

# **Division of Child Care Services**



## **Child Care Subsidy Policy Manual**

**July 1, 2019**



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## Section 1

### Terms Used in Child Care Services

**Adult Exercising Parental Control** - an individual 18 years of age or older who is neither the child's parent or guardian nor residing with the child's parent or guardian, but who has a signed statement from the child's parent or guardian giving the individual authority to exercise parental control of the child.

**Absent Parent** - the parent to any child that is part of the applicant's household, who is not an active contributing member of that household.

**Applicant/Recipient** - an individual that is applying for assistance. The applicant shall be considered the person who signs the application.

**Child Care Assistance (CCA)** - direct provider reimbursement to child care providers on behalf of low-income families need assistance with child care costs.

**Child Care Certificate** - a certificate issued by the department to a recipient who uses the certificate as payment for child care services.

**Child Care Services (CCS)** - office within the Department of Social Services that provides child care assistance for low-income families.

**Child with Special Needs** - a child who is under age 18 or under age 19 if still in school and who is physically or mentally incapable of self-care; or a child who is under court supervision.

**Recipient** - the child's parent or guardian or the adult exercising parental control of the child.

**Complete Application** - an application that contains all necessary verifications required to determine eligibility.

**Fair Hearing** - an applicant requested hearing in which, the applicant is contesting the decisions made by CCS as they relate to the rules the program operates under.

**FPL** - Federal Poverty Level.

**Head Start or Head Start Program** - a program funded under the Head Start Act, 42 U.S.C.A. § 9831, et. Seq., as amended to July 1, 2000, and carried out by a Head Start agency that provides ongoing, comprehensive child development services.

**Household** - the parent or legal guardian, the child for whom child care services are being requested or provided, other individuals under age 18 for whom the parent or guardian is the adult exercising parental control and who are residing in the home; when a child is placed with a guardian but the state maintains custody, the child and any of the child's siblings placed with the same guardian. A household does not include a roomer, a boarder, or an individual over age 18 who is not the child's parent or legal guardian or is not the adult exercising parental control of the child.

**Incomplete Application** - an application missing required forms of documentation necessary for eligibility determination.

**Informal Provider** - an individual who is a friend of the family requesting child care assistance who does not live with the recipient, is at least 18 years of age, and provides care only for that recipient's child.

**In-home Provider** - an informal provider who provides child care services in the recipient's home.

**Initial Application** - the first application an applicant submits to CCS.

**Initial Eligibility** - the first time an applicant is approved to receive assistance.

**In-process Provider** - a provider who has submitted the required application forms to the department showing that the provider's intent is to become registered or licensed within 120 days.

**Intentional Program Violation (IPV)** - an intentional false or misleading statement, misrepresentation, concealment, or withholding of facts or setting forth a falsity for the purpose of establishing or maintaining eligibility for child care or for increasing or preventing a reduction in the amount of child care, or aiding and abetting a recipient household or provider in committing one of the acts listed in this definition.

**Parent** - the child's natural parent, adoptive parent, or step-parent.

**Primary Provider** - the child care provider having the highest calculated cost of child care a month for a family.

**Protective Services** - services provided under a court order which enable an alleged or adjudicated abused or neglected child to remain in the recipient's home or in the home of another relative, a foster parent, or other suitable person under the supervision and assistance of the court, the Department of Social Services, or another agency designated by the court.

**Provider Overpayment** - a payment received by a provider to which the provider was not entitled or a payment received under contract provisions that were not fulfilled by the provider.

**Recipient Overpayment** - services provided on behalf of a recipient household that is ineligible for child care services of the amount of services received.

**Relative Provider** - an individual who is at least 18 years of age; the aunt, uncle, non-resident sibling, grandparent, or great-grandparent of the child for whom child care assistance is being requested

**Renewal Application** - an application received prior to current eligibility expiring or within 15 days of expiration.

**SSCC**- the computer system utilized by the TANF, Food Stamp, and Medical programs

**TANF** - Temporary Assistance for Needy Families.

**Unsigned Application** - an application that is missing the signature of the applicant.

**Voided Application** - an application that is missing required verifications to which, the applicant has not responded to CCS's request for the missing verifications.

## Section 2

### The Application Process

Families desiring assistance with their child care costs must submit a Child Care Assistance application form. All sections of the application must be completed and all required verifications must be submitted in order for the application to be considered complete.

Unsigned applications will be returned to the applicant for his/her signature and will not be considered complete until the signed form is returned to CCS.

#### Acceptable forms of verification:

##### **Earned Income**

- Copies of pay stubs. If pay stubs are available which accurately reflect an applicant's current employment, they must be submitted with the application. If the applicant provides two pay stubs that are not consecutive and the caseworker is able to determine the gross wages and hours worked for the missing pay stub by looking at the YTD totals, this would be the equivalent of the last two pay stubs.
- Copies of actual pay checks-if paid directly by check and pay stubs are not available. It must reflect gross income somewhere on the check. The caseworker may have to verify rate of pay and/or hours worked.
- Verification of current wages obtained by phone call. Caseworkers should narrate the date, time and whom they spoke with to verify current wages.
- Payroll printouts.
- A wage verification form signed by the applicant's employer or supervisor that indicates the amount of hours worked per week, rate of pay per hour, commissions, tips. **Wage verification forms would be acceptable if employment has just begun and pay stubs are not available. A wage verification would also be acceptable in the following situations:**
  - an employee is just returning to work from a leave of absence or there is a change in hours that would not be reflected on the pay stubs. For example, an employee may have been part-time and has now accepted a full-time position with the same employer. A wage verification would be necessary to accurately prospect income.
  - there are extenuating circumstances that have resulted in reduced hours reflected on an applicants pay stubs. For example, the applicant may have had a death in the family, a sick child, unpaid vacation or missed work due to being ill themselves. A wage verification could also be accepted in these circumstances.
- A signed statement from an employer verifying gross income and hours worked for the last two pay periods.
- Printouts of income screens from SSCC and DCS systems.
- A copy of the employee's first full paystubs verified by YTD amounts an pay period dates to be the first full pay period worked.
- A copy of the applicant's most recent Income Tax Return if self-employed.
- Self-employment verification forms if the business is new and earnings would not be reflected on the most recent tax return.

##### **Unearned Income**

- Copy of benefits award letter.
- Printouts of amount received.
- Copy of actual check received.
- Printouts of income screens from SSCC and DCS systems.

##### **School Schedule**

- Must be a copy of the official school schedule and indicate start and end times of each class

- Lab times, student teaching, or internship hours not reflected on the schedule must have documentation from the instructor or academic advisor and must also indicate start and end times.

### **Incomplete Applications**

If an application is missing the required verifications, CCS will send a notice to the applicant informing him/her that the verifications must be submitted within 10 working days of the date the letter is sent. The notice will clearly state what information is required in order to process the application and the date it is due by. The applicant will have 10 working days to provide the information to CCS or their application shall be considered void and will be denied “awaiting complete information.”

Primary responsibility for providing verifications rests with the applicant. CCS is obligated to make the recipient aware of what types of verification are needed to process the case, but the recipient is held responsible for submitting them within the given time frame. If the applicant requests that another party submits the documentation, the applicant will still be responsible for making sure it is submitted within the required time frame. If extenuating circumstances exist, the recipient may be given longer than 10 working days. CCS will make the final decision as whether or not an extension can be granted.

**If an applicant is found to be eligible, assistance can be backdated to either the first of the month or the 16<sup>th</sup> of the month in which the application is received. If the application is received prior to the 16<sup>th</sup> of the month, eligibility can be backdated to begin on the 1<sup>st</sup>. If the application is received from the 16<sup>th</sup> through the end of the month, eligibility can be backdated beginning the 16<sup>th</sup>.**

\*\*To be considered eligible the applicant must be using a provider who is eligible for payment. Therefore, applicants using an informal or in-home provider will not be determined eligible for assistance until their provider is eligible for payment. Example, an application is received on 10/25 but the provider does not complete the informal/in-home provider requirements for payment until 11/16. The certificate will begin on 11/16 and will not backdate to 10/16 based on the date of the application because the provider was not yet eligible to receive payment.

## Section 3

### Eligibility Criteria

**Income** - Eligible households must have calculated gross monthly income levels below the maximum amount as established by CCS. Households with gross monthly income exceeding 209% FPL, are not eligible to receive child care assistance.

**Assets** - A family who has assets in excess of \$1,000,000 is not eligible for child care assistance. This is self-certified by the applicant and is located on page three of the application under the “federal regulations governing the use of child care funds require a response to the following questions” section. Countable assets include cash, retirement, investments and real property. Property on a lean is not countable toward assets in full. Only the portion of the property that has been paid off is countable toward assets.

**Minimum work hours/wage** - If the applicant is employed, he/she must be working a minimum of 80 hours per month and receive a salary equivalent to the federal minimum wage. For two-parent households, each parent must be meeting the 80-hour work per month requirement. Time spent on volunteering services cannot be considered when determining eligibility.

**Applicants enrolled in an educational program** - Applicants enrolled in educational programs are required to meet certain participation/work requirements in order to receive child care assistance. The requirements are as follows:

- **High school or GED** - These students are exempt from meeting any minimum work or attendance requirements.
- **Technical school, Associate’s degree programs and Bachelor’s degree programs** - If the applicant is attending a college, university, or technical institute a minimum of 12 semester credit hours, the applicant is meeting the minimum eligibility requirements. If the applicant is not attending a minimum of 12 semester credits, the applicant must be either be attending 80 hours of actual class time a month or the combination of actual work and school hours must be a minimum of 80 hours a month. The applicant must receive a salary that is equivalent to the hourly federal minimum wage. In determining whether a student has met the 80 hour requirement, the department shall count the hours spent in unpaid internships, practice teaching and clinical work experience. If the household contains both parents, each parent must meet this requirement.
- **Master’s and Doctoral programs** - eligibility **cannot** be approved for any class time for applicants enrolled in either of these programs. If the applicant is enrolled in one of these programs and is meeting the 80-hour per month work requirement, CCS can approve eligibility covering the work hours only.

**\*\*\*It should be noted that the remaining time for completion of a degree has no bearing on the work requirement as it pertains to each type of educational program. In other words, two remaining years for completion of a Bachelor’s degree, does not mean that it is a two-year program.**

**Citizenship** - For eligibility determination purposes, the child for whom assistance is being requested must be a citizen of the United States or must provide proof of resident alien status.

