Summary of the CrossPurpose Team's Support for Colorado Child Care Assistance Program (CCCAP) Rule Change – Effective 7/1/21

Through our discussions with the Office of Early Childhood, we both had recognized that the CCCAP Rule that was in effect prior to COVID had a very steep increase to the Parent Copay between 100-130% of the Federal Poverty Level (FPL). CCCAP Parent Copays had been reduced during COVID, but the original rule was expected to become active again on 7/1/21. We agreed to work together to understand and communicate the impact on families of the old rule and to explore various options that would reduce the steep increase. We hoped to keep families' copay below 10% of their income (a federal recommendation related to affordability).

Before making any changes, we wanted to engage families to understand what was and wasn't working for them. We held a conversation with families, with the outcomes from that discussion documented in "CCAP Rule Change-Notes from CCCAP families convo". One of the issues identified was affordability.

Our first step was to identify different scenarios to analyze to identify their impact on families. We used the Self-Sufficiency Planner that is part of our Aspen Ascend work to analyze the impact on overall family financial wellbeing (taking into consideration a family's income, taxes paid and tax credits received, government program support and expenses) for 4 different scenarios and 3 different family situations (as documented in the "CCCAP Parent Fee analysis 120820" document). Since discussions were needed across the state, each of these iterations was then analyzed for 3 different counties that were representative of most of the counties in Colorado. This was presented to the CCCAP Parent Work Group for input.

The CCCAP Parent Work Group determined they would like to pursue a Marginal Rate approach, having a Parent Copay of 1% for income up to the FPL and then either 10% or 14% for all income above that amount. This would eliminate the existing steep increase in Parent Copay. However, the counties needed to have an understanding of the overall budgetary impact of the rule change. COVID had impacted the number of families using CCCAP, so in order to best understand the impact, we analyzed pre-COVID utilization rates to calculate how much the parent co-pay would be reduced (and the county/state cost increased) under each scenario, with the results being documented in "CCCAP Copay Analysis of Cost Increase by County 012621". The Office of Early Childhood also analyzed how much of the budget counties had underspent in previous years as well as additional possible financial resources that could help offset the cost increase. It was determined that the 14% Marginal Rate scenario was the one that could fit into the budget, and that would keep overall costs for families below 10% of their income until they were above 300% of FPL. The CCCAP Parent Work Group agreed to propose the new rule to the State Board for approval.

We then worked with the Office of Early Childhood to prepare for the presentation to get county leadership approval first, followed by the State Board. The presentation to the State Board is in "CCCAP Parent Fee State Board Presentation". The CrossPurpose Team submitted "Testimony in support of CCCAP Rule Change" as part of this process and presented at the meeting in support of the rule change. The rule change was approved and was implemented on 7/1/21.

Finally, the "Final CCCAP Parent Fee- Parent Communication" document provides an example of the communication of the change to the families served by CCCAP.

Through this process, other organizations within the Colorado Dept of Human Services were made aware of the use of the Cliff Effect Planner and we have begun working with some of them, particularly the SNAP Team, to analyze how changes in the rules governing their programs could impact families.