

Volume VIII

CHILD CARE ASSISTANCE PROGRAM (CCAP)

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MS 1001            PURPOSE OF THE CHILD CARE ASSISTANCE PROGRAM            (1)

Kentucky's Child Care Assistance Program (CCAP) assists families to access and obtain child care for the following categories:

- A.    CCAP assists low-income families that meet any of the below eligibility requirements.
  - 1. Employment;
  - 2. [At least a part-time enrollment in a certified trade school, accredited college or university; ]
  - 3. Participation in SNAP Employment & Training Program; or
  - 4. Initial job search (can be used once in a twelve (12) month period).
- B.    KTAP recipients who need child care while they participate in Kentucky Works activities (mandatory KWP) which include employment, education, job preparation activities and job search, and other activities designed to assist the family to attain self-sufficiency.
- C.    Families determined by Protection and Permanency staff as needing child care to mitigate risk or prevent future maltreatment.
- D.    Teen parents/under age twenty (20) that are attending or participating in homeschool for elementary school, middle school, high school, or GED classes. This can be full-time, part-time, or less than half-time enrollment.

MS 1002 GOALS OF THE CHILD CARE ASSISTANCE PROGRAM (1)

The goals of the program parallel those of the federal laws that provide funding for Kentucky's child care program. The primary funding sources for child care subsidies are the TANF and CCDF block grants. The goals of those block grants include:

- A. Promoting parental choice to empower technically eligible families to make their own decisions on the child care that best suits the needs of their family.
- B. Providing consumer education information to help parents make informed choices about child care.
- C. Providing child care to parents trying to achieve independence from public assistance.
- D. Implementing health, safety, licensing and registration standards established in state regulations.
- E. Assisting needy families so children can be cared for in their own homes.
- F. Reducing dependence of needy parents by promoting job preparation, and work.

MS 1009 CASE RECORD CONTENT (1)

All case records represent a continuing documentation of eligibility for child care assistance. The case record contains sufficient material to substantiate the validity of all authorized assistance.

A. All information received by mail or provided in person is to be date stamped or annotated as to the date of receipt.

B. The following forms are needed in the case:

1. Application/Approval Actions:

- a. DCC-85, Approval for Child Care Assistance (P & P only);
- b. Child Care Assistance Application Summary;
- c. PA-77, Intent to Apply, if completed;
- d. DCC-94.1, Child Care Approval Notice; or
- e. If information was needed from the client to complete their application, a copy of form DCC-102, We Need Information for CCAP, documenting the request is filed in the case record.

2. Enrollment of a Child:

To actively enroll a child with a provider, form DCC-94, Child Care Service Agreement and Certificate, must be signed by the applicant and the provider. This completed form DCC-94 becomes part of the case file.

3. Denial Actions:

DCC-105, Child Care Denial/Discontinuance Notice.

C. All forms shall be used in the manner prescribed by policy and in accordance with the procedural instructions for each form. DCBS/Family Support staff is to ensure that they are familiar with the policies and procedures for all forms they use and that they are using the most up-to-date version of any forms used in determining eligibility, documenting work, and making internal or external requests.

D. The content of forms given to a client for providing verification or requiring a signature is not to be altered by the worker prior to giving the form to the applicant. though small notations may be made to indicate specific information needed, or to generally assist the client or the individual completing the form.

Do not make notations on or alter any form of verification once it has been provided by or signed by the client. Any additional information should be

detailed in case comments and can be noted on a separate paper and attached to the original form.

- E. The child care case record of a CCIE/TANF/TENF family determined eligible by the DCBS/Family Support staff shall contain the following:
1. Copies of social security cards for all household members- Optional;
  2. Birth verification for all children receiving benefits, Kentucky Vital Events Tracking System (KVETS), birth certificate, or hospital record, etc.;
  3. Proof of identification of person applying for assistance by Driver's License, Student ID, Military ID, State Issued ID, or two other forms to verify;
  4. Proof of residence and household composition by completed PAFS-76 or a similar statement (lease or written statement from a collateral contact familiar with the family's living situation). The lease and written statement must include all household members, address, contact information and the date signed. This form may be completed by someone living inside the home of the applicant if that person is not included in the client's household size. This could include a client living with and paying rent to a parent, other relative, or an unrelated adult. Categorically Eligible (CE) and Expanded Categorically Eligible (ECE) are valid verifications for residency when CCAP accompanies SNAP. CE/ECE are not applicable for stand-alone CCAP cases.
  5. [Proof of citizenship or qualified immigrant status for a child needing CCAP; ]
  6. Proof of household income by wage stubs, statement from employer, personal records of self-employment, or completed form PAFS-700;
  7. Proof of allowable deductions by Court order of child support or records of self-employment expenses;
  8. SSI Award letter, statement from a health professional regarding need for child care for special needs children 13 years or older (includes Individual Education Program/IEP);
  9. Proof of required work hours OR hours engaged in a qualifying activity such as practicum, student teaching, internship, etc.;
  10. Proof of inability to care for the child(ren), if the second adult in the home is not working. This must be a current statement from a Health Professional that specifically states the inability to care for the child(ren);  
  
RSDI and SSI Award letters can be used to verify disability only. They do NOT verify the inability to care for the child(ren); and
  11. [Proof of enrollment status in a certified trade school, accredited college, or university.]

MS 1010

CASE DOCUMENTATION

(1)

Thorough documentation of all case actions is required to be entered in the case comments. These comments should be a brief narrative which details all the pertinent factors of eligibility and enrollment. The worker is to provide detailed explanations, including the forms of verification used and any other pertinent information, for the following:

- A. Date of action/type of case/action taken;
- B. ID for the head of household;
- C. Residency in Kentucky for all child(ren) needing care;
- D. Citizenship or legal immigrant status for all child(ren) needing care;
- E. Household composition and relationship of children and household members:
  - 1. Are there any ineligible members on the case; and
  - 2. Is the case a one parent or two parent household.
- F. Eligibility requirements- employment, education or Snap E&T;
- G. Income for the household:
  - 1. What type of income does the individual have;
  - 2. How was the income verified;
  - 3. How was the income calculated; and
  - 4. Are there any deductions from the income.

**[ELIGIBILITY ADVISOR must be ran for every application and or renewal. If verification is used for any situation in determining eligibility than staff must print the verification utilized and scan it into ECF.]**

**\*Zero income must be verified and CCAP case will pend for verification.**

- H. Authorized Representative and a copy of their photo ID;
- I. It is **MANDATORY** for CCAP application case comments to contain:
  - 1. Provider selection status.

Example: Child care provider has been selected or Child care provider has not been selected.

2. If a child care provider has been selected, document the provider's name, names of children needing care, enrollment start date and requested schedule for each child.
- J. Document if the child care schedule is Traditional or Non-Traditional. Anytime multiple providers are needed, case comments must list the reason why.

**This also applies to recertification application.**

- K. The worker must ask the individual if there are any provider or schedule changes that need to be completed. The individual's answer needs to be part of the case comments;
- L. Outcome of the case:
1. Approved;
  2. Pended;
  3. Denied;
  4. Discontinued; and
  5. If denied or discontinued and why.
- M. Any unusual circumstances or case change dates.

MS 1020

DEFINITIONS

(1)

**Agency Error** – An action on the part of the cabinet or its designee that resulted in the case incorrectly approving, incorrectly denying, or incorrect computation of benefits.

**Anticipated Income** – Money reasonably expected to be received in the future, e.g. wages, social security benefits, child support, etc.

**Applicant** – A child's natural or adoptive parent or caretaker/relative who is applying for CCAP.

**Authorized Representative** - A person designated in a written statement by an applicant to act on behalf of the household in completing application/recertification/case change for CCAP benefits. The designation in writing is waived, if the individual is physically or mentally unable to provide a written statement. The representative is allowed to complete and sign all necessary forms.

**Cabinet** – The Cabinet for Health and Family Services (CHFS) or its designee as defined by KRS 199.894(1).

**Caretaker/Relative** - A person acting in the place of a parent; including a legal guardian, an individual that is related by blood, marriage, or adoption of child or a non-parent. If the Caretaker is a non-relative they must pursue legal guardianship within one year of application, which is verified at recertification.

**CCIE – (Eligibility Type)** Low-income families requesting child care assistance that meet eligibility with employment, education/training, SNAP E&T or initial job search (may be used once in a twelve (12) month period).

**CCPE – (Eligibility Type)** Referral from Protection & Permanency (P&P) requesting child care to:

- Mitigate risk identified through an assessment to provide stability for the family and prevent future maltreatment;
- Prevent the need for further child protective service (CPS) intervention, such as entry into care; or
- Support placement of children with relative and fictive kin caregivers as the result of a child protection investigation or assessment.

**Certified Family Child-Care Home** – A private home, certified by the Division of Regulated Child Care (DRCC), which provides full-day or part-day care, day or night, for six (6) or fewer children who are not related to the provider. The children, nieces, nephews, grandchildren, or children in legal custody of the provider may also be cared for, but at no time is the certified provider permitted to have more than ten (10) children in care.

**[Change in Circumstance** – A change that may affect eligibility or benefit amounts.]

Child – A person under nineteen (19) years of age.

Child Care Assistance Program (CCAP) – Kentucky’s child care subsidy program providing families, who meet the eligibility requirements of 922 KAR 2:160, with the financial resources to find and afford quality child care.

Child Care Aware– Helps families learn more about the elements of quality child care and how to locate programs in their communities. It also provides child care providers with access to resources for their child care programs.

Child Care and Development Fund (CCDF) – The child care programs conducted under the provisions of the Child Care and Development Block Grant Act, as amended. The Fund consists of Discretionary Funds authorized under section 658B of the amended ACT, and Mandatory and Matching Funds appropriated under section 418 of the Social Security Act.

Child Care Certificate – Notice used by the Cabinet or its designee and the family to secure child care from a licensed, certified, or registered provider. Defined in 45 Code of Federal Regulations 98.2.

Child Care Employee Exclusion- A provision for families applying for CCAP that meet all technical eligibility requirements and have verified employment in a CHFS Regulated Licensed or Certified child care program. This “Protected Population” will be eligible to have ALL household income excluded for the CCAP application process.

Child Care Provider - The individual, business, or business proprietor who is receiving, or has received, payment for child care services under CCAP.

Claim – An amount owed to the cabinet as a result of an overpayment of CCAP.

Claimant – A current or former CCAP recipient or child care provider subject to a claim.

Compromise a Claim – Accepting less than the full value of a claim.

Conditionally Approved Provider- A Registered Relative Child Care Provider that has completed all the initial 30-day requirements to become registered. This is a time limited approval. A Registered Relative Child Care Provider that is conditionally approved may begin receiving CCAP payments.

[Continuous Eligibility- Time to retain CCAP eligibility during the temporary interruption of work, training, or education.]

Co-payment – The amount a family receiving child care assistance is required to contribute toward the cost of care.

Director – Individual responsible for the day-to-day operation of a licensed or certified facility for the care of children.

Division of Child Care (DCC) – The entity within the Cabinet for Health and Family Services that administers CCAP.

Division of Regulated Child Care (DRCC) – A Division within the Office of the Inspector General (OIG) responsible for licensure of Type I center-based child care facilities and Type II home-based child care facilities and certification of family childcare homes.

Earned Income - Money derived from direct involvement in a work-related activity (e.g., wages, self-employment, etc.).

Excluded Income - An amount received by an applicant's household but not counted in determining eligibility.

Family - An applicant or parent, child/children, and another responsible adult if present that are residing in the same home.

Family Child Care Home – As defined by KRS 199.894(5); is described in KRS 199.8982; and means a home certified in accordance with 922 KAR 2:100.

Finding of Fraud – A suspected intentional program violation in accordance with 922 KAR 2:090 that is accepted for investigation and substantiated by the cabinet's Office of Inspector General (OIG).