**Residency** -Child care assistance shall only be available to those applicants residing within the state of South Dakota.

**Children eligible for assistance** - Applicants must have a child or children that meet the following requirements:

- The child is under age 13 or turned 13 during the current CCA eligibility period.
- The child is under age 18 and physically or mentally incapable of self-care
- This child is under age 19, if enrolled in school and expected to graduate, and is physically or mentally incapable of self-care
- The child is under age 18, or under age 19 if enrolled in school and expected to graduate, and is under court supervision

**\*\*\*If the child is over age 13 at the time of application and falls within the categories mentioned above, documentation must be provided by the applicant prior to granting assistance. The documentation must be from a medical professional and must specify the child's physical or mental limitations. For children under court supervision, copies of court documents will be required by the department and used as verification.**

**Eligible child care provider types** - Only those child care providers as outlined in Section 11 of this manual, are eligible to receive reimbursement from the department for child care costs made on behalf of the family.

**Phase Out** - A household that reapplies for child care assistance within 30 days immediately following the month of eligibility and whose income exceeds 209 percent of the federal poverty level, But does not exceed 85% of the State Median Income may receive up to an additional twelve months of child care assistance.

## Section 4

### Income Types

When determining a household's income eligibility, there are two categories of income that need to be considered, earned and unearned. The definitions are as follows:

**Earned income** - Income in cash or in kind, before deductions, earned by an applicant or other countable adult household member through the receipt of wages, salary, commissions, tips, bonuses, or fees; or for a self-employed individual, that income remaining after deducting allowable business expenses.

**\*\*\*For CCS purposes, income is considered available and countable toward determining eligibility, as it is being earned. The actual receipt date of earned income is irrelevant for CCS purposes.**

**Unearned income** - monies received for which a person does not perform a service. Countable unearned income includes, but is not limited to: TANF, pensions, VA benefits, alimony, retirement, child support, back child support, Social Security (SSA), interest income, insurance settlements, lease income, worker's compensation, lottery winnings, inheritance, investment earnings, and unemployment compensation.

**\*\*\*Types of NON-COUNTABLE income include, but are not limited to: student financial aid (grants, loans, scholarships), GI Bill, utility allowance, foster care payments, SSI disability, VA disability, Earned Income Tax Credits, and IRS tax refunds.**

**Fluctuation in Earnings (Earned Income)** - Fluctuating earned income is considered income which varies in amount from month to month or is received at irregular intervals. This may be due to irregular employment, or considered irregular because of factors such as seasonal increases or decreases in employment or type of work (e.g., sales work on commission basis).

Irregular or fluctuating income should be averaged over a period of time sufficient to take the fluctuations into consideration. As proof of income, a recipient must provide either copies of the last two pay stubs, employer verification of current wages, or the most recent income tax return. If this is not an accurate indication of a recipient's anticipated annual income, a caseworker may require evidence of up to twelve (12) of the most recent months of income. Individuals, who receive their total annual income in a period of time shorter than one year due to fluctuations or irregular intervals, will have that income averaged over a 12-month period.

South Dakota provides several ways in which to project fluctuating earnings:

- YTD (year to date) income provided on the most recent pay stub divided by the number of months applicable. For example the paystub is for pay period ending June 28. The YTD would be divided by 6 months (January through June).
- If applying for assistance with the same source of employment for the prior calendar year, 1099 forms or W-2's can be used to prospect income or,
- Determine monthly gross income by calculating the total amount of income earned in the 12-month period preceding the date of the application and dividing the total amount by 12.

### **Bonus, Incentives, and Additional Income Sources Earned and Unearned.**

On Occasion individual may receive bonus or incentive payments. These are considered earned income sources. When calculating a bonus or incentive payment the caseworker will divide the YTD, year to date, amount over the number of months that have lapsed in the year. For example if a paystub received for the pay period end date of 9/14 shows a YTD incentive amount of \$500.00 this would be calculated as  $\$500.00 / 8.5 \text{ months} = \$58.82$  countable. Earned income sources are subject to a 4% disregard. Other additional income sources such as lump sum payments from inheritance; lottery winnings, etc. are considered unearned income sources. These income

sources divided over the number of months since the receipt date of the sum up to 12 months. For example if it is determined at the time of application that a recipient has received a \$25,000.00 inheritance 4 months ago the \$25,000.00 will be calculated as  $\$25,000/4=\$6250$  countable. The quotient will then be countable unearned income along with any other income sources. Such sums are not considered toward CCA eligibility if they were received more than 12 months prior. If the total calculated monthly household income then exceeds 85% of SMI the household is ineligible for CCA.

## Section 5

### Calculating Earned Income from Employment

**Earned income from employment** - All earned income shall be annualized when determining gross earned monthly income. In addition, CCS will allow a **4% deduction from all earned income**. The following examples illustrate the methods in which earned income is calculated.

**Example 1 - Applicant paid weekly:** An applicant works 40 hours per week, is paid on a weekly basis, and is paid \$7.00 per hour. The hours worked per pay period shall be multiplied by the rate of pay, then multiplied by 52 since there will be 52 pay periods in a year for this applicant, then multiplied by .96 to allow the 4% deduction, then divided by 12 months. The calculation should look as follows: **40 X \$7.00 X 52 X .96 divided by 12 = \$1,164.80**. \$1,164.80 is the gross monthly countable earned income for this applicant.

**Example 2 - Applicant paid bi-weekly:** An applicant works 40 hours per week, is paid on a bi-weekly basis, and is paid \$8.00 per hour. The hours worked per pay period shall be multiplied by the rate of pay, then multiplied by 26 since there will be 26 pay periods in a year for this applicant, then multiplied by .96 to allow the 4% deduction, then divided by 12 months. The calculation should look as follows: **80 X \$8.00 X 26 X .96 divided by 12 = \$1,331.12**. \$1,331.20 is the gross monthly countable earned income for this applicant.

**Example 3 - Applicant paid twice a month or monthly:** An applicant works 40 hours per week or 80 hours every two weeks, but is paid twice a month or monthly. Either one of the methods shown above in Examples 1 and 2 may be used to determine income when paid twice per month or monthly and should yield the same gross monthly countable income. If the amount shown on the wage verification is consistent, you may also take the monthly average of the checks and multiply that amount by .96 to determine the monthly amount of countable income.

\*\*\*When hours and income are not consistent for each pay period, CCS will use an average of the hours shown on the applicant's pay stubs that were submitted as income verification. The average hours can then be used in the calculation formulas shown in the above examples.

\*\*\*Particular attention should be given to all pay stubs as the applicant may also receive tips, commissions, overtime, shift differential pay, or other employment related income that is countable when calculating income. Also, it is very important to compare the year-to-date totals on the pay stubs to make sure the totals match.

**Fair Labor Standards Act (FLSA)** - The Fair Labor Standards Act requires that all employers pay their employees the equivalent of the federal minimum wage. Applicants not receiving minimum wage from their employers will not be eligible to receive child care assistance. In these situations, the caseworker may report the employer's name to the SD Department of Labor.

#### **Allowable deductions from earned income**

- 4% standard deduction from earned income or self-employment.
- Child support paid out by recipient or other countable household member.
- Allowable business expenses from self-employment

## Section 6

### Calculating Income from Self-employment

If a household member is self-employed, eligibility can be determined based on the most current information available. If the self-employment is continued from the previous year, the applicant must submit a copy of his/her most recent income tax return. Prospective income shall be based on the annualized figures reflected on the most recent income tax return when determining eligibility.

If the self-employment is new and not reflected on the previous income tax return, the applicant shall be required to submit business ledgers from prior months showing profits and expenses. Income will be prospected from the ledgers until an income tax return reflecting the self-employment is available. Only those expenses related directly toward the operation of the self-employment business shall be allowed as deductions. Personal expenses cannot be allowed as deductions.

Depreciation and depletion are not allowable expenses and must be added back into the net profit or loss. The reasoning behind adding depreciation back into the net profit or loss can be found in Black's Law Dictionary, 441 (6<sup>th</sup> ed. 1990). **Depreciation expense reduces the taxable income of an entity but does not reduce the cash available to the business entity. Id.**

**Gainful Employment** - Self-employed persons must work at least 20 hours a week and receive weekly earnings equal to federal minimum wage multiplied by 20 hours. This applies whether the self-employed person is working 20 hours a week during the certification period or an average of 20 hours a week during the year.

If an individual is claiming to be self-employed, the amount of income verified must be consistent with part-time (at least 20 hours per week) employment. If income alone does not establish the 20 hour per week/minimum wage requirement and the individual is still claiming to be self-employed, the caseworker must establish with the recipient's cooperation, that the recipient's self-employment is gainful employment. To decide if the self-employment enterprise is a part-time or full-time job, the caseworker must evaluate the volume of work the recipient claims.

Persons engaged in hobbies, volunteer work or any other similar activity cannot be considered gainfully employed because of the small amount of money received from these activities.

**Corporations and partnerships** - Particular attention should be paid to individual income tax returns showing income from corporations or partnerships. In order to accurately determine an individual's income, a copy of the corporation's income tax return must also be submitted. The corporation's income tax return will reflect the applicant's share of the business. The applicant's share of the corporation's net profit, loss, and depreciation shall be added into the applicant's individual tax return figures.

**Wages paid** - In some self-employment situations, the business proprietor may pay himself/herself a wage from the business. If the income tax return shows that wages were paid, a copy of the business' W-2 forms should also be submitted with the application as the wages are considered countable if paid to the business proprietor or the proprietor's spouse.

**Capital gains and interest** - Capital gains and interest shall be added into the total income prior to calculating the gross monthly income.

**When self-employment income shows a loss** - Self-employment showing a loss shall be counted as \$0.00. A loss may not be deducted from other forms of income the household may have.

## Section 7

### Calculating Unearned Income

Unearned income is generally received on a regular basis and can be calculated as received. However, some types of income are subject to change or become inconsistent both in the amount and the frequency in which it is received.

**SSA or Social Security benefits** - are received on a consistent and regular basis. If the amount of SSA cannot be verified on the SSCC system, documentation should be requested from the applicant. Along with each COLA increase, the recipient receives written notice from the Social Security Administration informing them as to what the new benefit amount will be. A copy of this document may be requested as verification.

