



# Senate

General Assembly

**File No. 402**

February Session, 2010

Substitute Senate Bill No. 391

*Senate, April 8, 2010*

The Committee on Human Services reported through SEN. DOYLE of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING CHILD CARE SUBSIDIES FOR THE UNEMPLOYED UNDER THE CARE 4 KIDS PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-749 of the 2010 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2010*):

4 (a) The Commissioner of Social Services shall establish and operate  
5 a child care subsidy program to increase the availability, affordability  
6 and quality of child care services for families with a parent or caretaker  
7 who is working, attending high school or who receives cash assistance  
8 under the temporary family assistance program from the Department  
9 of Social Services and is participating in an approved education,  
10 training, or other job preparation activity. Services available under the  
11 child care program shall include the provision of child care subsidies  
12 for children under the age of thirteen or children under the age of  
13 nineteen with special needs. The department shall open and maintain  
14 enrollment for the child care subsidy program and shall administer

15 such program within the existing budgetary resources available.

16 (b) The commissioner shall establish income standards for  
17 applicants and recipients at a level to include a family with gross  
18 income up to fifty per cent of the state-wide median income, except the  
19 commissioner (1) may increase the income level to up to seventy-five  
20 per cent of the state-wide median income, (2) upon the request of the  
21 Commissioner of Children and Families, may waive the income  
22 standards for adoptive families so that children adopted on or after  
23 October 1, 1999, from the Department of Children and Families are  
24 eligible for the child care subsidy program, and (3) on and after March  
25 1, 2003, shall reduce the income eligibility level to up to fifty-five per  
26 cent of the state-wide median income for applicants and recipients  
27 who qualify based on their loss of eligibility for temporary family  
28 assistance. The commissioner may adopt regulations in accordance  
29 with chapter 54 to establish income criteria and durational  
30 requirements for such waiver of income standards.

31 (c) The commissioner shall establish eligibility and program  
32 standards including, but not limited to: (1) A priority intake and  
33 eligibility system with preference given to serving recipients of  
34 temporary family assistance who are employed or engaged in  
35 employment activities under the department's "Jobs First" program,  
36 working families whose temporary family assistance was discontinued  
37 not more than five years prior to the date of application for the child  
38 care subsidy program, teen parents, low-income working families,  
39 adoptive families of children who were adopted from the Department  
40 of Children and Families and who are granted a waiver of income  
41 standards under subdivision (2) of subsection (b), and working  
42 families who are at risk of welfare dependency; (2) health and safety  
43 standards for child care providers not required to be licensed; (3) a  
44 reimbursement system for child care services which account for  
45 differences in the age of the child, number of children in the family, the  
46 geographic region and type of care provided by licensed and  
47 unlicensed caregivers, the cost and type of services provided by  
48 licensed and unlicensed caregivers, successful completion of fifteen

49 hours of annual in-service training or credentialing of child care  
50 directors and administrators, and program accreditation; (4)  
51 supplemental payment for special needs of the child and extended  
52 nontraditional hours; (5) an annual rate review process for providers  
53 which assures that reimbursement rates are maintained at levels which  
54 permit equal access to a variety of child care settings; (6) a sliding  
55 reimbursement scale for participating families; (7) an administrative  
56 appeals process; (8) an administrative hearing process to adjudicate  
57 cases of alleged fraud and abuse and to impose sanctions and recover  
58 overpayments; (9) an extended period of program and payment  
59 eligibility when a parent who is receiving a child care subsidy  
60 experiences a temporary interruption in employment or other  
61 approved activity; and (10) a waiting list for the child care subsidy  
62 program that reflects the priority and eligibility system set forth in  
63 subdivision (1) of this subsection, which is reviewed periodically, with  
64 the inclusion of this information in the annual report required to be  
65 issued annually by the Department of Social Services to the Governor  
66 and the General Assembly in accordance with subdivision (10) of  
67 section 17b-733. Such action will include, but not be limited to, family  
68 income, age of child, region of state and length of time on such waiting  
69 list.

70 (d) Not later than thirty calendar days after the date of receipt of an  
71 application for program benefits, the commissioner shall process the  
72 application. (1) If, at the time the commissioner processes the  
73 application, the commissioner finds that there is insufficient  
74 information in the application and supporting documentation to  
75 determine whether the applicant is eligible for program benefits, the  
76 commissioner shall notify the applicant and the provider of the  
77 information needed to determine the applicant's eligibility for program  
78 benefits. The applicant and the provider shall be permitted not less  
79 than thirty calendar days from the date of the applicant's or the  
80 provider's receipt of such notice, whichever is later, to submit the  
81 required information. Not later than thirty calendar days after the  
82 commissioner's receipt of the required information, the commissioner  
83 shall approve or deny the application, based on all the information

84 received, and shall notify the applicant and the provider of such  
85 approval or denial. (2) If, at the time the commissioner processes the  
86 application, the commissioner finds that there is sufficient information  
87 to determine whether the applicant is eligible for program benefits, the  
88 commissioner shall, not later than five calendar days after the date of  
89 making such finding, approve or deny the application, based on all the  
90 information received, and shall notify the applicant and the provider  
91 of such approval or denial.

92 (e) All applicants determined to be eligible for program benefits  
93 shall remain eligible for a period of not less than one year from the  
94 date determined to be eligible. The commissioner shall not make an  
95 eligibility determination for a recipient of program benefits more than  
96 one time per year.

