

**Title of Proposed Rule:** Colorado Child Care Assistance Program Rules

**CDHS Tracking #:** 21-01-28-01

Office, Division, & Program: Rule Author: Tamara Schmidt

Phone: 720-768-8287

E-Mail:

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### RULEMAKING PACKET

**Type of Rule:** *(complete a and b, below)*

a.  Board  Executive Director

b.  Regular  Emergency

**This package is submitted to State Board Administration as:** *(check all that apply)*

AG Initial Review

Initial Board Reading

AG 2<sup>nd</sup> Review

Second Board Reading / Adoption

This package contains the following types of rules: *(check all that apply)*

Number  
 Amended Rules  
 New Rules  
 Repealed Rules  
 Reviewed Rules

What month is being requested for this rule to first go before the State Board?	April 2021
What date is being requested for this rule to be effective?	July 1, 2021
Is this date legislatively required?	No

I hereby certify that I am aware of this rule-making and that any necessary consultation with the Executive Director's Office, Budget and Policy Unit, and Office of Information Technology has occurred.

**Office Director Approval:** \_\_\_\_\_ **Date:** \_\_\_\_\_

#### REVIEW TO BE COMPLETED BY STATE BOARD ADMINISTRATION

Comments:

Estimated 1st Board 4/2/2021 2nd Board 5/7/2021 Effective Date 7/1/2021  
Dates: \_\_\_\_\_

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## **STATEMENT OF BASIS AND PURPOSE**

### **Summary of the basis and purpose for new rule or rule change.**

*Explain why the rule or rule change is necessary and what the program hopes to accomplish through this rule. **1500 Char max***

The Department wishes to implement a more affordable and equitable parent fee formula to make quality child care accessible to struggling families. The current parent fee structure that was implemented through an emergency rule effective August 1, 2020 to temporarily address the affordability of parent fees and ease financial burden on Colorado Child Care Assistance Program (CCCAP) families through the COVID pandemic sunsets on June 30, 2021.

The emergency rule lowered a household's contribution to the total cost of child care (aka parent fee) to 7 percent of household income for families with a household income above 118% of the Federal Poverty Guidelines (FPG) and below 85 percent of the State Median Income (SMI). This is the suggested federal benchmark for affordability. Although this temporary rule change has eased financial burden on a significant number of CCCAP families during the pandemic, we have an opportunity to develop a more affordable and equitable parent fee formula for CCCAP families at all income levels that aligns with federal requirements and recommendations on affordable parent fees. Unless the department is able to successfully implement the proposed parent fee formula by July 1, 2021, CCCAP will revert back to the parent fee formula that was in place prior to August 1, 2020. In that structure, parent fees ranged from 1 percent up to 14 percent of a household's gross income. There was a pronounced increase in parent fees for families earning between 100 percent FPG and 150 percent FPG. It is documented that this, oftentimes, led to parents declining pay increases because they were not able to afford the increase in parent fee. Reverting back to this formula will place significant financial strain on CCCAP families, and it does not align with federal recommendations for affordable parent fees and equal access.

Given the particularly devastating impact of the coronavirus on low-income families, lowering the maximum parent fee and ensuring that eventual increases in income are not subsumed by rapidly accelerating parent fees is critical. A recent study of Colorado parents with at least one child aged five or under indicated that the lowest-income families experienced the highest percentages of job and income loss during the pandemic. Respondents who identified as Black, Multi-Racial/Other Race, or Hispanic disproportionately experienced job and income loss compared to respondents who identified as White/Non-Hispanic or Asian.

The Department wants a rule change to assess parent fees based on a marginal rate increase rather than on an increased percentage of a family's gross income. The marginal rate eliminates the steep increase families faced in the previous formula by slowly increasing the amount of the parent fee by 14% on every dollar earned above one hundred percent FPL. This would ensure that as families experience a modest increase in their income, they are able to retain more of that income rather than paying most of it to elevated parent fees or not accepting a raise at all. This would help families continue to afford child care and maintain continuity of care for their children, particularly as they recover from the financial devastation of the pandemic.

An emergency rule-making (which waives the initial Administrative Procedure Act noticing requirements) is necessary:

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to comply with state/federal law and/or

to preserve public health, safety and welfare

Justification for emergency:

**State Board Authority for Rule:**

Code	Description
26-1-107(5)(a)(I-II), (6)(b-c), (7)C.R.S. (2020)	State Board to promulgate rules for public assistance and welfare activities.
26-1-109(3),(5), C.R.S. (2020)	State department rules to coordinate with federal programs
26-1-122(6)(c), C.R.S. (2020)	State department shall establish rules and treasurer shall advance funds to counties for Colorado works and Colorado child care assistance program.