**Child Support** - Child support is very often received sporadically and can be calculated in a variety of methods as shown below:

**(Annualized)** If child support is received on a weekly or bi-weekly basis and the receipt dates and amounts are consistent, it can be annualized when determining the monthly amount of child support received. This situation is common when the absent parent has a consistent amount withheld from his/her paychecks and is paid either weekly or bi-weekly.

If a consistent amount of child support is withheld weekly, that amount can be multiplied by 52 pay periods and then divided by 12 months. The weekly amount can also be taken by 4.333 to arrive at the monthly support payment. Either method will capture child support payments made during the months where there are 5 pay periods as opposed to the normal 4 payments in a month.

If a consistent amount of child support is withheld bi-weekly, that amount can be multiplied by 26 pay periods and then divided by 12 months. The bi-weekly amount can also be taken by 2.16 to arrive at the monthly support payment. Either method will capture child support payments made during the months where there are 3 pay periods as opposed to the normal 2 payments in a month.

**(6 Month Average)** If the child support is inconsistent in both amounts and dates received, a six-month average of past support received can be used when determining eligibility. The total amount of support received in the six months prior to the month the CCS application is received shall be divided by 6 when determining how much child support is to be counted when calculating gross monthly income. For example: If an application is received on February 18<sup>th</sup>, the caseworker would look at child support received for the months of August, September, October, November, December and January. Caseworkers will use the paid date listed on the mainframe OCSE screens to calculate child support payments received.

**Re-calculating Child Support** - It is CCS's policy that once an average of child support has been calculated for the period of eligibility, it is not re-calculated until an applicant renews. CCS is prospecting what the applicant may receive in the next eligibility period by looking at an average of what was received monthly in the prior six months. However, during a twelve-month eligibility period, an applicant may experience circumstances which would allow CCS to re-evaluate the 6 month average of child support.

- If the non-custodial parent to the applicant's child/children becomes incarcerated and it can be verified, CCS can re-evaluate child support and prospect that the applicant will not receive any payments for the remainder of the eligibility period.
- If an applicant claims that the non-custodial parent is no longer working and can not be located by the Division of Child Support and the Division of Child Support can verify this information, it can be prospected that the applicant may not receive any child support payments for the remainder of the eligibility period.

If an applicant claims the non-custodial parent has lost his job, CCS would not re-evaluate child support payments. The non-custodial parent could find employment and the applicant may begin receiving child support payments in the near future. Therefore, CCS would not be able to prospect zero child support payments for the remainder of the eligibility period.

## Section 8

### Calculating Child Care Need

#### Subsidy Calculation Worksheet (Implemented January 1, 2010)

**Income Section** - Caseworkers enter employment information for each parent in the household. For each place of employment, enter the gross amount and hours worked for the last two pay stubs. It is critical to indicate the correct pay period; monthly, twice a month, bi-weekly or weekly. If a wage verification is provided, the caseworker will enter this information in both the paycheck 1 section and the paycheck 2 sections. If hours are entered in hhmm format, the hours are entered in the time convertor section and are automatically carried over into the paycheck 1 and paycheck 2 sections.

**Child Support Received** - The amount of child support collected for the six months prior to the month the application is received, is entered in the total column under child support. A six month average is automatically calculated and carries over to the 6 month column. If multiple child support collection cases exist, this will be done for each case. The total combined child support received per household will be reflected in the Child Support Total column.

**Self-employment Income** - If there is self-employment, the gross monthly income received from this is entered in the self-employment column. 4% of this is automatically deducted and carried over to the total self-employment column.

**Unearned Income** - There are two sections in which income from unearned income may be entered. Unearned income is monies received for which a person does not perform a service. Countable unearned income includes, but is not limited to: TANF, pensions, VA benefits, alimony, retirement, child support, back child support, Social Security (SSA), interest income, insurance settlements, lease income, worker's compensation, lottery winnings, inheritance, investment earnings, and unemployment compensation.

Unearned income received monthly is entered in the unearned income column. The type of income can be specified under the "type" heading.

**Child Support Paid Out** - Child support paid out monthly is entered in the column "child support paid." This amount will be calculated by the caseworker manually prior to being entered into the spreadsheet. This is deducted from the total income.

**Work information** - Under the income section, the hours for the parent who is working the least amount of hours, will be entered into the box directly to the right of the "Work Hours" section. The hours are rounded, converted to a weekly amount and appear in the box directly beside the work hours section. This number will be entered into section 2, 3, 4, or 5.

**School information** - If the parent is attending school, the weekly actual in class time is calculated as school hours. The school hours are then rounded up to the nearest whole number and entered into the weekly number of school hours. For example, if the final number is 15.25, then we would round up to 16 hours

**Supplemental hours** - Supplemental hours are calculated based on the number of hours a parent is in a work or school activity. If an applicant is working only, supplemental hours are calculated at 25 % of the total weekly hours worked. If an applicant is attending school only, supplemental hours are calculated at 25% of the hours in school. In addition to that, 10 hours are added for in-between class time. If an applicant is working and attending school, supplemental hours are calculated at 25% of the work and school hours and 10 hours are added for in-between class time. For school-age children, supplemental hours are calculated at 30% of the total weekly hours (working or attending school) and 35 vacation/in-service hours are added to the monthly care hours.

**Examples:** If the parent with the least amount of hours is working and not attending school, weekly work hours should be entered in box 2. If the parent with the least amount of hours is attending school only, hours should be entered in box 3. If the parent with the least amount of hours is working and attending school, combined weekly work and school hours should be entered in box 4.

In two parent households the parent working or in school the least amount of hours is used to determine the child care need. If the parent's work/school participation hours match, default to the working parent for hours of care.

**School age children** - If a child is attending a kindergarten program that does not run a typical Monday through Friday, with approximate attendance of 8:00 – 3:00, these hours should be calculated by entering data in the appropriate box; 2, 3 or 4. We would not enter this information in box 5. For example, if a child is in a kindergarten program, Monday through Friday from 8:30 – 11:30, we would look at the hours of child care need by putting the applicant's data in the box which fits their activity; box 2, 3, or 4.

**Variable Schedule Option** - The calculation worksheet is automatically set to default to the variable schedule box to "N". When this box is set at "N", the child care need hours are calculated as stated in the policy above. In some instances, the applicant has a work and/or school schedule that is variable and their hours of work and/or school do not coincide with the day care hours of operation. In this type of situation, the caseworker may check "Y" to the variable schedule box. When the variable schedule box is checked "Y", no supplemental hours are allowed and care is calculated based on the work and/or school hours only. If it is a two-parent household, Child Care Services will look at the parent who is in an activity the least amount of hours and enter this number in the appropriate box.

**National Guard Employment** - Applicants who declare National Guard as employment would receive 16 hours per month for hours worked. This would equate to 4 hours per week.

### **Deviating from the Calculation Worksheet**

In some instances, applicants will have situations in which it would not be beneficial to calculate the hours of need using the Subsidy Calculation Worksheet. In these instances, we may deviate from the calculation worksheet. These situations must be narrated on the face sheet or an attached narration form as to why we are deviating with the calculations for hours of need being documented.

If we do deviate from the calculation worksheet for one child, we must deviate for all children. For example, we would not calculate a school age child's hours of need by putting this in the calculation work sheet and manually calculating a non-school age child's hours of need. We would do manual calculations for both the school age and non-school age children.

If we deviate, when calculating the applicant's child care need, the hours allowed shall be based on the applicant's work/school schedule and the school schedule of the child, if applicable. With two-parent households, the child care hours shall be the least amount of hours needed when the two schedules are compared. **The maximum hours that can be allowed per child is 210 per month.**

**Travel time** - Travel time can be allowed while the applicant travels from the child care provider to work and visa-versa. Generally, ½ hour each way can be allowed for travel time in the larger cities. However, there may be situations that require more or less travel time depending on the location of the provider and the applicant's place of employment.

**Non-school days** - 1-5 days of non-school hours may be added back into the total allowable hours to compensate for days when the applicant must work or attend school, but there is no school for the child.

**Head Start & Pre-School hours** - If a child is in Head Start or a pre-school program (preschools operated by a school system or under contract with a school district....not for standalone programs), hours shall be calculated as if the child were in care full time until the child reaches Kindergarten.

Regulated child care providers are able to bill for hours a child is absent from care while attending Head Start or pre-school (up to a maximum of 4 hours per day). Informal, In Home, or relative providers are not given the option to bill Head Start & preschool hours, this is addressed in the provider billing guide.

**Study time** - Study time cannot be allowed when calculating child care need.

**Between class time** - For students receiving assistance, time in-between classes can be allowed up to a maximum of 10 hours per week. This does not apply for times before and after the first and last class of the school day. Ideally, the student will utilize these hours for study purposes.

**Lab time** - If a student is required to participate in labs as part of a class requirement, child care hours may be allowed for such times. The lab must be overseen by an instructor and be part of the course requirement. Generally, lab time is reflected on the student's class schedule.

**Tutoring** - If a student meets with a tutor, those hours are not considered when calculating the child care need. While a student may need a tutor to assist him/her with studies, child care hours cannot be allowed as this is no different than study time.

**Calculation formula** - When the weekly amount of child care need is calculated, the weekly amount shall be multiplied by 4.333 to compensate for those months with additional work/school days. Example: a child has a weekly child care need of 45 hours.  $45 \text{ multiplied by } 4.333 = 195 \text{ hours per month}$  that the child will be allowed.

**Sleep time/graveyard shift** - CCS may allow child care hours for sleep time resulting from a parent working a graveyard shift. Child care assistance for sleep time is limited to eight hours per day. A graveyard shift consists of at least six hours of work between the hours of 6:00 p.m. and 8:00 a.m.

**Job Search/Activity Search** - CCS cannot approve initial eligibility for an applicant who is looking for employment or job searching. However, if a person is already receiving child care assistance and suffers a loss of employment, up to **90 days** of continued assistance can be granted from the last day of employment. No adjustments to the eligibility amounts shall be made during this period.