Fraudulent Activity – An applicant or child care provider's deliberate, untimely reporting of changes or misrepresentation of a known technical or financial eligibility requirement that is established by a court of law and results in an overpayment of CCAP funds.

Full-Day - Child Care that is provided for five (5) hours or more per day. These hours do not have to be consecutive.

General Education Development Certificate (GED) - A certificate earned by an individual who has passed an examination, which indicates that the individual possesses the basic skills equivalent to those of a high school graduate.

Health Professional – A person actively licensed as a physician, physician's assistant, advanced registered nurse practitioner, qualified mental health professional as defined by KRS 600.020(48) or registered nurse as defined by KRS 314.011(5).

Hearing Officer – As defined by KRS 13B.010(7).

Homeless - Individuals who lack a fixed, regular, and adequate residence due to economic hardship.

Improper Payment – As defined by KRS 45.237(1) (d) or 45 C.F.R. 98.100(d).

Inadvertent Error Claim – An overpayment resulting from a misunderstanding or unintended error on the part of a recipient or a child care provider.

Income - Money received from statutory benefits, wages, self-employment, rental property, investments, business operations, etc.

Income Eligible - A family at or below income guidelines established for CCAP.

Infant - A child that is less than one (1) year old.

Individualized Education Program (IEP) – A legal document that spells out a child’s learning needs, special services provided by the school and how progress will be measured.

Intentional Program Violation - (IPV) – A CCAP recipient or child care provider having intentionally made a false or misleading statement, misrepresented, concealed, or withheld facts.

[Job Search Types:

Initial Job Search – A provision used as a qualifying activity during ~~at the~~ initial CCAP application.

Job Search in Change – Allowable timeframe to retain CCAP benefits during the non-temporary interruption of work, training, or education. This can be up to three (3) calendar months or the eligibility end/recertification date, whichever is earlier. Job Search in Change periods are only given on cases with active eligibility and will NEVER extend past the recertification date.]

Kentucky Integrated Child Care System (KICCS) – A web-based software program, which supports the operation of the Child Care Assistance Program for payments for child care providers, the certification program, and child care licensing administered by the Cabinet for Health and Family Services (CHFS).

Kentucky Transitional Assistance Program (KTAP) – The monetary assistance program established by Kentucky using Federal Grants from the TANF (Temporary Assistance for Needy Families) block grant. KTAP provides financial and medical assistance to needy dependent children in Kentucky and the parents, or relatives, with whom the children are living.

Kentucky Works Program (KWP) - An employment and training program which assists KTAP recipients to gain self-support.

Kentucky Online Gateway (KOG) – A CHFS system that provides centralized user management and control that includes authentication, authorization, single sign-on, credentialing, self-service, and access audit/logging of CHFS applications and users.

Licensed Child Care Facility - A Type I or Type II child care facility, these providers are Child Care centers at or not at the primary residence of the licensee that provide care to seven (7) or more children who can be related to the licensee and regulated by the Cabinet for Health and Family Services, Office of the Inspector General, Division of Regulated Child Care.

**Military Status** – Military Status is indicated when parent(s) is/are on active duty or in the National Guard or Military Reserves.

**Non-Traditional Hours** – Child care that is provided between the hours of 7:00 PM and 5:00 AM, including the weekend from Friday 7:00 PM through Monday 5:00 AM.

**Non-Urban County** – Means a county without a first (1st), second (2nd) or third (3rd) class city as specified in KRS 81.010(1) through (3).

**Overpayment** – A CCAP payment which exceeded the amount a CCAP recipient, or a child care provider was eligible to receive.

**Parent** – A parent by blood, marriage, or adoption; and means a legal guardian, or caretaker/relative.

**Part-Day** – Child care that is provided for less than five (5) hours per day.

**PBF** – Provider Billing Form, DCC-97. The official form that is used by providers to track a child's attendance and bill for CCAP payments.

**Preschool Age** - A child, who has reached the third (3rd) birthday up to, but not including the sixth (6<sup>th</sup>) birthday.

**Preventive Services** – Is defined by KRS 620.020(12).

**Qualified Immigrant** - A child who meets the requirements of 921 KAR 2:006, Section 1 (12) or (14).

**Recipient** – A family who has been determined eligible for CCAP subsidies.

**Registered Relative Child Care Provider** – A child care provider who is related to the child/children needing care. It is limited to grandparents, great-grandparents, siblings if living in a separate residence, aunts, and uncles. These individuals can care for up to six (6) related children. The maximum number of children a Registered Relative Child Care Provider may care for during hours of operation is eight (8) children, counting their own.

**Registration** - The process by which unregulated providers become eligible to receive CCAP payments.

**Related** – Having one (1) of the following relationships with the provider: child, stepchild, grandchild, great-grandchild, niece, nephew, sibling, child in legal custody of the provider, or child living with a caretaker/relative.

**Responsible Adult** – A person who is in the child's household and who is the natural parent, adoptive parent, stepparent, or the spouse of an individual caring for a child in loco parentis/in place of the parent.

Retirement, Survivors, and Disability Insurance (RSDI) – The Social Security benefit payable under Title II of the Social Security Act to retirees, survivors, or disabled individuals.

School Age Child - A child that has reached his/her sixth (6<sup>th</sup>) birthday and/or is enrolled in public school.

Self-Employment - Earnings directly from an individual's trade or business from which no taxes are withheld prior to being paid to the individual.

State Median Income – The estimated median incomes of households in the state.

SNAP - Supplemental Nutrition Assistance Program, formerly and commonly known as the Food Stamp Program, provides food-purchasing assistance for low and no-income people living in the United States.

SNAP Employment & Training Program/SNAP E&T - A program that helps SNAP participants gain skills, training, or work experience to increase their ability to obtain regular employment that leads to economic self-sufficiency.

Special Needs Child – A child that has been evaluated and determined to have requirements above and beyond what's typical for children of a similar age and developmental level. A child that is physically and mentally incapable of caring for themselves.

Supplemental Security Income (SSI) - The federal program that provides monthly payments to aged, blind and disabled persons under Title XVI of the Social Security Act as amended.

TANF – (Eligibility Type) Active KTAP cases must be participating in the Kentucky Works Program (KWP).

Teen Parent – Parent/head of household under the age of twenty (20) who needs child care assistance in order to attend elementary school, middle school, high school or pursue a GED in a classroom setting.

TENF – (Eligibility Type) Head of household is under the age of twenty (20) and attending elementary school, middle school, high school or obtaining a GED.

Terminate a Claim – Ceasing all collection actions on a claim.

Temporary Assistance for Needy Families (TANF) – A federal funding source for financial aid and support services including child care for families attempting to gain self-sufficiency.

Term – Educational session that includes but is not limited to semester, quarter, intercession, or summer school.

Timely Report - The report of changes within ten (10) calendar days of the day the change becomes known to the individual.

Toddler – A child, who has reached the first (1st) birthday up to, but not including, the third (3rd) birthday.

Transitional Child Care/TCC - When a recipient's income goes over the SMI limit during report a change or recertification, they are eligible for an additional six (6) months of reduced benefits under Transitional Child Care assistance.

Type I Child Care Facility - A Type I child-care center is a child-care center licensed to regularly provide child care services for four (4) or more children in a non-residential setting, or thirteen (13) or more children in a designated space separate from the primary residence of a licensee.

Type II Child Care Center – A Type II Child Care center is in the primary residence of the licensee where care is regularly provided for seven (7), but not more than twelve (12) children, including children related to the licensee.

Underpayment - A payment which is less than the amount a recipient or a child care provider is eligible to receive.

Unearned Income - Money received which does not involve direct physical or mental activity by the individual (e.g., social security, child support).

Unpaid Work – May count towards, in whole or in part, the household's work hour requirement provided that the unpaid work is a required educational activity towards a degree, or a job training program required by the Unemployment Insurance Benefit Program. Educational activities that are countable unpaid work include student teaching, internship, practicum, or clinical.

[Work Requirement at initial application –

- A household containing one (1) parent or responsible adult is required to work, on average, a minimum of twenty (20) hours per week at initial application.
- A household containing two (2) parents or responsible adults must work, on average, a minimum of forty (40) hours per week at initial application. Neither parent or responsible adult may work less than an average of five (5) hours per week, unless one (1) parent or responsible adult is verified as mentally or physically unable to provide care for the child(ren). Verification must be current and come from a healthcare professional. If one (1) parent or responsible adult is verified as mentally or physically unable to provide care for the child(ren), the other parent or responsible adult must work, on average, a minimum of twenty (20) hours per week at initial application.]

MS 1500 GENERAL PROCEDURES FOR APPLICATIONS/REAPPLICATIONS (1)

There are general procedures for low income families that are meeting the eligibility requirements. Procedures for the child care process generated by Department for Community Based Services, DCBS/Family Support staff via the DCC-85, Approval for Child Care Assistance, are outlined in [MS 2000](#).

No individual is refused the opportunity to apply. Conditions of eligibility or agency procedures do not preclude the opportunity for an individual to apply and obtain a determination of eligibility or ineligibility. DCBS/Family Support staff must be available to take an application on a walk-in basis on Monday-Friday from 8:00 a.m. to 4:30 p.m. No applicant shall be denied the right to be seen on the date they arrive at the local office. The applicant may be assisted by any individual in the application process and may be accompanied by this individual in all contacts with the agency.

- A. The individual may preserve the filing date of application by completing a PA-77, Intent to Apply, at the local office or by mailing a completed form to the DCBS/Family Support staff. The date of application for a mailed PA-77 is the day it is received by DCBS/Family Support staff. Additional options include Online Self-Service Portal and faxed hardcopy applications.
- B. If the individual is physically unable to come to the office to make an application:
  1. The household has the option to designate in writing an **AUTHORIZED REPRESENTATIVE** to complete the application process. Permission is given by providing a written statement and signature of the applicant. The Authorized Representative must have an ID on file in the individual's case.
  2. If the physically impaired individual, including a disabled, blind or hearing impaired individual has no friends or relatives to help with the application process and interview, the individual can be referred to their county and community resources (Community Action, Senior Citizens, Family Resource Center, etc.).
  3. Refer the individual to the Family Support Call Center: 1-855-306-8959.
  4. The individual can submit an application on the SSP/Self Service Portal at <https://kynect.ky.gov>.
- [C. If the individual is disabled or is elderly, provide consideration to any special needs the individual may have no matter where the interview is conducted. Special needs may include, but are not limited to: ]
  1. Interpreter services for hearing impaired individuals; or
  2. Additional space for the interview to accommodate an individual in a wheelchair.

- D. If the individual is non-English speaking, and needs assistance in obtaining Interpreter Services, the State may provide for these services.
- E. If the individual is seen by the DCBS/Family Support staff but cannot stay to complete the full application, the client shall be offered the option to complete a hard copy of the Intent to Apply. When all verification has been provided, the case must be processed by the thirtieth (30th) calendar day from the date of application.

The date of application is the day:

1. The individual comes in the office and completes and signs the PA-77, Intent to Apply. If the application is approved, it will date for when the PA-77 was received.
2. A phone interview is conducted by DCBS/Family Support Worker. The information will be entered into the system at that time, either the abbreviated application or the full application. An electronic signature must be captured to save the date.
3. Faxed hard copy is received by the DCBS/Family Support Worker.
4. Online application is completed by the citizen at [kynect.ky.gov](http://kynect.ky.gov). The system will then generate a notice to the applicant to call DCBS/Family Support staff for an interview within thirty (30) calendar days.

Individuals should have ease of access when trying to apply for assistance. Please ensure every effort is made to accommodate the recipients work schedule. Eligibility recertification should not require parents to unduly disrupt their employment.