**Program Authority for Rule:** Give federal and/or state citations and a summary of the language authorizing the rule-making function AND authority.

Code	Description
26-2-805(4)(c), (13), C.R.S. (2020)	The State Board shall promulgate rules using statutory guidelines to implement a child care assistance program.
42 U.S.C.A. § 9857 et seq.	Child Care and Development Block Grant Act
45 C.F.R. § 98.16 (k)	A sliding fee scale is a necessary provision of a child care assistance program plan.
45 C.F.R. § 98.20(b)	Administering agency may establish eligibility criteria and priority
45 C.F.R. § 98.45 (k)	Lead Agencies shall establish a sliding fee scale and periodically revise the scale by rule to help ensure equal access
45 C.F.R. § 98.46(a)(1)	Lead Agencies shall prioritize families with very low family income

Does the rule incorporate material by reference?

Yes

No

Does this rule repeat language found in statute?

Yes

No

If yes, please explain.

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## REGULATORY ANALYSIS

### 1. List of groups impacted by this rule.

*Which groups of persons will benefit, bear the burdens or be adversely impacted by this rule?*

Families contribute a portion of their monthly income toward the cost of child care, called a parent fee which is paid directly to the child care provider before CCCAP funding is applied.

CCCAP families will benefit from this rule because families facing financial strain or under-employment need affordable child care now more than ever to maintain their child care assistance and to support their ability to continue working or finding new employment. If a family is not able to afford to pay their parent fee, it puts them at risk of losing their child care benefits.

CCCAP child care providers will also benefit from this rule due to the fact that if families are unable to afford their parent fee, this lost revenue only further increases the cost of providing CCCAP child care. The rule change facilitates a more stable funding source given the financial strain CCCAP families may be under and reduces the risk of large financial losses for the provider when families cannot afford the higher fees.

Counties may also see a benefit from this rule change in the long run as it may prevent families from having to apply for parent fee hardships and could reduce the number of unpaid parent fee reports from providers when parents are unable to pay their parent fee, both of which can be an administrative burden depending on the volume. However, counties will experience a one-time increase in staff workload in order to implement the new parent fee formula in their parent fee amount. The Child Care Automated Tracking System (CHATS) will be updated to support counties in the implementation of the new parent fee formula.

### 2. Describe the qualitative and quantitative impact.

*How will this rule-making impact those groups listed above? How many people will be impacted? What are the short-term and long-term consequences of this rule?*

This policy will impact approximately 51% of the families currently enrolled in CCCAP. CCCAP serves approximately 16,000 families and 26,000 children annually.

### 3. Fiscal Impact

*For each of the categories listed below explain the distribution of dollars; please identify the costs, revenues, matches or any changes in the distribution of funds even if such change has a total zero effect for any entity that falls within the category. If this rule-making requires one of the categories listed below to devote resources without receiving additional funding, please explain why the rule-making is required and what consultation has occurred with those who will need to devote resources. **Answer should NEVER be just "no impact" answer should include "no impact because..."***

State Fiscal Impact (Identify all state agencies with a fiscal impact, including any Colorado Benefits Management System (CBMS) change request costs required to implement this rule change)

This rule change reduces the percentage of child care costs that a family must pay to their child care provider. This ultimately results in an increase of county reimbursement to child care providers and will cost the state approximately an additional \$3.1 million annually.

County Fiscal Impact

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There is no county fiscal impact because we are increasing the state-wide allocation to support the policy change at the county level. The Department does not need to increase county maintenance of effort associated with this increase to funding as these are discretionary dollars from CCDF.

Federal Fiscal Impact

There is no federal fiscal impact because the cost of this will be paid for using Child Care Development Funds that have already been allocated to the state.

Other Fiscal Impact (such as providers, local governments, etc.)

CCCAP families and providers will benefit financially from this rule change.

**4. Data Description**

*List and explain any data, such as studies, federal announcements, or questionnaires, which were relied upon when developing this rule?*

A data analysis was conducted to determine how to make parent fees affordable. As a part of this analysis, we considered the salary increases that would cause a family to lose other public assistance benefits such as Supplemental Nutritional Assistance Program (SNAP), Housing Assistance, Medicaid/CHP+, and LEAP benefits. This information was considered to ensure that more families are still able to afford basic needs, including child care costs, even if they were to lose other public benefits. Additionally, parent fee delinquency and hardship waiver data was reviewed to help determine the income percentage in which parent fees are not affordable.

