each child's daily rate, as opposed to each child's sliding fee. Notices will also notify the family and provider whether the family is eligible for TCC level 1, 2 or 3. Rates will take into account a sliding fee of \$5.00/\$3.25/\$2.25 for each child, unless the child is designated as special needs.

**Child Care (CC) Worker Initiated Budget Calculation Area (WIBCA – FMXH)**

The WIBCA process for TCC has not changed (please refer to memo CD09-06/OEC09-02 (<http://dss.mo.gov/cd/info/memos/2009/cd0906.pdf>)). When a WIBCA is needed to determine continuous eligibility for TCC, FAMIS will determine TCC1, TCC2 or TCC3 on the WIBCA, based on income and other information entered.

Active cases with a pending closing (AACL) for maximum income (MAX) will need to be evaluated once the change is moved into the FAMIS system. County Managers will be sent a report containing the cases that will need to be evaluated and a new determination (EDRES) run in FAMIS to determine eligibility for TCC3.

<b>NECESSARY ACTION</b>	
<ol style="list-style-type: none"> <li>1. Review this memorandum with all Children’s Division and Family Support Division staff.</li> <li>2. Review revised Child Care Subsidy sections as indicated below.</li> <li>3. All questions should be cleared through normal supervisory channels and directed to:</li> </ol>	
<b>PDS/MAS II CONTACT</b> Lisa Schroeder 573-751-4031 Lisa.M.Schroeder@dss.mo.gov	<b>PROGRAM MANAGER</b> Marianne Dawson 573-751-6793 Marianne.A.Dawson@dss.mo.gov
<b>CHILD CARE ASSISTANCE PROGRAM MANUAL REVISIONS</b> <a href="#">1210.025.00 INCOME ELIGIBILITY GUIDELINES</a> <a href="#">1210.025.05 BUDGETING PROCESS</a>	
<b>FORMS AND INSTRUCTIONS</b> N/A	
<b>REFERENCE DOCUMENTS AND RESOURCES</b> N/A	
<b>RELATED STATUTE</b> N/A	
<b>ADMINISTRATIVE RULE</b> N/A	
<b>COUNCIL ON ACCREDITATION (COA) STANDARDS</b> N/A	
<b>CHILD AND FAMILY SERVICES REVIEW (CFSR)</b> N/A	
<b>PROTECTIVE FACTORS</b> (Link applicable factors and enter N/A if not applicable.) N/A	

**FACES REQUIREMENTS**

(List or put N/A if not applicable.)