**Parenting classes, therapy, counseling, etc.** - In some situations, child care is needed for times when an applicant is enrolled in other activities. **In all related situations, thorough supporting documentation must be submitted prior to approving child care.**

These cases can be somewhat confusing and should be staffed with other CCS personnel before a decision is made. It is important to examine all aspects of the applicant's situation prior to determining eligibility. Serious consideration should be given to those situations that can be answered with a "yes" to the following questions:

1. Is it medically necessary for the applicant so that he/she can maintain, resume, or eventually attain employment?
2. Is it court-ordered?
3. Is it recommended by Child Protection Services in an effort to allow the applicant to maintain custody of his/her child/children?
4. Is it in the best interest for the health, well-being, or safety of the child/children?
5. Would it positively influence the ability of the family to remain intact?
6. Is there enough supporting documentation from a medical professional that indicates exactly what the issues are, the recommended course of therapy/treatment, and the expected length of the program?
7. Is there any involvement from another state agency or department?

**Applicants enrolled in a chemical dependency treatment program-** South Dakota has two pregnant women/women with dependent children's chemical dependency treatment programs. The Full Circle program is located in Rapid City and is operated under Behavior Management System and the New Start program is located in Sioux Falls and operated by Volunteers of America-Dakotas.

There are three levels of care offered at each facility; inpatient 45 day intensive treatment, 90 day long term low intensity services and case management services.

Child Care Services has partnered with DHS and will help pay child care costs while an applicant is in the 90 day long term intensity services. The focus during this time is on teaching the recipient life skills, parent education, job training, GED testing, etc to transition them back into the community. During this phase the recipient will obtain employment and housing. Child Care Services can assist with child care during this time by funding up to 25 hours of child care per week.

**Joint custody** - If court-ordered joint custody exists, the hours of child care may need to be adjusted based on the applicants work schedule and the custody times/dates as stated in the court order.

**Volunteer work** - Child care hours cannot be allowed for hours spent volunteering. Volunteer work is defined as, "Any service provided for which the individual does not receive a wage, salary, or other form of payment".

**Maternity Leave** - Child Care Services cannot approve initial eligibility for an applicant who is on maternity leave. If a recipient of child care assistance has an existing case and due to the birth of a child, is on maternity leave, continued assistance can be allowed beginning with the date of birth of the baby. No adjustments to the eligibility amounts shall be made during this period.

**Absent Hours** - Regulated child care providers are able to bill CCA for a limited number of hours a child is absent from care under the absent hours policy. There may be an occasion when a child is not able to attend the child care program, yet the family is still responsible to pay for this time. In order to provide additional support toward the family's child care bill for these occasional absences, defined as a child is not in care because the child is ill or on vacation or because the child's parent failed to report an absence. The department may reimburse the child care provider for a maximum of 50 hours a month, for the time the child is not in care, for those times when the family is responsible to pay and the provider is open and operational. This policy in full can be found in the regulated provider billing guide.

## **Section 9**

### **Recipient Co-payment and Length of Eligibility**

**Co-payments** - When determining the amount of assistance an applicant is eligible for, the amount shall be based on a sliding fee scale. Depending on where an applicant's income and household size falls on the scale, he/she may be required to make a co-payment or out-of-pocket expense.

**Income at or below 160% of the Federal Poverty Level (FPL)** - Households with gross monthly countable income below 160% of the FPL will not have a calculated co-payment.

**Income above 160% of the Federal Poverty Level** - Households with gross monthly countable income above 160% of the FPL will have their co-payments calculated by subtracting 160% of the FPL from their gross monthly countable income. The difference between those two figures will then be divided by 2 for a 50% reduction. The resulting amount is the amount the family is expected to pay each month.

**12% cap on co-payments** - In no case, will a household's co-payment exceed 12% of their calculated gross monthly income. For those households whose calculated co-payment exceeds 12% of their calculated gross monthly income, CCS will reduce the co-payment to exactly 12% of the gross monthly countable income.

**Additional expenses** - Expenses that are above and beyond established CCS reimbursement rates shall be the responsibility of the applicant. In no case may CCS cover additional costs for such things as transportation, supplies, field trips, registration, meals, snacks, and late fees.

**Multiple child care providers** - The monthly co-payment will go to the child care provider having the highest year around calculated cost of child care per month for a family.

Example 1: A family with 2 children has a monthly co-payment of \$450.00 and a child care need of 150 hours per month, per child. The first child, age 1, is at a FDC in Minnehaha County. The child care need would be  $150 \times \$2.70 = \$405.00$ . The second child, age 3 is at a different FDC in Minnehaha County. The child care need would be  $150 \times \$2.50 = \$375.00$ . The child with the day care need of \$405.00 would be denied assistance due to the monthly co-payment exceeding the child care need and the child with the child care need of \$375.00 would receive a certificate of eligibility.

Example 2: A family with 2 children has a monthly co-payment of \$300.00 and a child care need of 210 hours per month for a one year old child and a child care need of 87 hours per month for a school age child. During the school year, the school age child care need is calculated at  $87 \text{ hours} \times \$2.75 = \$239.25$ . The second child, age 1, is at a second provider is calculated at  $210 \text{ hours} \times \$2.70 = \$567.00$ . During the school year, the one year old child with a day care need of \$567.00 would have the monthly co-payment of \$300.00. During the summer, the school age child's day care need would increase to \$577.50 ( $210 \times \$2.75$ ). The co-payment would remain with the one year old child to remain consistent with the child care need the majority of the year and to avoid issuance of multiple certificates.

In any case, the co-payment can only be given to one child care provider and can not be distributed among multiple child care providers.

**Length of eligibility** - Eligibility can be given for up to 12 months unless it is known that the applicant will no longer need child care prior to the end of the twelve month period.

## **Section 10**

### **Continuous Eligibility**

Once eligibility is established, only those changes that have a positive impact on the amount of assistance an applicant receives will be made. Changes that may have a negative impact shall be made at the time of renewal. This allows the applicant to receive pay increases or increased work hours during the course of the eligibility period without incurring a higher co-payment or losing eligibility.

CCS does not require recipients to report temporary changes. Temporary changes include: 1) Absences from employment or school due to maternity leave or extended medical leave 2) Any time-limited absence from work for an employed parent due to reasons such as need to care for a family member or an injury or illness. 3) Changes in seasonal work schedule. 4) Any reduction in work, training, or education hours as long as the parent is still working or attending training or education. 5) If a parent is enrolled in an educational or training program and is temporarily not attending class due to a holiday or semester break. 6) Any other cessation of work or attendance at a training or educational program that does not exceed 90 days.

However, there are some situations in which the applicant may lose eligibility when program requirements are no longer being met. Those reasons are listed below:

- ◆ The applicant's gross monthly household income exceeds 85% of State Median Income.
- ◆ The applicant has experienced a cessation work/school lasting longer than the 90 day job search period.
- ◆ Child care is no longer needed.
- ◆ The applicant requests the case be closed.
- ◆ The applicant has had unexplained absences from the child care program in excess of 10 days.
- ◆ It is discovered and substantiated that the applicant reported false information on his/her application
- ◆ The applicant is found guilty of an Intentional Program Violation(IPV)
- ◆ The child care provider is no longer eligible to receive payment from CCS and the applicant continues to use that provider after being notified of their ineligibility for payment.
- ◆ It is discovered that the applicant is receiving assistance for child care from another program.
- ◆ The applicant has failed to maintain an open case with the Office of Child Support Enforcement or indicate good cause, as this may be considered an intentional program violation.
- ◆ The applicant's spouse or parent to the applicant's child(ren) has moved back into the household and has experienced a cessation work/school lasting longer than the 90 day job search period.

**Changes** - Permanent or non-temporary changes must be reported by the applicant in writing and must be submitted to CCS within **10** days of the date of the change. The changes may be reported in the form of a fax, e-mail, or hand-written letter. A permanent or non-temporary change includes but is not limited to: a job quit or termination, job ending due to the closing of a business, graduating from an educational or training program or if no longer participating in a TANF approved activity.

When the recipient reports a permanent change in circumstances, the recipient will be allowed 90 days from the last date of employment or school attendance for job search. Within the 90 days allowed, the recipient will need to provide Child Care Services with verification of new employment and/or school enrollment. If verification is received that the recipient is once again working or attending school, the certificate can remain opened until its original end date. If no verification is received the certificate will close on the 90<sup>th</sup> day. No more than 90 days will be allowed for job search.

**Continuous eligibility** - Changes that adversely affect the recipient's level of assistance will be made at the time of renewal only. Changes that positively affect the recipient's level of assistance will be made effective upon receipt of the change. Changes of employment or income shall require documentation prior to the change being made.

Child Care Services' expends time and money to enforce reporting requirements that see a small financial return while potentially disrupting the stability of the child care arrangements and creating financial setbacks for families. Caseworkers will not pursue unreported case changes that may make a recipient ineligible for the program during the duration of their certificate unless fraud is suspected.

## Section 11

### Child Care Provider Requirements

Reimbursement of child care costs are made directly to the child care providers. Not all child care providers are eligible to receive public funds such as child care assistance reimbursement payments. The 5 provider types eligible to receive reimbursements on behalf of families are listed below:

#### 1. Registered Family Day Care Providers

- **Family Day Care**-is state registered with standards as established by CCS and provides care for up to a maximum of 12 children.
- **Family Child Care Infant/Toddler Homes (a.k.a. Specialized Provider)**- is registered with standards as established by CCS and provides care for up to a maximum of 6 children.
  - To encourage smaller group sizes for infants and toddlers, a special rate will be paid to registered family child care providers (providers who are in-process do not qualify for the higher rate) who are registered to care for 6 or fewer children. The special rate is available for children in care under age 3. Providers can be reimbursed up to a maximum of 25% above the established county rate for the age category as long as the final rate does not exceed what the provider currently charges the general public.

#### 2. Licensed Programs

- **Group Family Day Care**- is fully licensed to provide care for 13 to 20 children.
- **Day Care Center**- is fully licensed to provide care for 21 or more children.

3. **In-process**- providers that have submitted their applications to become registered or licensed will have 120 days to complete the process. In-process providers are eligible to receive reimbursement from CCS. To receive reimbursement from CCS in-process providers must have submitted their completed application to CCS, have completed CPR certification including hands on testing, and CCS must have received the results of their background screenings.