**5. Alternatives to this Rule-making**

*Describe any alternatives that were seriously considered. Are there any less costly or less intrusive ways to accomplish the purpose(s) of this rule? Explain why the program chose this rule-making rather than taking no action or using another alternative. Answer should NEVER be just “no alternative” answer should include “no alternative because...”*

There is not an alternative to this rule change as Colorado must be able to continue justifying in the CCDF State Plan that our parent fees are affordable as required by CCDF regulations. Additionally, if this rule change is not made, families currently receiving CCCAP would be negatively impacted financially with some families experiencing a doubling of their parent fee.

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**OVERVIEW OF PROPOSED RULE**

Compare and/or contrast the content of the current regulation and the proposed change.

Rule section Number	Issue	Old Language	New Language or Response	Reason / Example / Best Practice	Public Comment No / Detail
7.000	<i>Incorrect Statutory Reference</i>	<i>Section 26.5.103 C.R.S.</i>	<i>Section 26.5-101(3) C.R.S.</i>		
3.911 (P)	Parent fee formula needs to be revised.	<p>Through 6/30/2021:  Families with a household income that falls between 100% FPG and 85% SMI experience and incremental parent fee increase from 2% of household income to 7% of household income with an additional fee of \$15 dollars for each additional child.</p> <p>Beginning 7/1/2021  Families with a household income that falls between 118% FPG and 85% SMI experience and incremental parent fee increase from 8% of household income to 14% of household income with an additional fee of \$15-\$40 dollars for each additional child.</p> <p>Refer to the chart in the body of rule language below.</p>	<p>P. BEGINNING JULY 1, 2021 THROUGH SEPTEMBER 30, 2023, THE COUNTY MUST ASSESS PARENT FEES BASED UPON A MARGINAL RATE INCREASE OF FOURTEEN PERCENT (14%) FOR EVERY DOLLAR OF GROSS COUNTABLE HOUSEHOLD INCOME ABOVE ONE HUNDRED PERCENT (100%) OF THE FEDERAL POVERTY GUIDELINES (FPG) OUTLINED IN SECTION 3.905.1 (H)(2).</p> <p>1. THE COUNTY MUST ASSESS A PARENT FEE OF ONE PERCENT (1%) OF GROSS INCOME TO ELIGIBLE HOUSEHOLDS WITH GROSS INCOME THAT IS AT OR BELOW ONE HUNDRED PERCENT (100%) OF THE FPG.</p> <p>2. FOR ELIGIBLE HOUSEHOLDS WITH GROSS INCOME THAT IS ABOVE ONE HUNDRED PERCENT (100%) OF THE FPG, THE COUNTY MUST ASSESS A PARENT FEE AT ONE PERCENT (1%) OF THEIR INCOME PLUS A MARGINAL RATE INCREASE OF FOURTEEN PERCENT (14%) FOR EVERY DOLLAR OF GROSS COUNTABLE HOUSEHOLD INCOME ABOVE ONE HUNDRED PERCENT (100%) OF THE FPG.</p> <p>3. AN ADDITIONAL FIFTEEN DOLLAR (\$15)</p>	To continue supporting affordable parent fees for subsidized child care after 6/30/2021.	



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**STAKEHOLDER COMMENT SUMMARY**

**Development**

*The following individuals and/or entities were included in the development of these proposed rules (such as other Program Areas, Legislative Liaison, and Sub-PAC):*

Office of Early Childhood (OEC) PAC & Sub-PAC

A Rule Rewrite Committee was formed as an advisory group which consists of county representatives designated by PAC and Sub-PAC from each region, child care providers, Early Childhood Councils and Community Partners.

**This Rule-Making Package**

*The following individuals and/or entities were contacted and informed that this rule-making was proposed for consideration by the State Board of Human Services:*

Office of Early Childhood (OEC) PAC & Sub-PAC

A Rule Rewrite Committee was formed as an advisory group which consists of county representatives designated by PAC and Sub-PAC from each region, child care providers, Early Childhood Councils and Community Partners.

**Other State Agencies**

Are other State Agencies (such as HCPF or CDPHE) impacted by these rules? If so, have they been contacted and provided input on the proposed rules?

Yes  No

If yes, who was contacted and what was their input?

**Sub-PAC**

Have these rules been reviewed by the appropriate Sub-PAC Committee?