**NOTE: The individual must complete an application interview by going into the Local DCBS office or by phone interview.**

A client must be interviewed as part of the CCAP application process. Clients can have face-to-face interviews at their local DCBS office, or they can contact Family Support staff at 855-306-8959 to conduct a telephone interview.

A. Use the following procedures for conducting phone interviews:

1. Ask all questions and enter the client's responses concurrently into worker portal.
2. All necessary forms will batch print and be mailed to the client.
3. The case is pended for return of mandatory information and the signed application if the client declines the voice signature option, or if it is not available.

B. Do not approve the case without a signed application. An application is considered to have been made when the application is submitted by phone with a completed voice signature or the appropriate application form is signed and received in the DCBS office.

C. Recertifications

The eligibility recertification must be initiated prior to the CCAP cut-off date. Recertification RFI's will have a ten (10) day due date regardless of when the interview is initiated. Failure to initiate the interview timely will result in the eligibility closing at the end of the certification period.



- K. If the applicant needs assistance locating or choosing a child care provider, provide resource or referral information per local protocol. Provide the client with a Division of Child Care Consumer Education Statement and form DCC-113, Facts about the Child Care Assistance Program (CCAP). The applicant is responsible for providing all verification needed to complete the application. If items are not available at the interview, the worker requests them in writing using form DCC-102, We Need Information for CCAP (RFI).

NOTE: Parents that choose a Registered Provider should be given contact information for the Division of Child Care.

The DCC staff can mail/email a Registered Provider packet to the prospective provider to complete and return.

MS 1515 CASE ACTION ON APPLICATIONS (1)

Process the applications in the following manner:

A. Approval of Applications:

1. Approve the application if all technical and financial eligibility factors are met and eligibility is unquestioned.
2. New approvals receive 12 calendar months of eligibility, which is calculated as the remaining month of application and the following 12 months.
3. Reinstatement for applications denied in error to allow the DCBS staff the ability to restore eligibility when the case was inactivated within the last 30 calendar days due to **agency error**.

Conditions that must be met to reinstate:

- a. Must be an existing case;
  - b. Case status must be inactive benefit;
  - c. Case inactivation date must be less than 30 calendar days prior to the current date; and
  - d. Recertification date is in the future.
4. Instances of when it may be appropriate to use reinstatement include:
    - a. Request for information is sent but the requested information is not received so the case discontinued. It is then discovered the requested information was turned in, but misplaced. The case is reinstated and updated with the information received; or
    - b. Case denied due to unforeseen circumstances.

B. Denial of Applications:

Deny the application if all technical and financial eligibility factors are not met; or deny the application on the 30th calendar day if eligibility cannot be established due to the applicant's failure to present necessary information as requested by the DCC-102, We Need Information for CCAP (RFI).

C. Reactivate Feature for Applications and Renewals:

Reactivate for applications and renewals can only be used if the worker has everything needed to approve the case.

1. Application date (Request Date) must be within the past 60 days and application was denied due to failure to provide requested verification.
  2. Reactivate cannot be used if the client failed to sign their application or failed to complete an interview.
  3. Though case worker can reactivate within the past 60 days from application date, reactivate date can be backed up to only 30 days.
- D. Renewal has discontinued for failure to provide requested verification within the past 60 days. The 60 days is counted from the date the renewal was initiated. Reactivate cannot be used if the client failed to sign their application or failed to complete an interview.
- E. Case Change: Reactivate is not applicable at case change.
- [F. Special Circumstance- Given when a client needs backdated eligibility.

Example- Client applied for CCAP on 8/15 and the case denied in error. Client later reapplies, case is approved, and it's discovered that the 8/15 application denied in error. A special circumstance is applicable for the timeframe eligibility is needed.

1. CCAP Special Circumstances are given in whole months and it's imperative to enter the correct enrollment start date based on when the client was eligible. For the above example, the client would receive a Special Circumstance for the entire month of August, but the enrollment start date would be 8/15.
2. When requesting a Special Circumstance, the system defaults the family co-payment to "zero" and it is up to the worker to enter the correct co-payment amount.
3. DCC Special Circumstance Approval must be given for requests that are either greater than 2 months or if a request is being made than once within the last 12 months.
4. When backdating enrollments, a special circumstance may not be needed if the client already had CCAP eligibility for the requested timeframe. Workers should always check for CCAP eligibility prior to submitting a special circumstance.]

MS 1520                      STANDARD OF PROMPTNESS FOR APPLICATIONS                      (1)

A. Applications

When verification is received on an initial application, the case is processed no later than thirty (30) calendar days from the date of the application.

If the application is processed within the standard of promptness and the individual is ineligible as of the day of processing a DCC-105, Child Care Denial/Discontinuance Notice, is issued.

The standard of promptness will also apply to Case Changes and the processing of the DCC-94, Child Care Certificate, as the changes will be worked no later than the requested due date.

B. Recertifications

Individuals are mailed a DCC-90F, Notice of Renewal Interview, forty-five (45) calendar days prior to their certification end date. They are given until the CCAP cut-off date to complete the renewal interview.

Once the interview is initiated, the client has ten (10) calendar days to return requested verification.

If they do not complete the renewal process, the case discontinues at the end of the certification period.

MS 1525

HOMELESS APPLICATION PROCESS

(1)

Homeless households that meet or report meeting technical and financial eligibility are eligible for expedited CCAP services. They are entitled to immediate approval and eligibility starts when ID is provided. Meeting or reporting to meet is the key to expedited services. This specific group of homeless households have 3 calendar months from the date of application to return all verification. The system will trigger form DCC-102, We Need Information for CCAP (RFI), with a minimum of 3 calendar months to return the verification.

[NOTE: Homeless households that report they are NOT working will be offered Initial Job Search, if applicable.]

Households that return all required information by the end of the three (3)-calendar month period and meet all eligibility requirements will not see a change in the certification period. The maximum allowable certification period is assigned based on program rules.

The client may also use a driver's license (It does not matter if the license is expired), student ID., military ID., or 2 other forms of verification to verify ID. Homeless households must meet all technical and financial eligibility criteria to continue with the program.

Clients may return the requested information anytime during the minimum 3 calendar month timeframe of the expedited care period. If all information is returned, but the case is not technically and financially eligible, the case will discontinue on the last day of the next administratively feasible month. The three (3)-calendar month care period is not guaranteed.

There is no limit to the number of times a household may be eligible under the expedited procedure as long as prior to each expedited certification the household was approved under normal processing standards since the last expedited certification.

[NOTE: Homeless households may qualify to gain initial eligibility via Initial Job Search if the client does not meet the work, education or SNAP E&T requirement and wants to use the once in twelve (12) months Initial Job Search at the time of application.]

MS 1530

ELIGIBILITY PROCESS

(1)

[DCBS/Family Support staff has thirty (30) calendar days from the date of the application to determine eligibility. If the application is approved for benefits, the determination is valid for twelve (12) months.

During this twelve (12) month eligibility period, the case may discontinue if there is a non-temporary change reported that puts the case into a "Job Search in Change", which is an up to three (3) calendar month period. The case would discontinue at the end of the "Job Search in Change" period if the client is not meeting the eligibility requirements or certification period, whichever comes first.]

A twelve (12) year old child turning thirteen (13) and an eighteen (18) year old special needs child turning nineteen (19) will continue to receive child care assistance during the approved twelve (12) month eligibility period.

Their eligibility WILL NOT end on their birthday.

EXAMPLE: If a parent or responsible adult applies for child care services on 6/17/2021, and the application is approved on 6/30/21 for child care benefits, the eligibility period is 6/17/2021 through 6/30/2022.

A. Teen Parents/TENF

A household that qualifies as a TENF household at intake or recertification should continue as a TENF household even if the responsible adult(s) turns 20 during the certification period, if they are attending high school. If during the certification period, regardless of age, the responsible adult(s) ceases or completes an activity, eligibility should be evaluated to determine if household qualifies in a different CCAP category of assistance. If the household does not qualify in another category of assistance, the TENF household should receive the grace period of up to three (3) calendar months or the end of the certification period, whichever is first. A TENF household with a responsible adult that turns 20 during the certification period and is still attending high school should remain TENF until the month of recertification.

B. [Presumptive Eligibility

Clients that provide a photo ID and report they are working or have a current school enrollment are eligible for expedited services through presumptive eligibility.

To qualify, the client must report one of the following:

1. Employment of at least 20 hours per week for a single parent home,
2. A combined total of at least 40 hours per week, with one of the parents not working less than 5 hours per week for a 2-parent home, or

3. Verified full-time or part-time enrollment of at least 6 credit hours per semester.

Households that have received presumptive eligibility cannot be expedited again until they have returned all required verifications and met all initial technical eligibility requirements.]

#### C. Homeless Households

Homeless households that ARE meeting the work requirement are eligible for expedited services. They are entitled to immediate approval and enrollment starts when client's ID is provided. (If a driver's license is provided, it does not matter if it is expired.) Homeless households have a minimum three (3) calendar months from the date of application to return all verification. If all verification is not returned, eligibility may be discontinued. If all verification is returned, but the case is not technically and financially eligible, the case will discontinue on the last day of the next administratively feasible month.

Homeless households may qualify to gain initial eligibility via Job Search if the client does not meet the work, education or SNAP E&T requirement and wants to use the once in twelve (12) months Job Search at the time of application.

#### D. [Eligibility When Adding a New Child to Existing CCAP Case

When a CCAP recipient adds a new child to the household and requests child care benefits, the child will receive twelve (12) months of eligibility. This eligibility timeframe is calculated as the twelve (12) months following the month the child is added. All CCAP children on the case, with active eligibility, will have their recertification dates extended so they align with the newly added child.

Example: Emily applied for CCAP for her daughter, Mia on 4/10/24. Her eligibility timeframe is 4/10/24-4/30/25. On 10/20/24, Mia adds her new baby, Ryan, to her CCAP case. Ryan's eligibility timeframe is 10/20/24-10/31/25. Mia's renewal date is extended from 4/30/25 to 10/31/25 to align with newly added Ryan.]

MS 1535

ELIGIBILITY TYPES

(1)

Eligibility for child care services falls within the following family types:

- A. [CCIE: Low-income families that meet the current work requirement, families that are participating in the Supplemental Nutrition Assistance Program/ Employment and Training (SNAP E&T) or enrollment in a certified trade school or accredited college or university.

NOTE: Actively enrolled (CCIE) students must meet current technical eligibility requirements for the CCAP program and be enrolled in a minimum of 6 credit hours per semester. ]

- B. CCPE: Referral from Protection & Permanency (P&P) requesting child care assistance to:
1. Mitigate risk identified through an assessment to provide stability for the family and prevent future maltreatment;
  2. Prevent the need for further child protective service (CPS) intervention, such as entry into care; or
  3. Support placement of children with relative and fictive kin caregivers as the result of a child protection investigation or assessment.
- C. TANF: Active KTAP cases participating in the Kentucky Works Program (KWP).
- D. TENF: Head of household is under the age of twenty (20) and attending elementary school, middle school, high school or obtaining a GED.

MS 2000                      PROTECTION AND PERMANENCY APPROVALS                      (1)

Protection and Permanency (P & P) staff may approve child care using form DCC-85, Approval for Child Care Assistance, when families need the service for reasons related to mitigating risk of child maltreatment.

A. P & P can approve preventive child care assistance to:

1. Mitigate risk identified through an assessment to provide stability for the family and prevent future maltreatment;
2. Prevent the need for further child protective service (CPS) intervention, such as entry into care; or
3. Support placement of children with relative and fictive kin caregivers as the result of a child protection investigation or assessment. (CCPE)

DCBS/P & P staff must inform a potential relative or fictive kin caregiver of their ability to become approved as a foster/adoptive parent as an alternative to accepting temporary custody of a child placed by DCBS.