#### 3. Relative

Relative child care providers, as defined in section 1, may provide care in the providers home or the applicants home. must meet minimum program requirements in order to be eligible for reimbursement. The requirements are as follows:

- (1) Be at least 18 years old;
- (2) Have completed, signed, and returned to the department the health and safety checklist provided by the department;
  - **Non-resident siblings must maintain a separate residence, but may provide care in their own home or the applicant's home.**
  - **A relative providing care for other children that do not fall within the relationship requirements shall be considered the same as an unregistered Family Day Care provider.**
  - Both the provider and the applicant will be required to sign the completed form so that both parties are aware of any unfulfilled safety standards in the place where child care is being provided. It will not be the requirement of CCS to monitor nor take any responsibility for situations resulting in unfulfilled safety standards. Since both parties will have been made aware of potential problems, their signatures acknowledge that they have been made aware of the safety inadequacies and will take total responsibility for any incidents arising from unfulfilled safety standards.
- (3) Have completed, signed, and returned to the department the form that verifies the children in care meet the Department of Health's immunization standards;
- (4) Have completed, signed, and returned to the department an Internal Revenue Service W-9 form; and

(5) Have completed, signed, and returned to the department the form that certifies the provider has read the provider manual, has shared the information concerning child immunizations with the parents, is at least 18 years old, and is providing child care services only for the children from one particular family.

The relative provider has 10 working days from the date of the letter to submit the Authorization Form, Home Health and Safety Checklist, W-9 Request for Taxpayer Id Form, Payment Authorization Form and the Immunization Verification Form.

#### **4. In-home or Informal**

In-home and Informal child care providers must meet minimum program requirements in order to be eligible for reimbursement. The requirements are as follows:

- (1) Be at least 18 years old;
- (2) Submit to a background check and comply with the requirements of 67:42:16:04 for any individual who cares for or supervises a child, or has unsupervised access to a child. These include:
  - a) Request for a central registry screening for child abuse and neglect
  - b) DCI Fingerprint Check
  - c) FBI Fingerprint Check
- (3) Have documented orientation training within 90 days after the receipt of the application in at least the following areas:
  - (a) Prevention and control of infectious diseases;
  - (b) Prevention of sudden infant death syndrome and use of safe sleep practices;
  - (c) Administration of medication;
  - (d) Prevention of and response to an emergency due to food or allergic reaction;
  - (e) Building and physical premises safety;
  - (f) Prevention of shaken baby syndrome and abusive head trauma;
  - (g) Emergency preparedness and response planning for an emergency resulting from a natural disaster or man-caused event;
  - (h) Handling and storage of hazardous materials and the appropriate disposal of bio contaminants;
  - (i) Precautions in transporting a child;
  - (j) Recognition and reporting of child abuse and neglect;
  - (k) Child Development
  - (l) First aid; and
  - (m) Cardiopulmonary resuscitation (CPR). CPR shall include hands-on skill testing as part of the training. CPR certification must remain valid at all times.
- (4) Submit to an annual inspection and meet health and safety standards included in the topics listed above;
- (5) Complete a minimum of three hours per year of on-going training and provide verification of completion. Training may include any of the orientation training categories and may include requirements relating to: nutrition; access to physical activity; caring for a child with special needs; any other subject area determined to be necessary to promote child development or to protect a child's health and safety.
- (6) Have completed, signed, and returned to the department an Internal Revenue Service W-9 form;
- (7) Have completed, signed, and returned to the department a Payment Authorization Form.
- (8) Have signed and returned to the department the Intent to Provide Services Form.
- (9) Have signed and returned to the department a Provider Agreement.

The informal and in-home providers have **30 days** from the date of the letter to submit the Intent to Provide Service Form, the Provider Agreement, Permission to Screen Form, DCI and FBI Fingerprint Cards, W-9 Request for Taxpayer Id Form and the Payment Authorization Form, and provide verification of CPR certification including hands on testing.

## Background Checks Required of All Providers

CCS conducts a background check on all providers receiving public funds that includes the following checks:

1. SD Criminal fingerprint check
2. FBI fingerprint check
3. Central Registry Child Abuse and Neglect check
4. Sex Offender Registry check
5. National Crime Information Center check

The following criminal convictions prohibit an individual from being an eligible provider receiving public funds such as child care assistance:

- A conviction of:
  - a crime that would indicate harmful behavior towards children;
  - a crime of violence as defined by SDCL 22-1-2 or a similar statute from another state;
  - A sex crime pursuant to SDCL chapters 22-22 or 22-24A or SDCL 22-22A-3 or similar statutes from another state;
  - Within the preceding five years, a conviction for any other felony
  - Conviction of child abuse pursuant to chapter 26-10;
- An individual whose name appears on the sex offender registry;
- An individual whose name appears on the central registry for child abuse and neglect;
- Knowingly making false statements in connection with this background check;
- Being registered, or required to be registered, on a Sex Offender Registry; or
- Refusing to consent to the criminal background check.

Once an Informal or In Home provider is identified by an approved recipient, CCS will send the Informal or In Home Provider Letter to the provider and a copy of that letter to the recipient. The letter outlines the requirements of the provider and the time frame in which the provider has to submit the required forms. The Informal or In Home Provider paperwork will also be sent to the provider for completion.

**\*\*\*Payment by CCS to Informal or in-home providers on behalf of the family can only begin after CCS has received from the potential provider all of the informal or in-home provider paperwork, verification of CPR certification, and the results of the background screenings. Payment prior to the date the above items are received by CCS would be the responsibility of the family requesting assistance.**

**Fair Labor Standards Act (FLSA)**- For child care providers doing care in the applicant's home, notification of the FLSA shall be given in the In Home Provider Letter that is sent with the In Home Provider paperwork. The FLSA informs the applicant and the provider that if care is provided in the applicant's home, the applicant is legally responsible to ensure the provider is being paid minimum wage as the provider is legally considered an employee of the applicant.

**\*\*\*CCS does not enforce the requirements of the FLSA and staff do not become involved in any disputes between parties regarding the FLSA. CCS employees should refer the parties to contact the U.S. Department of Labor at 1-866-487-9243 should such a dispute arise. The only requirement of CCS is to make both parties aware of the FLSA, which is fulfilled included in the In-home Provider Letter.**

**Out of state providers**- In some situations, an applicant's child care provider resides in another state. This occurs most frequently when the applicant resides in a city close to the state boarder.

- ◆ Relative providers living outside of SD will be required to meet the same criteria as relative providers residing in South Dakota.
- ◆

- ◆ Licensed/registered providers living outside of SD must be in compliance with their state's licensing requirements. The applicant will be required to submit a copy of a valid child care license/certification from the provider's state of residence.
- ◆ Informal/In-Home providers must reside in the state of South Dakota.

**Provider Over Payments**-Child Care Services receives a monthly over issuance report. This report indicates certificates that have paid out over 100% of the authorized monthly amount. The senior claims clerk researches this report each month and determines the cause of the over payment. If the amount is less than \$50.00, no collection action is taken. However, if the amount is greater than \$50.00, the child care provider will receive a letter noting the cause of the over payment along with a repayment plan.

## Section 12

### Cooperation with the Division of Child Support (DCS)

An Applicant for CCA shall be required to complete an application for enforcement services with DCS on all children under the age of 18 who reside in the household. Once a case has been established, the applicant must cooperate with DCS in keeping the case open and maintained.

In some cases, **good cause** may exist for not having an open case with DCS. They are as follows:

- **Absent parent is deceased-** In these situations, follow-up should be done to determine if the surviving children or spouse are receiving Social Security Survivor's benefits.
- **Social Security received in lieu of child support-** If an absent parent is disabled, often times the dependent children will qualify for Social Security benefits based on the parent's disability. If the children are receiving these benefits, DCS will not open a case as the benefits generally exceed the child support order.
- **Jurisdiction-** In some cases, DCS does not have jurisdiction to pursue child support from the absent parent. When the absent parent resides on a reservation or in another country, DCS will not actively pursue child support as it has no legal authority to do so.
- **Absent parent in jail-** In situations where the absent parent is incarcerated for an extended period of time, a DCS case does not need to be opened as no support will be collected. If the applicant can supply documentation of the absent parent's release date, the DCS requirement can be waived until such time of release.
- **Absent parent poses a threat-** If the absent parent poses a physical threat to the applicant or the applicant's children, a case with DCS does not need to be opened. In these situations, the applicant shall be required to provide documentation. Generally, copies of protection orders, support letters from a domestic abuse counselor, information from Child Protection Services, etc. shall be sufficient documentation.
- **Absent parent is unknown-** If the applicant does not know who the absent parent is, they must still attempt to open a case with DCS as a minimum effort to establish paternity. If the child was conceived due to rape, molestation, or incest, the applicant will need to provide a signed statement attesting to such and will not be required to open a case with DCS.
- **Child support is received from another state-** If the applicant claims that support is being received through another state's DCS agency, they will be required to submit documentation of all child support received in the six months prior to their child care assistance application being received.
- **Genetic testing excludes alleged father-** When an alleged absent parent is excluded due to genetic testing, the applicant must provide DCS with the name of another potential absent parent.
- **Artificial insemination-** No case can be opened. However, the applicant must supply medical documentation to verify the child was conceived through artificial insemination.
- **Joint Custody-** If the applicant claims that court-ordered joint custody exists, they must supply a copy of a court order as verification. If no support is ordered, the applicant shall not be required to open a case with DCS. If court documentation is not available and the arrangement is just between the parents, the applicant will still need to open a case with DCS.
- **Adoption-** If the child was adopted by a single parent, no DCS case can be opened. However if a couple adopts a child and subsequently separates, the DCS case will need to be opened against the absent adoptive parent as he or she has legally become the child's parent.
- **Pending legal action-** If an applicant is currently involved in a legal action such as a divorce or custody determination verification of pending court hearings or a signed and dated statement from the applicant's attorney or legal aid indicating the current situation and that a court order for custody is being pursued will be required to verify the pending legal action. If verification is received and no interim support order is in place good cause may be temporarily allowed until the next redetermination period.

**Collection cases-vs-"Z" cases** - All open collection cases shall be considered as "cooperating with DCS". However, DCS also has cases called "Z cases". In these cases, the absent parent has been court-ordered to make child support payments to DCS. However, these cases are not collection cases and DCS will not pursue

collection if not paid. “Z cases” can be considered as “cooperating” only if the monthly obligated child support payments are being made through DCS. If consistent monthly payments have not been made under the “Z case”, the applicant must contact DCS and open a collection case.