Yes  No

Name of Sub-PAC	Early Childhood		
Date presented	3/4/2021		
What issues were raised?	Concerns regarding the ability to fund the change through the proposed sunset date of 9/30/2024 were discussed. The sunset date was changed to 9/30/2023 to address these concerns.		
Vote Count	<i>For</i>	<i>Against</i>	<i>Abstain</i>
	Unanimous		
If not presented, explain why.			

**PAC**

Have these rules been approved by PAC?

Yes  No

Date presented	3/4/2021
What issues were raised?	

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Vote Count	<i>For</i>	<i>Against</i>	<i>Abstain</i>
	Unanimous		

If not presented, explain why.

**Other Comments**

Comments were received from stakeholders on the proposed rules:

Yes     No

*If "yes" to any of the above questions, summarize and/or attach the feedback received, including requests made by the State Board of Human Services, by specifying the section and including the Department/Office/Division response. Provide proof of agreement or ongoing issues with a letter or public testimony by the stakeholder.*

Stakeholder feedback supporting the new formula was collected at six public stakeholder meetings that included counties, child care providers, early childhood and economic security advocates, and families served through CDHS programs. These meetings were recorded, and the recordings can be requested. Small focus groups were also convened that consisted of community partners and families served through CDHS programs.

In addition, the OEC collected survey feedback on prioritizing the use of federal stimulus funds, which included lowering CCCAP parent fees. This policy was ranked as one of the top priorities based on feedback from approximately 2,500 respondents.

## (9 CCR 2503-9)

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### **3.911 PARENT FEES [Effective 7/1/2021]**

- A. Parent fees are based on gross countable income for the child care household compared to the household size and in consideration of the number of children in care. Parent fees are to be calculated in whole dollars by dropping the cents. Families shall be noticed of their parent fee at the time of Colorado Works Child Care referral; low-income application or re-determination; or, when a reduction/increase of household parent fee occurs.
- B. Parent fee revisions for Low-Income and Colorado Works Child Care during the twelve (12) month eligibility period may occur when:
  - 1. The adult caretaker or teen parent, who was initially determined eligible with countable income, regains income after a temporary loss of income; or,
  - 2. A change has been reported that results in a decrease in household parent fee.
  - 3. There is an increase or decrease in the amount of care that is authorized and the increase in authorization is not due to the addition of a household member; or,
  - 4. The household begins or ceases utilization of care at a high-quality child care provider.
  - 5. Increases in parent fees beyond what is outlined in numbers 1-4 of this section shall only go into effect at Low-Income Child Care re-determination or at the end of the twelve (12) month Colorado Works Child Care period.
- C. During the twelve (12) month eligibility period the household parent fee may not be assessed higher than what was determined at the most recent Colorado Works Child Care referral or low-income application or re-determination.
- D. Parent fees for Low-Income Child Care cases shall be reviewed at re-determination. An adjusted parent fee will be based on an average of at least the past thirty (30) days gross income or a best estimate of anticipated income in the event of new employment or a change in the adult caretaker(s)' or teen parent(s)' regular monthly income. Unless, on a case-by-case basis, the prior thirty (30) day period does not provide an accurate indication of anticipated income, in which case a county can require evidence of up to twelve (12) of the most recent months of income. The adult caretaker(s) or teen parent(s) may also provide evidence of up to twelve (12) of the most recent months of income if they choose to do so if such evidence more accurately reflects the adult caretaker's current income level. Income may be divided by a weekly amount then multiplied by 4.33 to arrive at a monthly average for parent fee calculations.
- E. Colorado Works households in a paid employment activity shall pay parent fees based on gross countable income as verified and shared by the local Colorado Works program.
- F. Parent fees for Colorado Works Child Care cases shall be reviewed at the end of the household's twelve (12) month eligibility period. An adjusted parent fee shall be based on gross countable income as verified and shared by the local Colorado Works Program.
- G. As defined by county policy, a county may waive the parent fee for a Low-Income or Colorado Works Child Care household that has a child that is dually enrolled in a Head Start or Early Head Start Program.