Foster care children are not eligible for CCAP subsidies.

B. DCBS/P & P staff are responsible for:

1. Determining initial eligibility for child care for preventive CCAP for P & P clients, completing and submitting a DCC-85 within ten (10) calendar days of the time the need is identified to the CHFS DCBS DCC-85 Box at DCC85@ky.gov. If not received within three (3) calendar months of care start date, no payment will be made.
2. Providing the client with page three (3) of form DCC-85 confirming eligibility for child care services.
3. Providing the client with form DCC 113, Facts About the Child Care Assistance Program, and form DCC 120, Consumer Education Statement.

C. Family co-payments are waived for preventive child care.

D. Form DCC-85 will serve as verification of social security numbers, birthdates, citizenship, and parent income. The worker shall not require that this information be re-verified for a case approved by form DCC-85 process.

E. [Special attention and care are to be afforded to instructions provided by the P & P worker regarding the required type of provider, days of the week care is to be accessed, and any comments recorded on form DCC-85. Only Licensed and Certified child care providers can be used for children receiving child care services with a Division of Protection and Permanency (DPP) referral. This is necessary to ensure the safety and proper care of children approved for child care subsidies by DCBS staff working in P & P programs.]

- F. The eligibility period for P & P referrals is twelve (12) months and ends on the last date of the twelfth (12) month. The twelve (12) month period begins on the date of application.
- G. A twelve (12) year old child turning thirteen (13) and an eighteen (18) year old special needs child turning nineteen (19) will continue to receive child care assistance during the approved twelve (12) month eligibility period.
- H. [In the event of closure of a licensed or certified child care provider caring for children receiving preventive child care assistance, the Division of Child Care will provide the names of children currently enrolled with the provider under those eligibilities to the Division of Protection and Permanency (DPP).]

MS 2005 Enrollment Fees (1)

[In addition to Protection and Permanency cases, enrollment fees can be paid for teen parents attending school (TENF) and Kentucky Works Program (KWP) recipients approved by Family Support. Enrollment fees are paid only for these (3) groups of recipients. The fee payment must be requested in writing by the provider.]

DCBS/Division of Child Care (DCC) will be responsible for provider payments and enrollment fees. Child Care providers will be responsible for requesting enrollment fees and for providing a list of children that the request is being considered.

The Child Care Staff collects fee information from licensed centers on the DCC-94B, Licensed and Certified Provider Agreement Form. The amount of the fee must be indicated on the DCC-94B for a fee payment to be authorized to the provider. A Registered Relative Child Care Provider must complete a DCC-94A for the same process. An enrollment fee cannot be more than one hundred dollars (\$100) per family, per year.

Enrollment fees are paid to Licensed Type I and Type II centers, Certified Family Child Care centers and Registered Relative Child Care Providers if they charge this fee to non CCAOP families. If non CCAP families are not charged a fee, then fees are not paid for CCAP families.

MS 2500

APPLICATION PROCESS

(1)

Applications are accepted and processed by the DCBS staff for low-income families meeting eligibility with employment, full or part-time education or SNAP E&T. This would also include teen parents that are attending elementary school, middle school, high school or obtaining a GED.

Family Support Case Managers are responsible to provider child care assistance for KTAP/KWP participants. It is a supportive service authorized by the case manager. There is not a separate application for KTAP/KWP participants.

[Each household or its representative has the right, and is encouraged, to file an application the same day of contact with the office whether the contact is made in person or by telephone. In addition to in-person applications, households may file CCAP applications by submitting the application form to a local office themselves, through an Authorized Representative, by mail, Web Portal, fax, or telephone.]

For detailed information on the application process, see Manual Sections 1500, 1505, 1525 and 2000.

MS 2505 CHILD CARE INCOME LIMITS (1)

The family applying for low-income subsidized child care assistance (CCIE) and teen parents (TENF) must have monthly gross countable income which is less than or equal to 85% of the State Median Income (SMI). At case change and recertification, families who have been approved for child care assistance, remain income eligible if their monthly countable gross income is less than or equal to 85% of the State Median Income (SMI).

CCAP income guideline at initial application, case change and renewal are 85% SMI.

| Family Size | 85% SMI<br>(10/1/24) |
|-------------|----------------------|
| 2           | \$4,639              |
| 3           | \$5,731              |
| 4           | \$6,822              |
| 5           | \$7,914              |
| 6           | \$9,005              |
| 7           | \$9,210              |
| 8           | \$9,414              |
| 9           | \$9,619              |
| 10          | \$9,824              |
| 11          | \$10,028             |
| 12          | \$10,233             |
| 13          | \$10,438             |
| 14          | \$10,643             |
| 15          | \$10,848             |

[For each additional household member above a household of 8, add \$205.]

Transitional Child Care (TCC)

CCAP households that are discontinued due to combined household incomes exceeding 85% State Median Income at case change and recertification are eligible for Transitional Child Care (TCC). This is an additional CCAP benefit for six (6) months.

- Co-payments are assessed at zero for the TCC eligibility period.
- Reimbursement rates are reduced and calculated at 50% of the Provider Subsidized Rate or the State Max Rate (whichever is lower) and will be rounded up to the nearest whole dollar.
- The family is responsible for any overages charged by the center.
- Form DCC-94, Child Care Service Agreement and Certificate, is generated with an updated end date and adjusted reimbursement rate.
- CCAP households are only eligible for TCC once in a 12-month period.

- TCC is tracked just like Job Search via a tracker function.

TCC at Case Change- The 6-month TCC would begin the month following the reported change.

- If TCC is approved due to a case change and the TCC end date is beyond the CCAP renewal date, the renewal date will be pushed and will align with the TCC end date.
- [Initial Job Search or Job Search in Change: Households that are approved for CCAP with initial job search or job search in change are still eligible for TCC when a change is reported that is going to put them over the income limit.
- Homeless and Presumptive Eligibility Households: Homeless and Presumptive Eligibility households that have outstanding extended RFI's/Requests for Information from their initial application are NOT eligible for TCC if they report a change that exceeds the CCAP income limit.

Only homeless households that have returned all verifications from the initial application and have had their case disposed will be eligible for TCC if they later report a change in income that puts them over the income limit.

Job Search in Change During TCC: Households that are approved for TCC are not eligible for job search in change if a non-temporary change in their qualifying activity is reported. Only households that are meeting CCAP eligibility requirements after the TCC end date are eligible for ongoing CCAP.]

TCC at Recertification- The 6-month TCC would begin the month following the review-initiated date.

Though individuals are eligible for TCC if they exceed the income limit at renewal, they must complete the review to be eligible for TCC.

A teen parent is defined as any parent under the age of twenty (20) who needs child care assistance to attend elementary school, middle school, high school or pursue a GED in a classroom setting. Teens can take classes in vocational or technical school, but it must be through the high school. There are no hour requirements for in school or GED recipients. The recipient can be full-time, part time or less than half time.

- A. For teen parent child care assistance applicants, the teen and his/her child(ren) are considered a nuclear family, even if they are residing with other family members. Any income that the teen parent has is used in determining eligibility and in assessing daily family co-pays. (Countable income of the child includes RSDI and child support). No other adult member of the household is counted in terms of family size or income, unless the teenager is married and living with his or her spouse or living with the parent of the child(ren). Teen parents that reside with a parent and receive KTAP are subject to KTAP household composition and income requirements.

EXAMPLE 1: Tamara, a sixteen (16) year old with a three (3) month old son, lives with her parents. She goes to high school and needs child care. Tamara receives child support of twenty-five dollars (\$25) per week from the child's father. Child support income is the only income considered in the child care case. The family size is two (2).

EXAMPLE 2: Heather, a seventeen (17) year old, lives with her eighteen (18) year old boyfriend, Phillip, and their one (1) year old daughter. They live in the basement of Heather's parents' home. Phillip works twenty (20) hours per week and Heather goes to GED classes. Phillip's wages are the only income considered in the child care case. The family size is three (3).

- B. Teen parents not receiving CCAP services through the eligibility types CCPO, CCPE or TANF must meet income eligibility guidelines to receive child care assistance. A teen parent who is not attending school or pursuing a GED, must meet the same work requirement and income guidelines as low-income working families (CCIE - eligibility type). A teen parent who works, in addition to attending high school or pursuing a GED, meets the work requirement by continuing education. The work requirement of twenty (20) hours per week is NOT required.

NOTE: Their earned income is countable in the CCAP case.

- C. [Teen parents who are attending high school or pursuing a GED remain eligible for CCAP during temporary breaks in school or until the end of their eligibility period.]

MS 2515 EDUCATION ACTIVITIES (1)

A. Students that are MEETING the work requirement:

Low-income families that are MEETING the work requirement may receive child care services while they attend education activities. Proof of enrollment from the school or institution is required prior to authorizing child care to cover time spent in education activities. Acceptable verification of enrollment includes an official class schedule or a written statement from a school official.

Child care can be authorized while the adult(s) in the family attend:

1. High School;
2. GED classes, including online classes provided outside the home;
3. Licensed or accredited vocational and technical schools;
4. Accredited college or universities including online classes.

Enrollment can be part-time, full-time or less than part-time. There are no limits on the length of time a working adult can attend school and receive child care services.

B. Students that are NOT MEETING the work requirement:

[A provision has been made for PART-TIME and FULL-TIME students who are NOT meeting the work requirement with employment. This provision allows them to meet the work requirement with their school enrollment. The child is eligible for CCAP if the child resides with an applicant who:

1. Is enrolled part-time or full-time in a certified trade school, accredited college, or university. The student must be enrolled a minimum of 6 credit hours per semester to be considered part-time.]
2. Provides verification of enrollment with the trade school, college, or university in which they are enrolled.
3. Is defined as a full-time student by the applicable learning institution.
4. Has been determined to meet CCAP eligibility for up to 60 months.

NOTE: The sixty (60) months for this provision are cumulative.

MS 2520

JOINT CUSTODY

(1)

When parents share custody of a child and both parents need child care assistance, each parent must apply for the time and days the child resides in his/her home and pays the corresponding co-payments, if applicable. These are two (2) separate applications even if the child is with the same child care provider.

Joint custody can be verified by a court order, verification from P & P, client statement or a written statement.

EXAMPLE: Mother and dad share custody of their child. The child resides with the mother Monday through Thursday and with dad Friday through Sunday. Both parents can apply for child care assistance during the time the child is residing in their home. There would be **two (2)** separate cases.

MS 3000

AGE OF THE CHILD

(1)

A. A child meets the age requirement if he/she is:

1. Birth through twelve (12) years old; or
2. Age thirteen (13) but under age nineteen (19), and be considered special needs.

NOTE: A twelve (12) year old child turning thirteen (13) and an eighteen (18) year old special needs child turning nineteen (19) may continue to receive child care assistance until the end of the twelve (12) month eligibility period if technical and financial eligibility is met.

B. Age is verified by:

1. State authorized/numbered birth certificate (including delayed registration at least one (1) year old);
2. Verification of Kentucky birth registrations through IMS Program, Birth Certificate Inquiry (Birth Index File – KVETS – Kentucky Vital Events Tracking System);
3. Hospital record containing the child's name, date of birth, parent's names, hospital name and address and official signature of hospital personnel;
4. Baptismal record;
5. Statement from attending physician/midwife;
6. Adoption record; or
7. INS records (e.g. - passport, immigration papers which includes child's name and birthdate).

If a child was born out of state and birth verification is not available at the time of approval, client statement is acceptable unless questionable.

See – <http://vitalchek.com> to obtain out-of-state birth verification for the child.

MS 3005 SPECIAL NEEDS REQUIREMENTS (1)

[For a child to be considered special needs, written verification of the special need must be obtained. Children with special needs have been evaluated and determined to have requirements above and beyond what's typical for children of a similar age and developmental level. A child with special needs is physically and mentally incapable of caring for their self. This policy does not apply to children that are developmentally advanced.]