### **Tips**

- Always check the DCS system and the children shown on the screens to make sure all of the applicant’s children are listed under a case.
- When denying a case for not cooperating with DCS, always keep a printout of the DCS screen on file with the application.
- Check the address of the absent parent on the DCS system and compare with the applicant’s address. If they are the same, follow-up needs to be done as fraud may be involved.
- Check existing and prior economic assistance cases for information on names and direct payments to the applicant.
- If good cause is allowed, make sure that it is noted on each worksheet. This will help avoid accidental denial at renewal time.
- Keep printout of payments on file at application time.
- Write DCS case numbers on the worksheet.
- In joint custody cases, child care hours may need to be cut depending on the applicant’s work schedule and the time/dates each parent has the children.
- In cases involving non-payment on “Z” cases, it is the caseworker’s discretion on whether to deny the application or incomplete it and give the applicant 10 working days to open a collection case.
- If a child is born and added to a case in the middle of a certificate and there is an absent parent, the applicant shall be required to have a DCS case on the newborn within 10 days of the child being reported to CCA.

## Section 13

### Confidentiality

Child Care Services is bound by specific laws and regulations regarding confidentiality as explained under the following South Dakota Codified Law:

**SDCL 28-1-29-** Public Assistance records confidential—Exceptions. All applications and records concerning any applicant for, or recipient of, public assistance provided under the laws of this state through the Department of Social Services shall be confidential except:

1. For inspection by persons duly authorized by this state or the United States in connection with their official duties;
2. For the purpose of fair hearings provided by law.

**Attorney requests for information** - If an attorney calls and requests information specific to a recipient of Child Care Assistance or a child care provider receiving reimbursement from the program, CCS staff can respond as follows: “The information you are asking for is considered confidential under South Dakota Codified Laws (SDCL) 28-1-29 and 28-1-32. Should a court-ordered subpoena be issued in this matter, Child Care Services will then release the requested information”. If the request of information is regarding a child care provider, the caller must be referred to the licensing worker for that area.

Should a recipient of child care assistance request documents from his/her own case file, that information may be released upon request from the recipient.

- \*\*\*If someone is requesting information over the phone regarding their own case status or payment information, the caller must be able to provide some type of identifier to verify that the person is who they say they are. The information should be something that only that person would know such as; social security numbers, provider number, dates of birth, household members. If there is any doubt that the person might not be who they say they are, CCS staff shall require that the request must be submitted in writing.

**Release of Information Form** - Specific case information may be shared with child care programs provided that the Authorization to Furnish and Release Information form is signed by the applicant. The form allows CCS to share case eligibility information with the child care provider. This information shall be limited to case specific information regarding eligibility determination and factors on how eligibility was determined.

#### Tips

- If a child care provider calls requesting payment information, they must be able to provide their state-assigned provider license number prior to any information being given. If there is any question regarding the validity of the caller’s identity, the request must be submitted in writing.
- Do not send information to any address other than what the system currently shows for either the applicant or the child care provider.
- If a recipient of assistance calls, always ask for a social security number.
- Do not discuss specific case information with anybody other than the caller unless a signed Authorization to Furnish and Release Information form is on file.
- If a child care provider calls wanting to know the case status of an individual that has listed the provider on the application and if the provider is able to give their state-assigned provider license number, CCS staff may release case status information only. Do not go into case specifics such as household income, composition, etc.
- Do not submit requested information to a third party unless written authorization is on file to do so. Send the information directly to the recipient or child care provider depending on which one is requesting the information. **Do not send confidential recipient information if it is being requested by a child care provider and vice-versa.**

## Section 14

### Household Composition

The following household members and their incomes shall be countable when determining eligibility:

- The applicant
- The applicant's spouse
- The applicant's children under age 18
- The applicant's children if age 18 and still in high school
- The applicant's children if under age 20 and considered special needs
- The parent to any of the applicant's children if residing in the same residence as the applicant
- Children for whom the applicant is exercising parental control if the applicant has submitted a signed statement from the child's parent(s) giving the applicant parental control or provided court documentation giving parental control to the applicant

#### Tips

- If the applicant and the applicant's spouse or parent to the applicant's child(ren) are separated due to work or school purposes, both must be meeting the minimum work/school requirement and the incomes of both shall be countable. These situations are most common with military families and post-secondary school situations.
- If a minor child has a child, the minor child shall be considered the applicant and must meet the minimum work/school requirements.
- A spouse to the applicant must be counted in the household composition even if he or she is not the biological parent to any of the children.
- The children for whom the applicant is claiming to have parental control over **cannot** be counted as a household member unless the applicant has provided a signed statement from the child's parent(s) giving the applicant parental control over the child. Court documents will also work as verification in these situations.
- To be considered household members children must not be receiving benefits as members of another household. If so a signed custody order explaining the shared/joint custody arrangements must be provided.
- If a household member is not in the household at time of application and the absence is expected to last at least 30 consecutive days, the individual shall not be counted in the household composition. The absence could be due to incarceration, treatment or boarding school.
- If an incarcerated household member is on work release and is contributing income to the household, the individual shall be counted in the household composition along with his/her income.
- If the applicant and the applicant's spouse or parent to the applicant's child(ren) are separated due to deportation, we would not look at this individual as a household member if the individual is not working and cannot financially contribute to the household. This is the case in most instances. However, if they have been deported and are working and can contribute financially to the household, the spouse or parent to the child would be considered a member of the household and their income would be calculated to determine eligibility.

## Section 15

### Subsidized Adoptions & Guardianship through the State of SD

In some situations, a Foster Parent will adopt or receive guardianship of a child through the South Dakota Department of Social Services, Office of Child Protection Services (CPS). In these cases, assistance can be continued/granted for the child/children without consideration to the adoptive/guardian parent's income when calculating eligibility. Thus, the adoptive/guardian parent will never have a calculated co-payment. If the child care provider charges more than what CCS can reimburse, the adoptive/guardian parent shall be 100% responsible for the difference.

**Verification of adoption** - If an application is received and indicates the child was adopted through the State of South Dakota, CCS staff can e-mail staff in CPS to verify the adoption.

**Verification of guardianship** - If an application is received and the applicant indicates they have guardianship of the child through the State of South Dakota CCS staff can e-mail staff in CPS to verify the guardianship.

Tribes that the State of South Dakota has CPS contracts with are the Oglala Lakota Sioux Tribe, Standing Rock Sioux Tribe, the Sisseton-Wahpeton Sioux Tribe and the Flandreau Santee Sioux Tribe. If a child has been adopted through one of the above Tribes, we must verify that the adoption is a IV-E subsidized adoption through the State of South Dakota. If this criteria is met, assistance can also be continued/granted for an adoptive child without considering the adoptive parent's income.

**\*\*\*These cases are treated no differently than regular Child Care Assistance applicants in regard to the eligibility start date, provider requirements, and the work/school requirements as previously established in this manual. The only exception is that the adoptive parent's income shall not be counted when determining eligibility.**

- Exemption of the adoptive parent's income only applies to children that have been adopted through the South Dakota Department of Social Services.
- The adoptive parent(s) and child(ren) must reside in South Dakota.
- The adoption must be through the South Dakota Department of Social Services-Office of Child Protection Services.
- The adoptive parent(s) must meet the minimum work/school requirements as established by CCS.
- The child care provider must meet requirements as established by CCS.
- Eligibility shall be discontinued if the adoptive parent(s) move to another state.
- If a child is adopted through another state or a private agency, the income of the adoptive parent(s) shall be countable when determining eligibility.
- Adoptive parent(s) are not required to open a case with DCS against the biological parents of the child.
- Child care hours shall be calculated based on the lesser of the adoptive parent's work/school schedules.
- The adoptive child must meet the age requirements as established by CCS.
- Should the adoptive parents divorce or separate, the custodial parent will be required to open and maintain a collection case with DCS against the absent adoptive parent as he/she is legally considered to be the child's parent.
- If a child in State custody is adopted by another family within South Dakota the new adoptive family will also be eligible for child care subsidy. Income will not be counted.
- If an adoptive parent moves out of state, the child care subsidy does not follow the child. The family will need to seek services available in that state.

## **Section 16**

### **Foster children in the custody of the State of South Dakota, CPS who are placed with a Foster Family who is not residing in SD**

In some situations, it is necessary to place a child who is in the custody of the State of South Dakota, Child Protection Services with a family that is not residing in the State of South Dakota. Because these children are in the State of South Dakota's custody and considered residents of South Dakota, CCS can help with child care assistance.

- The foster parent(s) must be meeting the work/school requirements as established by CCS.
- The child care provider must meet the requirements as established by CCS.
- Eligibility shall be discontinued once the children are adopted, child care subsidy will not follow. The family will need to seek services available in that state.

## **Section 17**

### **Foster Care**

Foster care applications are handled in much the same way as other applicants with the following exceptions:

- Eligibility can be backdated for a period of 90 days prior to receipt of the application.
- Income of the foster parents is not considered. However, the \$1,000,000 **asset** limit does apply.
- There are no minimum work requirements for foster parents. However, eligibility can only be given for times when foster parents are working or going to school.
- Use of In-home, Informal, and Relative providers must be approved by the CPS Social Worker.
- The State of South Dakota, Tribe, or other licensed agency must have legal custody of the child.

#### **Questions and answers regarding Foster Parents who are also child care providers**

**Q. Can the family day care provider bill CCS for her foster children who are also in her child care?**

**A.** No. CCS does not pay parents to care for their own children. Foster care children are considered “in the household” and are under the daily care and supervision of the foster parents. The foster parents are acting as parents. Therefore, CCS would not pay for child care.

**Q. Can the foster parent take the children to another day care provider?**

**A.** Yes. If the foster parent chooses to enroll the foster children with another child care provider so she can concentrate on the care of the child care children, CCS can pay for the cost of care with the other provider. **The choice is with the foster parent and CPS as to what is best for the foster children.**

**Q. What is the process for a foster parent to receive a dual license (foster care and day care)?**

**A.** The first priority for someone with a dual license is the foster children. Special permission needs to be granted by CPS State Office before a foster parent can become registered as a family day care provider. This is to assess the capabilities of the foster parent, number of foster children and child care children to be cared for, special needs of the foster children, condition of the home, ages of the foster children, day care children, etc.

