State/Territory Plan
2022 - 2024

3.2 Family Contribution to Payments

3.2.5 Policies and processes for graduated phase-out of assistance at redetermination.

Lead Agencies that establish initial family income eligibility below 85 percent of state median income (SMI) are required to provide a graduated phase-out of assistance for families whose income has increased above the state's initial income threshold at the time of redetermination but remains below the federal threshold of 85 percent of the state median income (98.21 (b)(1)). Providing a graduated phase-out promotes continuity by allowing for wage growth, allows for a tapered transition out of the child care subsidy program as income increases, and supports long-term self-sufficiency for families.

State/Territory	3.2.5b i: If yes, describe how the Lead Agency gradually adjusts co-payments for families under a graduated phase-out:
Alabama	During the graduated phase at each redetermination, family incomes are adjusted incrementally based on the family size and increases in the monthly gross income.
Alaska	
American Samoa	
Arizona	
Arkansas	
California	
Colorado	
Connecticut	
Delaware	At redetermination and under the graduated phase-out portion of services, families are required to report any additional increases or decreases in family income. Co-payments must decrease when a decrease in the family's income is reported and may be gradually increased but never beyound the initial copayment amount during the authorization period..

District of Columbia	If graduated phase out occurs at redetermination, then the family co-pay amount will increase based on income and family size. However, co-pays do not increase within a 12-month eligibility period.
Florida	As the family's income increases, the co-payment shall gradually increase based on approved sliding fee scale.
Georgia	
Guam	
Hawaii	
Idaho	
Illinois	
Indiana	A families copay is only assessed at eligibility determination and at redetermination. For families that have entered the graduated phase-out of assistance, we offer 16 weeks of transitional care. During this time co-pays would not be increased and may be decreased if there is a reduction in income. Effective March 22, 2020 families were provided an additional 10 weeks (for a total of 26 weeks) of transitional care before benefits are terminated due to COVID-19. This change is in effect until Executive Order 20-02, which declared that a public health emergency exists throughout the State of Indiana expires, or is extended and provides a new expiration date.
Iowa	
Kansas	If at review, a family's income is greater than 250% of the FPL but less than 85% of SMI, the copay amount is adjusted to the level 11 amount (the highest amount) on the Monthly Family Income and Family Share Deduction Schedule, and child care is approved for another 12 month period. If a reported change during the graduated phase out period results in a decrease in copay, this will be applied.
Kentucky	
Louisiana	**Copayments are adjusted to allow continuity of care for families that would become ineligible for services under current guidelines for initial eligibility. The copayment is set at a higher value as the income increases, however copayments remain less than 7% of the families gross income and the family remains eligible as long as the income does not exceed 85% SMI.**
Maine	
Maryland	
Massachusetts	

Michigan	Families with income under 150% of FPL do not have a family contribution/co-payment. Income greater than 100% of FPL not exceeding 150% of FPL is assigned a $15 per child co-payment ($45 per family co-payment limit). Families determined income eligible would then have five eligibility income thresholds of progressively increasing co-payment amounts to allow for a graduated phase out, ending with the exit limit of 85% state median income by family size.
Minnesota	
Mississippi	NA
Missouri	The Lead Agency currently has two additional phase-out periods for TCC level A, which is payment for 80% of the state base rate and for TCC level B, which is payment for 60% of the state base rate. The parent is responsible for paying more of the state base rate in each phase-out period as the parent's income increases. Note, currently, the Lead Agency has a waiver from ACF OCC that was approved through May 1, 2021 to allow entry into the gradual phase out, without first being eligible for traditional child care subsidy. This was requested in response to the COVID-19 pandemic. The Lead Agency has submitted an additional request to continue this waiver through December 31, 2021, and upon approval, starting January 2022, the Lead Agency will return to a gradual phase-out with only levels A and B.
Montana	
Nebraska	Family co-pays are adjusted based on reported income changes. Family co-pays can decrease during the eligibility period but they cannot increase.
Nevada	
New Hampshire	
New Jersey	Providing a graduated phase-out promotes continuity by allowing for wage growth, a tapered transition out of the child care subsidy program and supports long-term financial stability to help families get to a point where they no longer need the subsidy. At redetermination, copayment is assessed once, and is not required to contact the agency if their income rises (thus affecting copay). This approach minimizes paperwork and reporting burdens on working families.
New Mexico	Co-payments for families are based upon the size and income of the household. Copayments increase as income increases (not to exceed 250% of FPL).
New York	
North Carolina	At the time of graduated phase out, parental fees will increase to reflect the family's new reported income.
North Dakota	

Northern Mariana Islands	
Ohio	The family copayment is calculated on a sliding fee scale. Families below 100% Federal Poverty Level (FPL) pay no copayment. Families between 101% - 200% increase from 7% of their income to 8.75% of income. After 200% FPL, the copayment increases more dramatically, capping out at 27% of income for 295% and 300% FPL. Copayments are determined based on income and household size. Copayments may decrease during an eligibility period but may not increase during an eligibility period. When eligibility is redetermined, the copayment calculated for the new eligibility period is permitted to be higher than the previous period's copayment. Families at or under 100% FPL have a $0 co-pay. Policy can be found here: ODJFS eManuals > Family Assistance - Child Care > Child Care Manual > Child Care Chapter 16: Publicly Funded Child Care > 5101:2-16-05 Copayment for publicly funded child care benefits (ohio.gov)
Oklahoma	
Oregon	N/A
Pennsylvania	
Puerto Rico	N/A
Rhode Island	The Lead Agency recognizes the cliff effect for families who experience a slight increase in income and how without graduated phase-out this could serve as a disincentive to advance in the workplace. To mitigate this cliff effect, RI has established a second tier of subsidies. For households with incomes between 180-200% FPL, whose income increased while eligible for and enrolled in CCAP, a household may continue to receive assistance with their weekly copay increasing to 10% of their gross income. For those with incomes between 200-225%, they may continue to receive care with copays of 14% of gross income. This graduated phase out for child care assistance allows a family to maintain affordable care for their child, while gradually adjusting their contribution.
South Carolina	At redetermination, the copay is adjusted if the income has increased.
South Dakota	NA
Tennessee	
Texas	
Utah	
Vermont	N/A
Virgin Islands	N/A

Virginia	During graduated phase-out, the recipient family co-payment amount may increase if the family's countable income increases. The copayment will be 5 – 10 percent of the family's gross monthly income based on family size and income.
Washington	
West Virginia	Copays are adjusted every 10 percentiles of the Federal Poverty Level (FPL), with families below 40% of 2019 FPL paying no fee. Fees are only adjusted at time of review unless the parent experiences a circumstance that allows for reduction.
Wisconsin	If family income is at or above 190% FPL, but not exceeding 200% FPL, at the previous eligibility redetermination, the family co-payment may increase based on increases in income but will not exceed the family co-payment for 200% FPL until the next annual eligibility determination. If family income is at or above 200% FPL at the previous eligibility redetermination, the family's co-payment will increase $1 for every $3 by which family income exceeds 200% FPL until the family reaches 85% SMI.
Wyoming	The client needs to meet steps 1-4 in the initial application process and then can phase out in steps 5-6 at redetermination. This gradual phase-out slowly decreases the amount of assistance the participant is eligible to receive while simultaneously slowly increasing the amount of copay.