Verification may be provided by:

- A. A qualified health professional, a physician, physician's assistant, advanced registered nurse practitioner, qualified mental health professional as defined by KRS 600.020(48) or registered nurse as defined by KRS 314.011(5);
- B. A court order or similar documentation indicating the child is under court supervision;
- C. An Individual Education Program (IEP) provided by the school; or
- D. SSI Award Letter.

An eighteen (18) year old special needs child turning nineteen (19) will continue to receive child care assistance during the approved twelve (12) calendar month eligibility period. If the application is approved for benefits, the determination is valid for twelve (12) calendar months. The twelve (12) calendar month period begins on the date of application and is valid until twelve (12) calendar months later.

Example: Jane is an eighteen (18) year old with special needs and is approved for CCAP with an eligibility end date of August 31. Jane's nineteenth (19) birthday is on April 7. Jane, even though she turns 19 during the approved eligibility timeframe, will continue to receive benefits through August 31. She will not be eligible for recertification.

MS 3010 RESIDENCY REQUIREMENTS (1)

As part of technical eligibility, the child must be a resident of Kentucky.

There is no requirement placed upon the duration of residency. Residency is verified by documentation which reasonably establishes that the child resides in Kentucky and can be verified in conjunction with other information such as, but not limited to, household composition, school attendance, income/SSI, etc.

Categorically Eligible (CE) and Expanded Categorically Eligible (ECE) are valid verifications for residency when CCAP accompanies SNAP. CE/ECE are not applicable for stand-alone CCAP cases.

[Children no longer residing within the state:

Children that have moved out of Kentucky are no longer eligible for CCAP benefits and their eligibility will be ended. This policy does not apply to children that have been placed in another state, but are still in the custody of DCBS and receiving Protection and Permanency child care services.]

MS 3015

HOUSEHOLD COMPOSITION

(1)

The names of all individuals who reside at the same physical address as the applicant are to be verified at each application, recertification, and at any occurrence of a change in the household's composition.

- A. Household composition is verified by a PAFS-76 Information Request, a current lease which lists all residents at the applicants address if the lease is current and no older than one (1) year old, or a written statement or collateral contact from an individual who has knowledge of the client's living situation. A lease or written statement must include all household members, address, contact information and the date signed.
- B. The verification of household composition may be completed by or obtained from a collateral contact familiar with the family's living situation. This form may be completed by someone living inside the home of the applicant as long as that person is not included in the applicant's household size. This could include an applicant living with and paying rent to a parent, other relative, or an unrelated adult.
- C. The DCBS/Family Support staff must document any unusual circumstance related to household composition including, but not limited to, the reason for accepting verification from an individual residing with the applicant, the name and telephone number for any collateral contacts made, and any other information that has a bearing on the determination of eligibility for the case.

MS 3020

HOMELESS HOUSEHOLDS

(1)

Homeless households during an initial application are unique from other eligibility types as the technically eligible household is entitled to a minimum of three (3) calendar months from the date of application to return verification. This allows the household that meets or reports meeting technical eligibility to return all required documentation gradually, if needed. Homeless cases are approved and enrollment starts when the HOH provides ID. (If a driver's license is provided, it does not matter if it is expired.) See Manual Section 1525 Homeless Application Process for details.

Households that return all required information and are technically and financially eligible at the end of the three (3) calendar month period will not see a change in the certification period at approval of application. Homeless households must meet all other technical and financial eligibility criteria in order to continue with the program.

Clients can return all requested information anytime during the three (3) calendar month (Request for Information - RFI) period. If information is returned but the case is not technically or financially eligible, the case will discontinue. If requested information has not been provided, the application will be discontinued.

**NOTE: Homeless households cannot be expedited again until they have returned all required verifications and met initial technical eligibility.**

**NOTE: Co-payments can increase if verified information determines a higher family co-payment.**

Below are three (3) examples of CCAP for the homeless household.

Example 1: Ruth and her child, Noah, are homeless and staying at a local shelter. Ruth is employed and currently meeting the work requirement. She would be entitled to expedited CCAP benefits as long as she provides her ID. Her case would be approved, and she would then have a minimum of three (3) months from the date of application to return the requested documents.

Example 2: Mike and his son, Timothy, are homeless and staying at the local shelter. Mike is **NOT** employed but would like to apply for CCAP using Job Search. This method can be used only once in a twelve (12) month period. The CCAP would be approved, and the case would remain approved for the minimum (3) months.

Example 3: Ellen and her two (2) children, Macy and Joel, are staying at the local homeless shelter. Ellen is **NOT** employed and has already used the Job Search option in the last 12 months. Her case will deny as she is not meeting the work requirements at the time of application.

MS 3025

TEMPORARY ABSENCE

(1)

A responsible adult, either applicant or applicant's spouse is considered to be in the household even if they are temporarily out of the home. A temporary absence can include being absent due to being in the military, hospital or employment, as long as there is the intent to return to the household and there is a continuing ongoing relationship. The income of this person is considered when computing household income and the person is included in this family size.

If working or in the military, the other responsible adult is still required to meet the forty (40) hour work requirements for a two (2) parent household.

**NOTE:** An individual who is incarcerated is **not** included in the household.

MS 3030 CITIZENSHIP/IMMIGRANT STATUS REQUIREMENTS (1)

A child must be a U.S. citizen or qualified immigrant to be eligible for child care benefits. This includes children born in the United States to non-citizen parents. Immigrant status is verified by Immigration Naturalization Services (INS) documents.

Adults in the home are not required to meet citizenship requirements.

Use the following chart as a guide to the INS documentation. This is not an all-inclusive chart. A child may have a different INS document that identifies the immigrant status and date of entry. Accept any INS documentation provided by the applicant that verifies the child's status and date of entry unless it is questionable.

| Status of Alien   | INS Document   |
|---|--|
| Permanent resident alien before August 22, 1996   | I-151 or I-551   |
| Permanent resident alien on or after August 22, 1996<br>If veteran of US Military<br>If active duty US Military | I-551<br>DD-214 Discharge Certificate<br>Any document showing active status  |
| Refugee   | I-94 marked with "admitted under INA 207", "Refugee", or "Refugee - Conditional Entrant"   |
| Asylee  | I-94 marked with "admitted under INA 208" or INS letter  |
| Deportation Withheld  | I-94 marked with "admitted under INA 243(h)" or letter from immigration Judge  |
| Amerasians  | I-94 or I-551 marked with an identifier in comments - AM1, AM2, AM3, AM6, AM7 or AM8   |
| Parolees  | I-94 marked with "admitted under INA 212(d)(5)"<br>The date will read "Indefinite"   |
| Conditional Entrants  | I-94 marked with "admitted under INA 203(a)(7)"  |
| Cuban/Haitians  | I-94 may be marked "admitted under INA 207", "Refugee" or "Refugee - Conditional Entrant"  |
| Battered Aliens   | I-94 admitted under INA 204(a)(1)(A) or (B), or whose deportation is suspended under INA 244(a)(3)   |
| Victims of Human Trafficking and Eligible Relatives   | I-94 or VISA with "T-1" category. Eligible relatives of the victims have T-2, T-3, T-4 or T-5 category designations.   |
| Afghan/Iraqi Special Immigration  | Passport with an immigrant visa (IV) stamp noting the individual has been admitted under IV category SI1; Department of Homeland Security (DHS) stamp or notation on passport for form I-94 showing date of entry, or form I-551 (green card) S16. |
| Spouse of Afghan/Iraqi Special Immigrant  | Pass with an immigrant visa (IV) stamp noting the individual has been admitted under IV category SI2; DHS stamp or notation on passport or form  |

|   |  |
|---|--|
|   | I-94 showing date of entry, or form I-551 (green card) S17.  |
| Unmarried dependent child of Afghan/Iraqi Special Immigrant             | Passport with an immigrant visa (IV) stamp noting the individual has been admitted under IV category S13; DHS stamp or notation on passport or form I-94 showing date of entry, or form I-551 (green card) S17.  |
| Iraqi Special Immigrant under Section 1244                              | Passport with an immigrant visa (IV) stamp noting the individual has been admitted under IV category SQ1; DHS stamp or notation on passport or form I-94 showing date of entry, or form I-551 (green card) SQ6.  |
| Spouse of Iraqi Special Immigrant under Section 1244                    | Passport with an immigrant visa (IV) stamp noting the individual has been admitted under IV category SQ2; DHS stamp or notation on passport or form I-94 showing date of entry, or form I-551 (green card) SQ7.  |
| Unmarried dependent child of Iraqi Special Immigrant under Section 1244 | Passport with an immigrant visa (IV) stamp noting the individual has been admitted under IV category SQ3; DHS stamp or notation on passport or form I-94 showing date of entry, or form I-551 (green card) SQ9.  |
| Native Americans born in Canada   | Form-181m Memorandum of Creation of Record of Admission for Lawful Permanent Residence, form I-551 with the code S13, an unexpired I-551 stamp in a Canadian passport, form I-94 with the code S13 or a letter or other tribal document certifying at least 50% American Indian blood combined with a birth certificate or other satisfactory evidence of birth in Canada. |
| Form I-185  | Canadian border crossing card.   |
| Form I-186  | Mexican border crossing card.  |
| Form SW-434   | Mexican border visitor's permit.   |

MS 3035 ELIGIBLE LIVING SITUATIONS (1)

The person eligible to apply for benefits on behalf of the child is considered the head of household.

- A. If there are two (2) adults present in the home, the second responsible adult must be included in the determination of household size and income if they are:
1. A natural or adoptive parent
  2. A stepparent
  3. The spouse of the head of household
  4. The spouse of an unrelated adult/relative (A person acting in place of a parent, including a legal guardian, an individual related by blood, marriage, or adoption child or a non-relative, if the non-relative pursuing legal custody.
- B. If there is a common child of the two (2) adults in the home, the case is considered as one (1) household with all household members included.

Example 1: Household consists of mother and father who have a child in common. Mother also has a child from a previous relationship and a father has two (2) children from previous relationship that all live in the same household. Household size is six (6) and all household members are considered.

Example 2: Child lives with her aunt, the aunt's husband (uncle by marriage to child), and two (2) cousins, ages six (6) and eight (8). This is a five (5) person family consisting of two (2) adults and three (3) children.

Example 3: Child lives with an unrelated adult to her pursuing custody, that person's spouse, and their two (2) children. This is a five (5) person family consisting of two (2) adults and three (3) children.

[C. Establishing Relationships:

The head of household's (HoH's) spouse is always considered a Responsible Adult.

When verifying relationships, the Responsible Adult has established a relationship with the child through marriage to the HoH, by having custody, or if they are pursuing legal guardianship. Having a common child would also establish relationship.

Example: The household consists of HoH, RA, and HoH's niece that she has custody of. The HoH should be considered as the child's aunt and the

RA should be considered as the child's uncle, so all are pulled into the benefit group. The relationship would be established through marriage to HOH, or if not married, pursuing legal guardianship.

#### D. Special Household Consideration for Disability and Incapacitation

Special consideration is given to the HOH and their Spouse and related child/ren they are caring for when the parent of the child/ren is in the home if that parent is disabled or incapacitated and verified as unable to care for the child/ren. If both parents are in the home and both are verified disabled or incapacitated and unable to care for the child, then this policy can be applied to both parents. In these special situations, the case could have three or more included adults in the household.

If both parents are in the home and one of them is verified disabled/incapacitated and the other is not, then the case should deny due to parent being in the home. The parent that is not disabled/incapacitated would need to apply for CCAP if needed.

Work Requirements are not applicable for parents in the home who are disabled or incapacitated and verified as unable to care for the child. Income of parents who are in home and disabled or incapacitated and verified as unable to care for the child will be counted.