**Q. Are larger licensed child care facilities handled differently?**

**A.** Yes, if a day care center owner/operator is also a foster parent, the foster children can attend her center and CCS will reimburse the cost of care while the foster children attend. The owner/operator hires staff and incurs additional expenses due to the presence of the foster children.

**CPS Coupons** - In special short-term situations, CPS may utilize the use of CPS coupons in order to ensure payment to child care providers.

#### **Tips regarding coupon use**

- The coupons should only be used in short-term child care situations for children with whom CPS has involvement. This includes children in foster care, relative placement, and respite care situations.
- The coupons can only be used with child care providers that are licensed, registered, or in the process of becoming licensed or registered.
- Coupons are valid for up to 60 continuous days of child care need. If the child care need is longer than 60 days, the yellow foster care application should be used.
- The maximum amount of hours that can be allowed per month is 210 per child.
- Coverage can be backdated a maximum of 90 days prior to the receipt date of the coupon.
- The coupon cannot be used for costs not covered by the program (registration fees, etc.).
- The coupon must be signed by the CPS Social Worker unless the completed coupon is e-mailed directly to CCS staff.

### **When to use the coupon**

- When placement of a child is only for a short period of time
- If the foster child's normal child care provider will be unable to provide care for a brief period. Example: the child care provider will be out of town for a week and a substitute provider is needed.
- When there is a short-term child care need created by CPS requirements. Example: a parent is required to attend parenting class and child care is needed during that time. This may also be applied to situations where the parent is required to attend outpatient treatment or counseling sessions.
- Temporary respite care situations.
- When the child care provider needs immediate verification that child care costs will be covered prior to accepting the child into care.
- If the child is age 13 or older and CPS is requiring that the child still be placed in a child care setting.

**Present Danger Plans** - Present Danger Plans (PDP) are an agreement facilitated by the Division of Child Protection between families and a friend or relative who will care for the child temporarily while CPS completes an investigation. During a Present Danger Plan the child(ren) are not in the custody of the State. CCA can allow a one-time 30-day coupon to be issued for children on a Present Danger Plan if the person(s) exercising parental control are working or in school. CCS must receive a copy of the signed PDP with the completed coupon. If additional care is needed the person(s) exercising parental control of the children listed on the PDP will need to apply for CCA using the regular white CCA application. A signed PDP can be used as verification of parental control.

**Safe Families for Children** - Safe Families for Children is a program designed to reduce the need for State Child Protection agencies to take custody of children while still ensuring child safety when families are experiencing crisis. The Safe Families program temporarily places children with volunteer host families while the parents of the children cope with their crisis.

CCA can be allowed for Safe Families placements. When Safe Families host parent applies for CCA they must indicate on the application that this is a Safe Families placement. They must also provide a signed Power of Attorney indicating that the child is in their care through the Safe Families program.

- Income of the Host parents is not considered. However, the \$1,000,000 **asset** limit does apply.
- There are no minimum work requirements for Host parents. However, eligibility can only be given for times when Host parents are working or going to school.
- Host parents are required to verify their employment or school participation.

## **Section 18**

### **Military Families**

**Receipt of living allowances** - income received for living allowance(s) is countable against the household income eligibility (housing, utility allowances, etc).

**Military families being deployed in times of declared war** - Situations may arise where a military family may be called to active duty during times of declared war and will need to leave their children with friends or relatives.

In these situations, CCS shall disregard the income of the family who has accepted parental control of the children when determining eligibility. However, all other program requirements regarding minimum work, school, and child care provider requirements shall be applicable.

- The applicant shall not be required to open a case with the Office of Child Support Enforcement (DCS) against the absent parent(s) who are in active duty.
- The situation must be one resulting from an official declaration of war made by the President of the United States.
- Documentation must be submitted to verify that the parent is being deployed to serve in a military operation resulting from a declared act of war.
- The income of the parent(s) shall be countable.
- Unearned income of the child shall be countable.
- The adult exercising parental control shall be responsible for providing income verification of child's parent(s)
- The applicant must supply written documentation of parental control authority.
- The applicant and children must reside in South Dakota.

## **Section 19**

### **Children with Special Needs**

If a child has a special need, he/she may be eligible for our program if the child meets the age criteria below:

- The child is under age 18 and physically or mentally incapable of self-care.
- The child is under age 19, is enrolled in school and expected to graduate, and is physically or mentally incapable of self-care.
- The child is under age 18, or under age 19 if enrolled in school and expected to graduate, and is under court supervision.

If the child is over the age of 13, documentation from a medical professional (physician, physician's assistant, nurse practitioner, psychologist, psychiatric social worker, special education teacher, physical or occupational therapist, or social worker) explaining the child's physical or mental limitations must be included with the Child Care Assistance application.

All eligibility criteria apply to a family with a child with a special need, however, each situation is reviewed on a case-by-case basis to determine if and how this program can best support the family.

In circumstances that require a child care provider to provide enhanced services in order to meet the child's need, a higher rate of reimbursement may be available for the child care provider in order to help off-set additional expenses the child care provider may incur while providing suitable care for the child.

In order to determine if a higher reimbursement rate is allowable:

- CCS will require the parent (as explained in rule 67:47:01:04) to submit documentation from a physician, physician's assistant, nurse practitioner, psychologist, psychiatric social worker, special education teacher, physical or occupational therapist, or social worker which attests to the child's incapacity and documents the need for special accommodations. If the provider will be required to perform duties as directed by the medical professionals, the documentation must specify and outline those duties.
- If the documentation warrants further consideration, CCS will send a questionnaire to the child care provider. The questions are designed for the child care provider to inform CCS as to the enhanced services the child is receiving.
- CCS will allow the provider 10 working days in which to submit the completed questionnaire. If it not received by the due date, CCS will process the application using the current program reimbursement rates.
- If the questionnaire does not show that the provider is experiencing undue financial hardship as a result of providing care for the child or if it appears that the services provided do not warrant a higher rate of reimbursement, CCS will determine eligibility based on current program reimbursement rates.

Note: Denying the higher rate of reimbursement for a child with special needs does not constitute discrimination according to the U.S. Department of Justice. The applicant/child is not being denied child care assistance based on the child's special needs as they are still qualified using the standard rates of reimbursement. In these situations, it is a matter of the provider not being allowed the higher rate as he/she is not providing qualified enhanced services to meet the child's special needs.

## Section 20

### Parental Control

When determining eligibility for an applicant exercising parental control of a child, the following process shall be followed.

**Non-Relative Parental Control** – When determining eligibility consider the child’s unearned income and the income of the adult exercising parental control and the spouse of the adult exercising parental control. The adult exercising parental control shall be required to open and maintain an active case with the Office of Child Support Enforcement (DCS) on the absent parent(s). **Per DCS rule, in order to participate in their program a court custody order must be established concerning the child that which services are requested.**

**Relative Parental Control** – When determining eligibility concerning a relative the following process shall be applied.

- When a relative exercising parental control applies for CCA and the child has an existing 0-Plus TANF case all earned and unearned income of the household shall not be included when determining eligibility.
- If the applicant does not have an existing 0-Plus TANF case CCS shall determine eligibility based on the same criteria used when determining eligibility for TANF. The applicant can meet the 0-Plus criteria without actual participation in the TANF program. However, the applicant shall be required to open and maintain an active case with DCS on the absent parent(s) in order to be considered eligible for CCA. **Keep in mind that the applicant shall be required to obtain a court custody order stating that they have custody of the child that they are requesting Child Support Enforcement services for. In many cases the applicant does not have the financial resources to complete this process. The applicant should be encouraged to participate with the TANF program or seek the services of their local legal aid office to obtain a custody order.**

A specific degree of relationship must be established between the applicant and the child. Documentation supporting the relative relationship will need to be submitted. The degree of acceptable relationship will be based on the same criteria used when determining eligibility for a 0-Plus TANF case. Acceptable degrees of relationship are as follows:

- 1) Siblings, uncle, aunt, first cousin, nephew, or niece, including those of half blood; a relative of the preceding generation denoted by prefixes of grand, great, or great-great; first cousin once removed; and great-great-grandparent.
- 2) A person who achieved the degree of relationship specified in subdivision (1) by the process of legal adoption.
- 3) Spouses of any of the relatives specified in subdivisions (1) or (2) of this section, even though the marriage is terminated by death or divorce.
- 4) Any of the individuals listed in subdivisions (1), (2), or (3) who have a step relationship with the child, even though the marriage is terminated by death or divorce.

## **Section 21**

### **Closure, Revocation or Suspension of a Childcare Provider**

When a childcare provider closes, is revoked or suspended, the licensing staff will e-mail the claims processing clerk and the child care assistance caseworker. The e-mail is to include the information that the provider's status is changing and the date the status change will take effect.

- The caseworker will check the system to see if the provider has any families on assistance.
- If the provider does have families on assistance in care, the caseworker will send letters to those families stating that the provider is no longer eligible to receive payment. The claims processing clerk will change the status and status date (date licensing worker provided) when the last payment has been made.
- If a childcare provider's license is revoked or suspended, the provider is not eligible for payment from CCS beginning the day after the license is revoked or suspended. A letter informing the families who are currently using this provider must go out immediately informing them of this. The families will also be informed that they have ten working days to find another provider who is eligible for reimbursement from our program.
- Licensing Specialist will change the provider status on the SW24 system.

## **Section 22**

### **Market Rate Survey**

The Child Care and Development Fund (CCDF) is administered through the Department of Social Services, Division of Child Care Services. In order to receive funding, all states must submit a comprehensive State Plan every two years. In addition, to ensure that child care payments reflect the price of care in local markets, CCDF regulations require a biennial market rate survey conducted no earlier than two years prior to the effective date of the currently approved State plan [45 CFR 98.43(b)(2) and 98.16(I)]. The CCDF regulations require states to certify that the payment rates for the provision of child care services are sufficient to ensure families receiving child care assistance have equal access to comparable care purchased by private-paying parents.

The Division of Child Care Services, in cooperation with the Department of Labor, Labor Market Information Center conducts the market rate survey prior to the submission of the State Plan. Data from the market rate survey is critical in determining what level of payment might provide equal access to services. Other factors can be considered when establishing rates such as type of provider, geographic location, age of children and available funding.