- H. For a Low-Income or Colorado Works Child Care household utilizing a child care provider in the top three levels of the state department's quality rating system, the parent fee shall be reduced by twenty percent (20%) of the regularly calculated parent fee. For households utilizing multiple child care providers, only one child care provider is required to be in the top three quality levels for the reduced parent fee to apply.
- I. All adult caretaker(s) and teen parents are required to pay the fee as determined by the formula listed in 3.911 (P), except in the following cases:
1. One or two teen parent households who are in middle/junior high, high school, GED, or vocational/technical training activity and for whom payment of a fee produces a hardship, the parent fee may be waived entirely and documented in the case file. The parent fee waiver shall be reviewed during each re-determination.
  2. The Low-Income or Colorado Works Child Care household is eligible for a reduced parent fee based on the quality level of the child care provider
  3. Colorado Works households where the adult caretaker or teen parent has entered into a current individualized plan and is participating in an allowable work activity as defined in Colorado Works rule (9 CCR 2503-6) other than paid employment shall not have a parent fee.
  4. Child Welfare Child Care households as defined in the Social Services rule manual, Section 7.000.5 (12 CCR 2509-1) shall not have a parent fee.
  5. Families Experiencing Homelessness as defined in section 3.909 shall not have a parent fee during the stabilization period.
  6. Protective service households as defined in section 3.907 shall not have a parent fee unless the child(ren) has countable income.
  7. Families that have no income shall have no parent fee.
  8. Effective April 1, 2020, parent fees, as assessed by the parent fee formula, may be waived in the event of a declared state or local disaster or emergency for up to twelve (12) months for households impacted by such disaster or emergency. The county shall document the decision to waive the parent fee and the amount of time the parent fee will be waived in the case record in the Child Care Automated Tracking System (CHATS).
- J. The initial or revised parent fee shall be effective the first full calendar month after the end of the timely written notice period unless the revision results in a decrease to the parent fee. A parent fee shall not be assessed or changed retroactively unless in the event of an emergency or disaster as outlined in rule 3.911 (h)(8), and, under those circumstances a county may only retroactively waive the parent fee to the beginning of the current month.
- K. The fee shall be paid in the month that care is received and shall be paid by the parent directly to the child care provider(s). Parent fees are used as the first dollars paid for care. The counties or their designee shall not be liable for the fee payment.
- L. When more than one child care provider is being used by the same household, child care staff shall designate to whom the adult caretaker(s) or teen parent(s) pays a fee or in what proportion the fee shall be split between child care providers. The full parent fee shall be paid each month, but parent fees shall not exceed the reimbursement rate by CCCAP. The adult caretaker(s) or teen parent(s) shall determine if it is most beneficial to close their CCCAP case if the parent fee exceeds the cost of care.

- M. Adult caretakers or teen parents will be informed of their responsibilities related to fee payment on their signed application form or via the Client Responsibilities Agreement that is provided to them at the initial Colorado Works referral or at the time of transition from Colorado Works to Low-Income Child Care.
- N. Loss of eligibility for child care subsidies may occur at re-determination or at the end of the twelve (12) month Colorado Works Child Care Period if the adult caretaker(s) or teen parents do not pay their parent fees; do not make acceptable payment arrangements with the child care providers; or, do not follow through with the arrangements during the twelve (12) month eligibility period. Notice of termination for such loss of eligibility shall be given in accordance with Section 3.905.4. Child care providers shall report nonpayment of parent fees no later than sixty (60) calendar-days after the end of the month following the month the parent fees are due unless county policy requires it earlier. If a household's benefits are terminated at re-determination for non-payment of parent fees, that household will remain ineligible until:
1. Delinquent parent fees are paid in full; or,
  2. Adequate payment arrangements are made with the child care provider to whom the fees are owed and an agreement is signed by both parties; or,
  3. County determination of verified good faith efforts to make payment to the child care provider(s), when the client was unable to locate the child care provider(s).
- O. The adult caretaker(s) or teen parent(s) and child care provider(s) shall be given timely written notice of the parent fee amount, on the child care notice of authorization, at least fifteen (15) calendar-days prior to the first of the month the parent fee is effective.
- P. **BEGINNING JULY 1, 2021 THROUGH SEPTEMBER 30, 2023, THE COUNTY MUST ASSESS PARENT FEES BASED UPON A MARGINAL RATE INCREASE OF FOURTEEN PERCENT (14%) FOR EVERY DOLLAR OF GROSS COUNTABLE HOUSEHOLD INCOME ABOVE ONE HUNDRED PERCENT (100%) OF THE FEDERAL POVERTY GUIDELINES (FPG) OUTLINED IN SECTION 3.905.1 (H)(2).**
1. **THE COUNTY MUST ASSESS A PARENT FEE OF ONE PERCENT (1%) OF GROSS INCOME TO ELIGIBLE HOUSEHOLDS WITH GROSS INCOME THAT IS AT OR BELOW ONE HUNDRED PERCENT (100%) OF THE FPG.**
  2. **FOR ELIGIBLE HOUSEHOLDS WITH GROSS INCOME THAT IS ABOVE ONE HUNDRED PERCENT (100%) OF THE FPG, THE COUNTY MUST ASSESS A PARENT FEE AT ONE PERCENT (1%) OF THEIR INCOME PLUS A MARGINAL RATE INCREASE OF FOURTEEN PERCENT (14%) FOR EVERY DOLLAR OF GROSS COUNTABLE HOUSEHOLD INCOME ABOVE ONE HUNDRED PERCENT (100%) OF THE FPG.**
  3. **AN ADDITIONAL FIFTEEN DOLLAR (\$15) PER CHILD FEE SHALL BE ADDED TO THE MONTHLY PARENT FEE FOR EACH ADDITIONAL CHILD WHEN HOUSEHOLDS THAT ARE REQUESTING CARE FOR MORE THAN ONE (1) CHILD AND HAVE INCOME ABOVE ONE HUNDRED PERCENT (100%) OF THE FPG. IF CARE IS ONLY REQUESTED FOR ONE (1) CHILD, THE ADDITIONAL FIFTEEN DOLLAR (\$15) FEE DOES NOT APPLY.**