Example 1: Jim and Lisa are caring for their 2 grandchildren, Thomas, and Trinity. Also, living in the home is the children's mother, Harper. Lisa applies for CCAP. Because Harper is in the home and is not verified as disabled or incapacitated, the case will deny due to the parent being in the home. Harper would need to be the adult that applied for CCAP.

Example 2: Jack and Judy are caring for their granddaughter, Melissa. Melissa's mother, Amy, is disabled and verified as unable to care for Melissa. All 4 individuals live in the home together. Judy is applying for CCAP. Because Amy is verified as disabled and unable to care for Melissa, it would be considered a household of 4. Jack and Judy would need to have a qualifying activity. Amy is excluded from this requirement due to her disability and inability to care for her child. The income of all 4 is counted per CCAP policy.】

MS 3040 ELIGIBILITY REQUIREMENTS FOR LOW INCOME FAMILIES (1)

Eligible Work Activities - To be eligible for child care assistance, a family must contain:

A. A gainfully employed adult or adults.

Employment means public or private work, permanent or temporary work, or self-employment that is performed for a wage.

1. Single-Parent Households - Any household which contains only one parent will be required to meet the following guidelines. This includes households where one parent is temporarily absent from the household, see [MS 3025](#).

The requirement, at initial application, for a single-parent family is that they work an average of 20 hours per week. A combination of employment activities can be used to meet the required number of hours.

Example 1: Christy is a single mother of 2 children, and she is working at a fast-food restaurant 25 hours per week. Christy meets the work requirement of 20 hours per week.

Example 2: Sally works at McDonald's and her weekly hours fluctuate. In a 4-week month, she worked 15 hours, 30 hours, 20 hours, and 16 hours. She averages 20 hours a week for the month and meets the work requirement.

2. Two-Parent Households - The requirement, at initial application, for two-parent families is a combined minimum of 40 hours per week with neither parent working less than an average of 5 hours a week unless one adult is verified as mentally or physically unable to provide care for the children. In instances where there is an incapacitated parent in the home the work requirement for the non-incapacitated parent is an average of 20 hours per week. The incapacitated parent must provide a doctor's statement verifying that he/she is unable to care for the child.

Example 1: Sue and Ted are married, and both are employed. Sue averages 15 hours per week in an unpaid practicum; Ted averages 25 hours per week at a paying job. The family meets the work requirement.

Example 2: Sue and Ted are married. Sue works 22 hours per week. Ted is off work due to a back injury. He has provided a doctor's statement with his anticipated recovery date and that he is unable to care for the child in the home. This family meets the work requirement.

- B. An adult, at initial application, who has a verified medical leave and is UNABLE to care for children. CCAP Exemption.

[This is specific to a two (2) parent household. A two (2) parent household is-required to provide a doctor's statement to document that the parent seeking the work exemption is unable to care for the child(ren) and include the expected date of recovery. At the recertification, both parents would need to be participating in a qualifying activity.

Note: Permanent disabilities will only apply in two-parent households and must be verified through SSA, Award Letters, etc. Client will still be required to provide a statement from a Healthcare Professional that specifically states their inability to care for the child(ren). Both adults in the home cannot claim permanent disabilities with the inability to care for the children.]

- C. An adult or adults who are seeking employment or engaging in CCAP job search requirements at initial application.

NOTE: Homeless households are eligible for job search.

Households (one and two-parent) may gain initial CCAP eligibility with Initial Job Search for a minimum of three calendar months from the date of application, once in a 12-month period, without meeting the CCAP work requirement.

If one-parent of a two-parent household is verified disabled and unable to care for the child(ren), the parent seeking employment may qualify to receive CCAP for the child(ren) for a minimum of 3 calendar months under this policy.

Work Registration Process: Individuals without a work registration exemption are required to "agree" to work register once every 12 months to be eligible to receive CCAP, through initial job search. Cases where an individual without a work registration exemption declines to "agree" to work register are denied.

A two-parent household could qualify if the unemployed parent "agrees" to work register and participates in an initial job search; and the other parent is working a minimum of an average of 20 hours per week. For these households to continue receiving assistance beyond the initial 3 months, both parents would be required to meet the minimum 40-hour work requirement pursuant to current CCAP policy prior to the end of the allowable initial job search period. Neither parent can work less than an average of 5 hours per week, unless one parent is disabled and cannot care for the child(ren).

An unemployed adult, after "agreeing" to work register, may participate in an initial job search for a minimum 3 calendar months in order to receive child care assistance.

D. Clients that are participating in unpaid work.

Unpaid work such as a practicum, clinical, internship, student teaching, or job training related to Unemployment Insurance Benefits (UIB) can be used to meet part or all the work requirement and must be entered on Worker Portal for technical requirements to be met. Form DCC-102, We Need Information for CCAP (RFI), will be issued upon application with form DCC-90L, Student Enrollment and Unpaid Work Verification, to be completed and returned within 30 days. The unpaid work must be a requirement to obtain their degree or receive unemployment benefits.

Example: Joe works 15 hours per week for a car dealership and has an unpaid internship working 10 hours per week. Joe's combined work hours of 25 hours per week meets the work requirement.

1. Verifying Work Hours - In all circumstances, it is the responsibility of the applicant to provide third party verification of the number of hours worked, and/or requirement and attendance to an unpaid work setting, including recent loss of employment.
2. Determining Work Hours (Employment) - Calculate the individual's work hours by totaling the hours for all representative periods and dividing by the number of pay periods considered. Divide that number (the average number of hours per pay period) by the corresponding Multiplier on the table below to determine the average hours per week. Once the average number of hours per week has been determined, compare the average to the Required Work Hours below. The client's work hours are not rounded up when being considered for eligibility.

| Pay Frequency | Required Work Hours | Multiplier |
|---------------|---------------------|------------|
| Weekly        | 20                  | 4 1/3      |
| Bi-Weekly     | 40                  | 2 1/6      |
| Semi-Monthly  | 43.34               | 2          |
| Monthly       | 87                  | n/a        |

To exclude any pay period from the determination of hours or income, the period must clearly be unrepresentative of ongoing work hours and income. The reason for the exclusion must be thoroughly documented in case comments.

Example 1: Jane has provided her preceding calendar month check stubs. She is paid bi-weekly and averages twenty hours per week. However, on one check in the preceding calendar month, she was out for a week due to a sick child. Because the missed period of work is not a normal occurrence it

should be excluded from the calculation of both work hours and income as non-representative of her ongoing situation.

Example 2: Jerry has provided his preceding calendar month check stubs. He is paid bi-weekly and typically works thirty (30) hours per week. However, in one period of the prior month, he worked two extra shifts for a co-worker out with a sick child. The check with the added hours would not be included as it is not representative of the individual's ongoing situation.

Example 3: Julie works on an as needed basis and has provided a PAFS-700, Verification of Employment and Wages, which verifies her preceding calendar month income. Her work hours fluctuate from 15 hours to 35 hours on a regular basis. All periods would be considered in the calculation of work hours and income because the fluctuations are a normal part of her employment and are representative of the ongoing situation.

### 3. Determining Work Hours (Self-Employed)

Self-employment income is income derived from farming, small businesses, rental, roomers/boarders, selling plasma etc., where taxes are NOT withheld PRIOR to the individual receiving pay. When taxes are withheld prior to the individual receiving pay, the income is considered wages.

Countable self-employment hours are calculated by dividing the monthly profit (gross income minus allowed expenses) by the minimum wage. The result would be the number of hours worked in a month. The client's work hours are not rounded up when being considered for eligibility. See chart under Determining Work Hours (Employment) to verify meeting work requirements.

Monthly Income Multiplier Table

| <b>Pay Frequency</b> | <b>Multiplier</b> |
|----------------------|-------------------|
| Weekly               | 4 1/3             |
| Bi-Weekly            | 2 1/6             |
| Semi-Monthly         | 2                 |
| Monthly              | n/a               |

- E. [Clients that are enrolled part-time or full-time in a certified trade school or an accredited college or university.]

A provision has been made for part-time or full-time students who are NOT meeting the work requirement with employment. This allows them to meet

the eligibility requirement with their school enrollment. The student must be enrolled in a certified trade school or an accredited college or university for a minimum of six (6) credit hours per semester. See [MS 2515](#) regarding Education Activities.

In situations of a two-parent home when one parent is enrolled in school, the other parent would still have to meet eligibility requirements through:

1. Employment of at least 20 hours per week;
2. [Part-time or full-time education in a certified trade school or accredited college/university; ]
3. Participation in SNAP E&T; or
4. Initial Job Search (allowed once in a twelve-month period).

F. Clients that are participating in the SNAP Employment & Training Program

Clients can also meet CCAP eligibility with a SNAP E&T assessment or by participating in the program. SNAP E&T is a program that helps SNAP participants gain skills, training, or work experience to increase their ability to obtain regular employment that leads to economic self-sufficiency.

CCAP will follow a hierarchy in the order listed below when approving an individual or transitioning between one technical eligibility requirement to another.

1. Working required minimum number of hours.
2. Assessed or participating or has a good cause for not participating in SNAP E&T.
3. [Enrolled part-time or full-time in certain school types.]
4. In situations of a two-parent home when one parent is participating in SNAP E&T, the other parent would still have to meet eligibility requirements through:
  - a. Employment of at least 20 hours per week;
  - b. [Part-time or full-time education in a certified trade school or accredited college/university; ]
  - c. Participation in SNAP E&T; or
  - d. Initial Job Search (allowed once in a 12-month period).

G. Child Care Employee Exclusion

Child Care Employee Income Exclusion is a provision for individuals applying for CCAP that are employed in child care.

This "Protected Population" applying for CCAP, that meet all technical eligibility requirements and have verified paid employment of at least 20 hours per week in a CHFS Regulated (Licensed or Certified) child care program will be eligible to have ALL household income excluded for the CCAP application process.

The CCAP application process has not been modified, with the exception, that all household income is excluded, thus making CCAP eligibility available to those employed in child care that may have been previously denied due to income barriers.

Guidelines:

1. Verified paid employment of at least 20 hours per week must be with a CHFS Regulated (Licensed or Certified) child care provider.
2. All earned and unearned household income is excluded for this "Protected Population".
3. CCAP work requirements, SNAP E&T, and training/education, as well as all other technical eligibility requirements still apply for the household/responsible adults and parents.
4. The Child Care Employee Income Exclusion is not applicable for center owners/co-owners or contracted employees.
5. All existing mandatory verifications are still applicable and failure to provide these timely may result in denial/discontinuance.
6. Families receiving child care assistance under this provision will not have a family co-payment as their monthly income is assessed at zero.
7. Families would still be responsible for any overages assessed by the child care provider, if applicable.
8. This provision is not limited to new CCAP applicants. Employees with active CCAP eligibility that are currently being assessed a family co-payment are eligible as well for the child care employee income exclusion. The employee would need to contact DCBS to report a case change to have the exclusion added.

H. Clients that terminate their employment with the center:

If an approved employee terminates their employment with the provider, or their paid work hours drop below twenty (20) hours per week, the Child Care Employee Exclusion ends. The household income will no longer be excluded and the CCAP case will revert to normal CCAP rules.

MS 3045 WORK REQUIREMENT EXCEPTIONS (1)

[A recipient's CCAP eligibility may be maintained during a non-temporary cessation of employment or training. Child care assistance can remain active for up to three (3) calendar months or the last day of certification period, whichever comes first. Job search in change is utilized when a client with an approved CCAP case, reports a non-temporary change in which they are no longer meeting eligibility requirements via employment, or training. The up to three (3) month job search in change period is calculated from the 1<sup>st</sup> day of the following month from the activity end date.]