When child care providers receive reimbursements in line with the most current MRS, families can access a wider range of child care options. If the reimbursement rates are too low, providers are less likely to serve families receiving assistance which can reduce the supply of care available for those most at risk. The closer a family is to poverty, the lower the family's income, the greater the burden of paying child care becomes. Therefore, the more critical it is to pay rates that ensure accessibility. When an adequate supply of affordable childcare is available, parents can work, employers can fill jobs and people can move off of welfare.

## **Section 23**

### **TANF Cases**

**The TANF Application** - Child Care Services implemented a simplified application process for TANF recipients. This application reduces the need for the Child Care caseworker to request school schedules, work schedules, pay stubs, etc. The Employment Specialists are able to request child care hours to fit the applicants needs within Child Care program guidelines. In some cases, CCS may request a wage verification or school schedule to ensure that the hours requested are in alignment with the actual child care need as described in the following paragraph.

Child Care Services can only cover actual hours of care provided during the times the recipient is participating in an approved activity. This can include time spent in class, break time between classes and travel time. TANF recipients who are in deferral status are not eligible for TANF but may be eligible under the regular child care assistance program.

TANF applications should be used when a parent is participating in an approved TANF activity. The front page of the TANF application must be completed and signed by the Employment Specialist. The back page of the application must be completed and signed by the applicant.

**The TANF Memorandum of Understanding (MOU)** - Periodically child care providers charge weekly rates that exceed Child Care Services maximum hourly rates. As a result, TANF recipients incur out-of-pocket child care expenses which may inhibit an individual's ability to participate in the TANF program.

The Child Care TANF Memorandum of Understanding is available to child care providers who care for the children of families receiving TANF benefits. Eligible families are in an approved TANF activity and are attending a registered or licensed child care program. Families will receive a child care certificate authorizing care for 45 hours per week. Child care providers will be reimbursed the maximum rate as per most recent market rate survey; or the weekly rate as established by the child care program, whichever is the lesser of the two. Weeks when the child is present less than 45 hours, the program is allowed to bill Child Care Services for the 45 hours **or** the weekly rate, whichever is less.

**Example:**

Child Care Program "A" in Minnehaha Co. charges \$135 per week for infant care.  $\$3.50^* \times 45 \text{ hours} = \$157.50$ . In this scenario the provider would be paid \$135.

Child Care Program "B" in Codington County charges \$120.00 per week for infant care.  $\$2.25^* \times 45 \text{ hours} = \$101.25$ . In this scenario, the provider would be paid \$101.25.

*\*Established CCS reimbursement rate.*

In some instances the weekly rate established by the child care provider will be more than the maximum rates that Child Care Services can reimburse. In these situations the child care program will need to determine if they can accept the rates as described above.

Child care certificates for the TANF Child Care Reimbursement program (MOU) will begin on the day the child/children begin attending the child care program and will be prorated at 9 hours per day, Monday through Friday at the maximum hourly rate or the prorated weekly flat fee, whichever is less.

For example: If a child begins care on a Wednesday, the child care program will not be eligible for the full 45 hours or the full weekly fee. Child Care Services will reimburse the provider for 3 days at 9 hours per day times the maximum hourly rate or the flat fee prorated at 3 days, whichever is less.

The child care provider must accept the CCS reimbursement as the full payment and can not pass any additional costs onto the TANF family. Child Care Services will pay for up to five consecutive absent days. Absences in excess of five consecutive days per month will not be reimbursed by Child Care Services. The daily fee will only be paid through the fifth absent day. The child care provider must agree to notify Child Care Services of excessive absences or irregular child care usage immediately.

**\*\*\*School-aged children of families receiving TANF benefits are only eligible for reimbursement under the MOU payment agreement during the summer months. School-age children of TANF families may receive reimbursement under other CCA programs during the school year**

**TANF Sanctions** - When a TANF recipient is 50% sanctioned, child care assistance can remain in place as the TANF recipient is still in an approved activity. When a TANF recipient is 100% sanctioned, child care assistance can allow 90 days of job search. The Employment Specialist should notify the child care caseworker when the TANF recipient receives a 100% sanction. This process allows the child care caseworker to send a notice to the family informing them of continued care for job search.

In the Personal Responsibility Plan developed by the Economic Assistance Employment Specialist TANF parents are informed of the exception to the individual penalties associated with the TANF work requirements for single parents who have demonstrated inability to obtain child care for a child younger than 6 years old. The parent must prove the unavailability of childcare because of distance, the unavailability or unsuitability of childcare by a relative; or the unavailability of appropriate and affordable care.

**Two Parent Household** - CCS cannot approve child care assistance for children whom are not TANF eligible under the TANF program. In addition, these children will not be eligible for reimbursement under the TANF MOU program.

Applicants can apply using a regular child care assistance application. The application is processed under the TNB (two-parent household) source fund. The parent who is not in an approved TANF activity must be meeting the minimum work and/or school requirements. Assistance will only be allowed for the times during which both parent are in an approved activity, working or in school.

When determining the household's income eligibility, the following income will need to be considered:

**Earned income**-Income in cash or in kind, before deductions, earned by an applicant or other countable adult household member through the receipt of wages, salary, commissions, tips, bonuses, or fees; or for a self-employed individual, that income remaining after deducting allowable business expenses.

**Unearned income**-Monies received for which a person does not perform a service. Countable unearned income includes, but is not limited to: TANF, pensions, VA benefits, alimony, retirement, child support, back child support, Social Security (SSA), interest income, insurance settlements, lease income, worker's compensation, lottery winnings, inheritance, investment earnings, and unemployment compensation.

**\*\*\*Types of NON-COUNTABLE income include, but are not limited to: student financial aid(grants, loans, scholarships), GI Bill, utility allowance, foster care payments, SSI disability, VA disability, Earned Income Tax Credits, and IRS tax refunds.**

If the parent who is in an approved activity for TANF is receiving income from the approved work activity, this income is **not** counted while the recipient is eligible for the TANF grant. The income would only be considered when the recipient's TANF case closes.

## **Section 24**

### **Homeless Children and Families**

Children and families who experience homelessness face many challenges. CCS has implemented policies to make it easier for these vulnerable families to access child care. Child Care Services recognizes the McKinney-Vento Act definition of homeless. Under the McKinney-Vento Act, homeless is defined as follows:

The term homeless means an individual who lacks a fixed, regular, and adequate nighttime residence; and includes individuals who ;

- Share the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks or camping grounds due to the lack of alternative accommodations; are living in emergency or transitional shelters; are abandoned in hospitals or awaiting foster care placement;
- Have a primary nighttime residence that is a public or private place not designed for or ordinarily used as regular sleeping accommodations for human beings;
- Live in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
- Are migratory and live in any of the circumstances as described above.

When an application for child care assistance is received and the applicant indicates they are homeless, the application is given priority and reviewed promptly by the caseworker.

- The applicant indicates that they would like a referral to resources available in their community. The caseworker will contact the applicant and discuss the programs that are available. These can be found on the P:Drive/Division of Economic Assistance/Resource Directories. The caseworker will follow-up by sending information on resources to the applicant.
- If the application is missing any of the required verifiable documentations, the CCS caseworker will make contact with the appropriate entities to obtain the information. If verification is obtained, a certificate 12-month certificate is issued within 10 days of receipt of the application. Verifiable information includes employment or school information. There may be times when required information is not verifiable; such as when child custody is questioned. In these cases the applicant will be sent a letter requesting the additional information within 10 days of the receipt of the application.
- If the information cannot be verified within 2 working days, eligibility will be determined based on the information that the applicant has provided and a certificate will be issued for 30 days. The recipient will be given 30 days to provide verification of work and/or school to make an accurate determination of eligibility. If an applicant is found to be eligible when verifications are received, a new certificate will be issued with the new eligibility determination amounts. The new certificate will be issued for the remainder of the 12 month certification period. If a family is determined to be ineligible upon receipt of documentation, the case is closed. There is no overpayment considered in these cases of families experiencing homelessness.

## Section 25

### Reportable Changes

The following changes must be reported to Child Care Services in WRITING and postmarked within 10 days of the date of the change: non-temporary change in employment or school status , change in provider, address change, or if the household monthly gross income exceeds the maximum State Median Income.

South Dakota will terminate assistance prior to the end of the 12 months certification period if a parent has a non-temporary loss of work or cessation of attendance at a job training or education program. The circumstances considered to be non-temporary include but are not limited to: a job quit or termination, job ending due to the closing of a business, graduating from an educational or training program or if no longer participating in a TANF approved activity.

For non-temporary changes in employment or school, a period of continued child care assistance for a maximum of 3 months to allow parents to engage in job search, resume work, or attend an education or training program as soon as possible will be allowed.

South Dakota will allow continued care if during the 12 month certification period a parent had a temporary loss of work or cessation of attendance at a job training or education program. The circumstances considered to be temporary include but are not limited to: absence from employment due to maternity or extended medical leave, changes in seasonal work schedule or if a parent is enrolled in training or educational program and is temporarily not attending class due to a holiday or semester break.

**\*\*\*So that family work schedules are not interrupted CCA can accept written changes in a variety of ways including:**

- Mail
- Fax
- Email
- Drop off at any local DDS location

## **Section 26**

### **Resource Information for Parents**

**New Parent Resources** – Child care assistance families are provided information at initial approval about various programs available through South Dakota agencies. A cover letter is sent to each family with a document on the Department of Social Services' programs, including Medicaid/CHIP and *Well Child Care*, South Dakota's Early Periodic Screening, Diagnosis & Treatment program as well as other developmental screening programs available to families. An assortment of brochures and pamphlets with information on some of these programs is also enclosed.

Parents are encouraged to call if they have additional questions. If a parent calls with questions or does not have access to the internet, the caseworkers will offer to make a referral to appropriate agencies or if requested, will print the available information for the programs of interest and mail to the parent.

Similar information will be provided to each provider that is receiving CCDF. This will be done annually and sent out with the provider agreement for child care assistance.

**Consumer Statement** - Child care assistance families are provided with consumer statement information at initial approval and with any subsequent provider change. A letter is sent to the family along with their child care certificate listing information and resources related to children, choosing child care, as well as information about the child care providers. This letter includes instructions on where to find our searchable provider database and where to access information on provider licensing requirements.