97 [(d)] (f) [On or after January 1, 1998, a] A provider under the child  
98 care subsidy program that qualifies for eligibility and subsequently  
99 receives payment for child care services for recipients under this  
100 section shall be reimbursed for such services until informed by the  
101 Department of Social Services of the [parent's] recipient's ineligibility.

102 [(e)] (g) All licensed child care providers and those providers  
103 exempt from licensing shall provide the Department of Social Services  
104 with the following information in order to maintain eligibility for  
105 reimbursement: (1) The name, address, appropriate identification,  
106 Social Security number and telephone number of the provider and all  
107 adults who work for or reside at the location where care is provided;  
108 (2) the name and address of the child's doctor, primary care provider  
109 and health insurance company; (3) whether the child is immunized  
110 and has had health screens pursuant to the federal Early and Periodic  
111 Screening, Diagnostic and Treatment Services Program under 42 USC  
112 1396d; and (4) the number of children cared for by the provider.

113 [(f)] (h) On or after January 1, 1998, the commissioner shall adopt  
114 regulations, in accordance with the provisions of chapter 54, to  
115 implement the provisions of this section.

116 [(g)] (i) The commissioner shall submit to the joint standing  
117 committees of the General Assembly having cognizance of matters  
118 relating to human services and appropriations and the budgets of state  
119 agencies a copy of the Child Care and Development Fund Plan that the  
120 commissioner submits to the Administration for Children and Families  
121 pursuant to federal law. The copy of the plan shall be submitted to the  
122 committees not later than thirty days after submission of the plan to  
123 the Administration for Children and Families.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2010	17b-749

**HS**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 11 \$</b>	<b>FY 12 \$</b>
Social Services, Dept.	GF - Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The bill could result in additional expenditures due to requiring that all approved child care subsidy applicants remain eligible for benefits for a minimum of one year. The department currently requires recipients to obtain reapproval every six months. The cost of this provision would be equal to the number of people who would otherwise be ineligible during the additional six months that the bill requires be approved, and the amount of each person's subsidy.

For example, if the annual cost per individual is approximately \$7,500 (average cost of \$625 per month), and they would be considered ineligible at their 6 month application review, the cost to the state for that person under this bill is \$3,750. In FY 09, the average monthly caseload was 13,700 families, resulting in an annual cost of approximately \$102.8 million. For purposes of illustration, if 5% of this population were to be considered ineligible at their 6 month review, the cost to the state for those families under this bill would be \$2.6 million.

The bill also specifies the timeframe in which an applicant must be approved or denied, which could result in earlier approvals. Although this may change the timing of benefit payments by the Department of Social Services, it is not expected to result in an overall fiscal impact as

it does not alter eligibility requirements.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 391*****AN ACT CONCERNING CHILD CARE SUBSIDIES FOR THE UNEMPLOYED UNDER THE CARE 4 KIDS PROGRAM.*****SUMMARY:**

This bill establishes a statutory time frame for the Department of Social Services (DSS) to process applications for the Care4Kids program (also known as Child Care Assistance Program), which provides child care subsidies to low-income working families. Specifically, it requires the commissioner to approve or deny applications within five days of receiving them when he has all of the necessary information for doing so. Current regulations give the program administrator acting on DSS' behalf 30 days to process applications when it has all the necessary information. The bill establishes additional time frames when some of the information is missing. It also limits how frequently eligibility can be redetermined.

Finally, the bill makes technical changes.

EFFECTIVE DATE: July 1, 2010

**CARE 4 KIDS APPLICATIONS*****Turnaround Time for Granting Program Eligibility***

The bill requires the DSS commissioner to "process" applications within 30 days. If he finds that there is sufficient information to determine eligibility, he must approve or deny the application within five days of making the determination and must notify the applicant and provider (presumably, child care provider) of his decision.

Current DSS regulations require the Care4Kids administrator to process and determine eligibility of applications within 30 days when sufficient information exists to determine if the family is eligible. DSS

currently has a contract with the United Way of Connecticut to administer the program

### ***When There is Insufficient Information***

Under the bill, if the commissioner finds that there is insufficient information in the application and supporting documentation to determine the applicant's eligibility for a subsidy, he must notify both the applicant and the provider what information is still needed. The applicant and provider have at least 30 days from the time the last one receives the notice to submit the required information.

Under current program regulations, if the application is incomplete, the program administrator must issue a notice to the parent requesting the information (no time frame is specified). The parent gets at least 15 days from the notice date to return the information to the administrator. Parents must be given additional time to respond for good cause. The processing period must continue beyond the 30 days under certain conditions as long as the parent continues to cooperate with the process.

### ***Once Information Provided***

The bill requires the commissioner to (1) approve or deny the application within 30 days of receiving the additional information and (2) notify the applicant and the provider of his determination.

### ***Frequency of Redeterminations***

Under the bill, all applicants determined to be eligible for program benefits must remain eligible for at least one year from the date they are determined eligible. The commissioner is prohibited from making an eligibility determination more than once a year.

Current program regulations specify that eligibility is approved for up to a maximum of six months from the month of application, and require the program administrator to schedule redeterminations within six months.

The regulations also require parents to report changes in household

circumstances within 10 days of the change. It is not clear under the bill whether changes that might render the family ineligible (e.g., job loss) would still have to be reported and whether DSS could determine the family ineligible if they occur within the one-year eligibility period.

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/23/2010)