Teen parents who are attending elementary, middle, or high school or pursuing a GED are not required to work in the summer to receive child care assistance as long as they intend to return to school.

[Example: Maria and David are receiving CCAP for their sons, Michael and Steven. Maria reports that they have decided that David should be a "stay at home" dad. This is a non-temporary change as David does not intend to return to work. They will receive job search in change for up to three (3) calendar months or until the end of her certification period, whichever occurs first.]

If a recipient fails to make contact or becomes ineligible for services, the system will generate form DCC-105 Child Care Denial/Discontinuance Notice to the recipient and provider to reflect the case is being discontinued due to no eligibility.

[A non-temporary change will adversely impact a case after initial or recert approval, if the recipient is not compliant with work requirements by the end of the job search in change period.]

An increase in income following an initial or recert approval will not adversely affect eligibility unless the income is above 85% SMI.

MS 3050                      TECHNICALLY INELIGIBLE FAMILIES                      (1)

Families are not eligible for CCAP benefits if care is provided by:

- A. A natural or adoptive parent;
- B. A stepparent;
- C. A caretaker/relative or spouse;
- D. A legal guardian or spouse;
- E. A person living in the same residence as the child;
- F. A member of the KTAP or SNAP case in which the child is included;
- G. A provider who is not licensed, certified, or registered;
- H. Another child care provider if the family operates a child care business in its home; or
- I. An alternative program such as Head Start (unless participating in a wraparound program), public preschool or kindergarten.

[Parents that are employed in a CHFS regulated (licensed or certified) program CAN have their child/children attend at the same location, even if they are a primary caregiver in their child's room.

Center owners/Co-owners are eligible for CCAP benefits, but their children must attend another facility as they are the entity being reimbursed by DCBS.

Certified and Registered Relative Child Care Providers are not eligible for CCAP due to running a child care business out of their home.]

MS 3500

EXCLUDED INCOME

(1)

Excluded income is money received by the family but not considered in determining gross income. The following is a list of income, which is excluded:

- A. All earned income received by a child;
- B. Supplemental Security Income (SSI) for a child;
- C. KTAP child only payments, including back payments & two (2) month exclusion;
- D. Kinship Care payments, including back payments;
- E. Educational grants, loans, scholarships, and work study income;
- F. Kentucky Works supportive services payments;
- G. The value of United States Department of Agriculture food program benefits;
- H. SNAP;
- I. Payments made directly to a third (3rd) party such as a doctor, pharmacist, landlord, utility provider, etc. by another individual or organization on behalf of a family member for which no work was performed; or unless the money is legally obligated to the client such as court ordered child support;
- J. In-kind income;
- K. Transportation reimbursements for an employment related duty;
- L. Non-emergency medical transportation payments;
- M. Monies received from federal disaster and state disaster assistance;
- N. Home produce utilized for household consumption;
- O. Highway relocation assistance;
- P. Urban renewal assistance;
- Q. Housing subsidies received from state, federal, or local governments even if paid directly to the recipient. This does not apply to BAH payments as these payments are legally obligated to the household. BAH payments shown on the LES are countable income;
  - 1. BAH- Basic Allowance for Housing;
  - 2. LES- Leave and Earning Statement;

- R. Funds distributed to certain Indian tribes;
- S. Supportive services and reimbursements to individuals volunteering as Senior Health Aides or members of the Service Corps of Retired Executives or Active Corps of Executives;
- T. If less than the minimum wage, payments made to an individual in the Volunteers in Service to America (VISTA), Foster Grandparents, Retired and Senior Volunteer Program, or Senior Companion Program;
- U. Any payment made by the Division of Protection and Permanency for child foster care, foster care, or personal care assistance;
- V. LIHEAP and other energy assistance payments;
- W. The principal of a verified loan;
- X. Up to \$12,000 to Aleutians and up to \$20,000 to individuals of Japanese ancestry for payments made by the United States Government to compensate for hardships experienced during World War II. (All recipients of this income are provided with written verification by the U.S. Government.);
- Y. Payments made from the Agent Orange Settlement Fund (a one-time only payment);
- Z. Earned Income Tax Credit (EIC) payments;
- AA. Any payments received from the Radiation Exposure Compensation Trust Fund;
- BB. Payments made to individuals because of their status as victims of Nazi persecution;
- CC. Income received from temporary employment from the United States Department of Commerce, Bureau of the Census;
- DD. Payments made from Crime Victims Funds in accordance with Section 234 of the Antiterrorism and Effective Death Penalty Act of 1996;
- EE. Loan assistance through the Farm Service Agency (FSA EM) pursuant to Section 321(a) of the Consolidated Farm and Rural Development Act;
- FF. Section 401 of the Veterans Benefits and Health Care Improvement Act of 2000, Public Law 106-419, provided for certain benefits for individuals with covered birth defects who are the natural children of women veterans who served in Vietnam during the Vietnam era. There is no age limit for recipients of these benefits. These individuals receive the benefits until they die;
- GG. A discount or subsidy provided to Medicare beneficiaries pursuant to Section 1860D-31(g)(6) of the Social Security Act;

- HH. Cash grants under the Department of State or Department of Justice Reception and Placement Programs;
- II. Vocational rehabilitation reimbursements for an individual participating in Preparing Adults for Competitive Employment;
- JJ. Income which is received as a non-recurring lump sum payment. This would include income lottery winnings;
- KK. Income or earnings from a program funded under the Workforce Innovation and Opportunity Act (WIOA) such as Job Corp;
- LL. Vendor Payment – payments made DIRECTLY to a doctor, pharmacist, landlord, utility provider, etc. by another individual or organization. This includes Home Energy Assistance (HEA) from private and public organizations or individuals;
- MM. Payments from the Tobacco Settlement;
- NN. Cash grants provided by refugee assistance programs;
- OO. Reimbursement payments for an individual participating in the Vocational Rehabilitation Preparing Adults for Competitive Employment program;
- PP. Payments received from World War II Filipino Veterans Equity Compensation Fund;
- QQ. Discounts or subsidies provided to Medicare beneficiaries;
- RR. Michelle P. Waiver (Income is being received by the parent to care for their child.) These hours worked can be counted towards work employment/hours, but the income **is** excluded;
- SS. Interest and dividend income, unless derived from a corporate business;
- TT. Small nonrecurring cash gifts (e.g. Christmas, birthdays and graduation), or \$30 or less but not totaling more than \$30 per month for each member of the assistance group; or
- UU. Tuition, books, fees and supplies associated with veteran's education training, paid through the Department of Veterans Affairs Vocational Rehabilitation Program (Title 38 U.S.C. Chapter 31).

MS 3505

COUNTABLE INCOME

(1)

Countable income is any money received by any individual of a client's household which is not excluded and can reasonably be anticipated to continue. Countable income can be earned income from employment, tips, self-employment, contract or rental income. Countable income can be unearned income from child support, SSI for adult members only, RSDI, UIB, retirement and pensions, VA Compensation paid by the Department of Veterans Affairs Vocational Rehabilitation Program (Title 38 U.S.C. Chapter 31) or any other form of income for which no work is performed and which the household receives on a regular and ongoing basis. All countable income must be verified and documented at each application, recertification, and at any anticipated, known, reported, or suspected change in the individual's income.

If a recipient is receiving less money than they are entitled to due to an overpayment, the amount received is countable income.

**Michelle P. Waiver income would be counted if the income is received by a client working for a Michelle P. Waiver family.**

MS 3510 EARNED INCOME – TAXED WAGES (1)

Taxed wages are any income from full-time or part-time employment where the individual's portion of taxes is withheld by the employer prior to being paid to an individual. Tip income, odd job, occasional, seasonal, or contract employment is all included as taxed wages when taxes are withheld prior to receipt of the income.

Consider income derived from rental property as earned income for the earned income deduction only if a member of the household is actively engaged in the management of the property at least an average of twenty (20) hours per week. If the twenty (20) hours per week criteria is not met, the net income is considered unearned. Whether the income is considered earned or unearned, exclude the cost of doing business.

**S Corporation** – Any "wages" (in which taxes are withheld) that the household receives from the corporation are entered as earned income. Wages are most often reflected on the individual income tax return which includes: wages, salaries, tips, etc.

MS 3515

VERIFICATION OF TAXED WAGES

(1)

- A. Prior Two (2) Calendar Months Income - For an individual with the prior two (2) calendar months of unchanged work history with their current employer; verify actual gross income received by the individual for all pay periods in the last two (2) calendar month proceeding the month of application.
- B. Employer Anticipated Wages - For an individual with new employment or with less than one (1) month of unchanged work history obtain verification of the estimated work hours and rate of pay the employer expects the individual will be working. If information is returned by an individual which indicates a recent change in work hours or pay the worker may use employer anticipated amounts or some form of alternate calculation as detailed below.
- C. Alternate Verification - In many circumstance it may be necessary to use verification other than the preceding calendar month or the employer anticipated amounts to correctly anticipate an individual's representative income. Alternate forms of verification can include a current month, partial prior or some combination of these. Whenever an alternate source of verification is obtained and used it is required that case history comments be entered to explain the type of and reason for the alternate verification.
- D. Tip Income - Countable tip income is monies received in addition to wages for services performed by the employee. Countable tip income includes the allocated or tip credit reported by the employer for tax purposes which may appear on the paycheck stub.

Tip income may be verified by:

1. Using the individual's daily tip log of actual tips received. A tip log is any record kept by the individual of tips received each day that shows date of receipt and amount; or
2. Using the allocated tip or tip credit amount shown on the paycheck stub.

For new applications or new tip income when verification is not available, use the individual's statement of anticipated tips. When tip income is reported, advise the individual of his/her responsibility of maintaining a daily tip log or obtaining third party verification of tip income.

- E. Contract Income – Contract income is any taxed income for which the individual has a signed employment contract which has specific terms regarding the amount of pay that an individual will be paid over a specified period of time or for completion of specified tasks, duties or projects.

Contract income is verified by a copy of the individual's current employment contract.

- F. Ended Taxed Wages- if an individual reports a change of employment or the end of a job during the eligibility period the case would pend for loss of employment and new employment *if applicable*. **This would also apply at recertification.** If there is a job loss or reduction of hours the client would receive an up to (3) calendar month grace period due to the interruption in work.
- G. Acceptable Forms of Verification – All countable taxed wages are to be verified at each application, recertification, and at any known, anticipated, reported, or suspected change in income.

The following types of verification may be used to verify wages:

1. Copies of actual check stubs received;
2. PAFS-700 Verification of Employment and Wages signed and completed by Employer;
3. Written statement from the employer;
4. Employer printout of actual wages received;
5. Eligibility Advisor;
6. Collateral Contact;
7. Employment Contract;
8. Tip logs. (The individual's statement may only be accepted for initial application or at the beginning of new employment with tip income)

MS 3520

CALCULATION OF TAXED WAGES

(1)

- A. Using actual amounts received- The following procedures are to be used when calculating income using actual income amounts whether for the prior two (2) calendar months or for an alternate verification source.
1. Do NOT round cents before adding or multiplying hourly or daily earnings. Round all cents before adding or multiplying weekly, biweekly, semi-monthly, quarterly, or annual amount.
  2. Only income which is representative of ongoing income is to be included in the calculation.
  3. Determine the average amount of income received per pay period by totaling the income from all representative pay periods and dividing the total by the total number of pay periods.
  4. Determine average monthly income by multiplying the average amount received per pay period by the appropriate multiplier below. Round the monthly amount to the nearest dollar.