Parent fees shall be assessed based on the following formula from August 1, 2020 through June 30, 2021:

<b>PERCENT FPG</b>	<b>FOR FIRST CHILD- PERCENT OF</b>	<b>EACH ADDITIONAL</b>
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	<b>HOUSEHOLD INCOME</b>	<b>CHILD</b>
At or below 100%	1%	NONE
Above 100% and at or below 103%	2%	\$15
Above 103% and at or below 106%	3%	\$15
Above 106% and at or below 109%	4%	\$15
Above 109% and at or below 112%	5%	\$15
Above 112% and at or below 115%	6%	\$15
Above 115% and below 85% of the State Median Income limit	7%	\$15

Parent fees shall be assessed based on the following formula after June 30, 2021:

<b>PERCENT FPG</b>	<b>FOR FIRST CHILD- PERCENT OF HOUSEHOLD INCOME</b>	<b>EACH ADDITIONAL CHILD</b>
At or below 100%	1%	NONE
Above 100% and at or below 103%	2%	\$15
Above 103% and at or below 106%	3%	\$15
Above 106% and at or below 109%	4%	\$15
Above 109% and at or below 112%	5%	\$15
Above 112% and at or below 115%	6%	\$15
Above 115% and at or below 118%	7%	\$15
Above 118% and at or below 121%	8%	\$15
Above 121% and at or below 124%	9%	\$15
Above 124% and at or below 130%	10%	\$15
Above 130% and at or below 160%	11%	\$25
Above 160% and at or below 185%	12%	\$35
Above 185% and at or below	13%	\$40

205%		
Above 205% and below 85% of the State Median Income limit	14%	\$40

- Q. Counties shall use the federal poverty guidelines and state median income limit as defined in section 3.905.1 (H)(2). Counties shall update parent fees at the next scheduled re-determination according to the parent fee formula table outlined in 3.911 (P), in effect on the date of re-determination.
- R. Parent fees, as assessed by the parent fee formula, may be reduced to five dollars (\$5) for hardship reasons for up to six (6) months per hardship award. The county director or his/her designee shall approve fee reductions and a written justification placed in the case file and noted in the case record in the Child Care Automated Tracking System (CHATS). Any hardship award may be extended so long as justification for extending the hardship award exists.
- S. The state department shall notify counties at the beginning of each federal fiscal year of the current Federal Poverty Guidelines and State Median Income limit. Counties shall update parent fees at the next scheduled re-determination or at the end of the twelve (12) month Colorado Works Child Care Period.
- T. When all children in a household are in part-time care, the parent fee shall be assessed at fifty-five percent (55%) of the above-calculated fee. Part-time care is defined as an average of less than thirteen (13) full-time equivalent units of care per month.
- U. When parent fees fluctuate between part-time and full-time, due to the authorized care schedule, the parent fee should be assessed at the lower rate if the majority of the months in the twelve (12) month eligibility period calculate to part-time care.
- V. Children enrolled in grades one (1) through twelve (12) that are authorized for part-time care during the school year must have a part-time parent fee.
- W. One or two teen parent households for whom payment of a parent fee produces a hardship may have their fee waived entirely. The parent fee waiver shall be documented in the case file and reviewed during each subsequent re-determination.

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