**Monthly Income Multiplier Table**

| <b>Pay Frequency</b> | <b>Multiplier</b> |
|----------------------|-------------------|
| Weekly               | 4 1/3             |
| Bi-Weekly            | 2 1/6             |
| Semi-Monthly         | 2                 |
| Monthly              | n/a               |

- B. Using employer anticipated income- If an individual has recently started a job, has not received two (2) calendar months of wages, or past wages are not reflective of current income, the monthly anticipated income is determined in the following manner.
1. Multiply the hourly rate of pay by the estimated number of hours to be worked in a pay period to determine the average income per pay period.
  2. Multiply the average income per pay period by the appropriate multiplier as identified in the Monthly Income Multiplier Table above.
- C. Calculating Tip Income - Calculate tip income in the following manner:
1. Use the same time period used in determining the monthly amount of earned income for determining tip income (e.g., if income is determined

by using the prior two (2) calendar months wages, then use the tip amounts from the prior two (2) calendar months shown on the daily tip log or use the allocated tip or tip credit amount shown on the paycheck stub).

2. If daily tip log is used, add the monthly tip income to the calculated monthly earned income for the total monthly wages.
3. If using an individual's statement of tips, determine the average amount of tips received per pay period and multiply that amount by the correct multiplier above.

D. Calculating Contract Income— Not every school employee is a contract employee. Refer to items a. or b. for treatment of income for school employees.

1. Annualize income which is governed by a verbal or written contract or payment agreement. This applies even if the income is received in less than twelve (12) months. Begin to annualize income when the first month payment is received.

Example 1: Contract stipulates \$10,000 for one (1) year. (This income is annualized. The system should count \$833 per month.)

Example 2: Contract stipulates \$10,000 for one (1) year and is based on an hourly rate. The employee's contract is based on the number of hours expected and the hourly wage agreed upon to determine the annual gross. The employee will not receive any more or less than the total gross not matter how many hours they work. It is a set, agreed upon amount and will not go up or down without another contract. (This income is also annualized. The system should count \$833 per month.)

2. Do not authorize income which is received on an hourly or piecework basis that is not governed by a written or verbal contract.

Example: Contract stipulates the recipient is to be paid an hourly amount with no annual limited established. (This income is not annualized, but is prorates over the period of time the income is intended to cover.

3. For contract wages, other than school employees, who are governed by a written contract or payment agreement, divide the income over the amount of time the contract stipulates.

Example 1: Contract stipulates the recipient is to be paid \$1,200 for six (6) months, beginning January 1<sup>st</sup> and ending June 30<sup>th</sup>. After six (6) months the contract ends and no additional wages will be received unless a new contract is signed. The wages would

be averaged for six (6) months beginning the first month the payment is received.

Example 2: Contract stipulates the recipient is to be paid \$36,000 for eighteen (18) months, beginning March 1<sup>st</sup> and ending August 31<sup>st</sup>. After eighteen (18) months the contract ends and no additional wages will be received unless a new contract is signed. The wages would be averaged for eighteen (18) months beginning the first month the payment is received.

MS 3525                      SPECIAL CONSIDERATIONS WITH TAXED WAGES                      (1)

- A. Exclude from wages identifiable reimbursement for transportation in performance of duties, if identifiable.
- B. DO NOT deduct garnishments on salary.
- C. Consider living allowances (stipends) paid by programs established under the National and Community Services Trust Act of 1993 (such as AmeriCorps) as earned income.
- D. Consider all VISTA payments paid through AmeriCorps that equal or exceed the minimum wage, as earned income; exclude all income less than minimum wage. To determine if the VISTA payment equals or exceeds the applicable minimum wage, send a written request to: State Director of ACTION, 600 Federal Place, Room 372-D, Louisville, Ky. 40202.

MS 3530

SELF-EMPLOYMENT

(1)

**NOTE:** Also, referenced MS 3045 work requirements for low-income working families.

An individual is considered to be self-employed when he/she is working in his/her own business, trade or profession, rather than working for an employer. Self-employment income is ANY income paid to an individual for products or services from which NO taxes are withheld PRIOR to receipt of income by the individual. If Social Security and income taxes are being withheld by an employer, the individual is not self-employed.

Self-employment income may be received annually, or monthly, or it may fluctuate, as in a seasonal self-employment activity.

The following are some common types of self-employment:

- A. Small business owners such as grocers, hobby shops, restaurants, etc.;
- B. Individuals who subcontract skills or labor to another person or entity who does not withhold taxes such as carpenters, painters, performers, etc.;

  - 1. These individuals may or may not receive a Form 1099 for tax filing purposes.
  - 2. Many subcontractors may work for another individual or company on an ongoing basis but if the employer does not withhold taxes the then the employee is self-employed. (See Example #1 Below);

- C. Individuals who receive income from farming such as tobacco farmers, some horse farms, and owners of small farms that are operated for profit;
- D. Individuals who receive income from rental property, boarders, or roomers;
- E. Individuals who perform odd jobs, seasonal work, or any activity for which they receive monetary compensation that is not taxed. This would include such activities as hobby activities from which an individual profits, selling plasma, selling aluminum cans or scrap metals, seasonal yard work, etc. (See Example 2)

Example 1: Jonah works for Smith & Johnson Home Builders as a carpenter. He has been working for the company for a period of 8 years. When Jonah returns his verification of income from the company they have indicated that they do not withhold taxes from Jonah's check. Jonah is self-employed and the verification from Smith and Johnson is insufficient. Jonah will need to provide verification of his income as outlined in MS 3535 Verifying of Self-Employment.

Example 2: In her spare time Martha works out of her home creating flower arrangements that she sells at a local flea market on weekends to get a little spending money. Martha has been doing this for a period of several years and has not filed taxes on it as she considers it a hobby. This is self-employment income. Martha will be required to provide verification of the income as outlined in MS 3535 Verification of Self-Employment.

- F. [S Corporation – Any “distributions” that the household receives from the corporation must be entered as self-employment earned income. Although entered as self-employment, this is not considered self-employment. No other expenses should be entered.]

Distributions are most often reflected on the individual income tax return line which includes: rental real estate, royalties, partnership, and S Corporations.

MS 3535 VERIFICATION OF SELF-EMPLOYMENT INCOME (1)

A. Established Self-Employment - The business records of the self-employment activity are the primary source of verification of self-employment income. Acceptable sources of verification include, but are not limited to:

1. Statements of an outside accountant;
2. Ledger books, records or receipts maintained by the applicant;
3. Information from the most recent IRS tax forms; or
4. PAFS-121, Irregular Work Form.

When using tax records to verify self-employment income and deductions it is important that DCBS staff gather information from the correct forms. Most self-employed individuals will have a Form 1040 Schedule C, C-EZ, E, or F. The type of form is based upon the nature of the self-employment. These forms are to be used to determine the income and deductions for the self-employment. DO NOT use figures from Form 1040 such as business or farm income or (loss) or adjusted gross income. It is possible for individuals to have more than one of these forms as one must be completed for each self-employment in which that individual is engaged.

B. New Self-Employment - If an applicant has just started a new business, the applicant's statement of gross income may be accepted as a last alternative **only** if no business or tax records are available. This statement shall **not** be accepted for operating expenses. If the DCBS staff accepts the applicant's signed, written statement of gross income, the reason the applicant has no business records must be documented. In addition, DCBS staff advises the applicant that at subsequent case changes and recertification it will be necessary to provide adequate business records to establish income in order to continue to receive services.

C. End of Self-Employment Income – Self-employment income may only be ended when an individual is no longer actively pursuing and does not anticipate any future income from self-employment. Reductions in income as a result of seasonal or market fluctuations do not constitute an end to the income unless the individual has no intent of pursuing further income from the self-employment. The individual's written statement may be accepted for the end of income unless there is a documented reason requiring additional information.

MS 3540                      CALCULATION OF SELF-EMPLOYMENT INCOME                      (1)

The amount of self-employment that is countable to an individual is the total amount of earnings before deductions, reduced by any verified allowable operational expenses, which are listed below. Self-employment income will be counted and verified for the period in which it was received. Reported allowable deductions must be verified. Failure to verify will result in CCAP denial/discontinuance.

Monthly hours = Gross income minus the verified allowable deductions divided by the Federal minimum wage.

Self-employment income remains countable as long as the individual is actively involved in or pursuing income from the self-employment, regardless of market and seasonal fluctuations.

**Example:** Jonah subcontracts as a carpenter with a home builder. He has provided his income taxes for the prior year which have been used to determine his income. During his eligibility period Jonah contacts the DCBS/Family Support staff to report a reduction in his income. The DCBS/Family Support staff determines that Jonah is still working as a carpenter and that his income is reduced currently due to weather conditions and because the builder has not had any work for him. Due to the fact that these are seasonal and market fluctuations with self-employment, no change would be made to the case.

A. Self-employment in operation for more than a year -

If the self-employment has been in operation for at least one year, the DCBS/Family Support staff will enter the verified gross income and verified allowable deductions for the last calendar year into the Worker Portal.

NOTE: Calculation method to determine self-employment hours still applies.

B. Self-employment in operation for less than a year -

If the self-employment has been in operation for less than a year the DCBS/Family Support staff will need to determine the number of months that the individual has been involved in the self-employment. After rounding, divide the gross income by the number of months the business has been in operation. Do round. This is the gross monthly income. After rounding, divide the verified allowable deductions by the number of months of operation. Do round. This is the monthly deductions for self-employment. Subtract the monthly deductions from monthly income. The difference is the countable, net income, or profit.

NOTE: Calculation method to determine self-employment hours still applies.

C. Operational Expenses -

Operational expenses are the cost of carrying on a trade or business. To be deductible, an operational expense must be connected with or pertaining to a trade business.

Depreciation, although allowed by the (IRS) as a deduction, is not allowable deductions for purposes of determining eligibility for subsidized child care.

A mileage deduction equivalent to the current business IRS mileage rate, accessed at: <https://www.irs.gov/newsroom/> or the mileage amount shown on the federal tax return, if the person uses his/her private vehicle in the performance of the self-employment site if other than where the client lives. If the mileage rate fluctuates, determine the average rate for the quarters in which transportation expenses are claimed.

D. Allowable Deductions - Non-Farm Business -

The following list indicates the non-farm business expenses allowed by the IRS which are deductible for determination of eligibility:

1. Advertising;
2. Car and truck expenses;
3. Commissions and fees;
4. Contract labor;
5. Employee benefit programs;
6. Insurance (other than health);
7. Interest (mortgage and/or other);
8. Legal and professional services;
9. Office expense;
10. Pension and profit-sharing plans;
11. Rent or lease of vehicles, machinery and equipment and other business property;
12. Repairs and maintenance;
13. Supplies;
14. Taxes and licenses;
15. Travel, meals and entertainment;
16. Utilities;
17. Wages (less employment credits);

18. Other expenses;
19. Expenses for business use of the applicant's home;
20. Depletions.

E. Allowable Deductions- Farm Income-

The following list indicates the farm expenses allowed by the IRS which are deductible for determination of eligibility:

1. Car and truck expenses;
2. Chemicals;
3. Conservation expenses;
4. Custom hire (machine work);
5. Benefit Programs;
6. Feed;
7. Fertilizer and lime;
8. Freight and trucking;
9. Gasoline, fuel and oil;
10. Insurance (other than health);
11. Interest (mortgage and/or other);
12. Labor hired (less employment credits);
13. Pension and profit-sharing plans;
14. Rent or lease expenses (vehicles, machinery, equipment and other land, animals, etc.);
15. Repairs and maintenance;
16. Seeds and plants;
17. Storage and warehousing;
18. Supplies;
19. Taxes;

20. Utilities;
21. Veterinary, breeding and medicine;
22. Other expenses (such as accounting/record keeping fees, attorney fees or advertising);
23. Depletions.

**[F. Verifying Self-Employment Deductions**

1. Self Employment Deductions must be verified by a current income tax return with a Schedule C or personal records showing income and copies of receipts for deductions being considered.
2. For CCAP, if an expense is reported and not verified by the RFI due date, the budget uses the after RFI due date calculation as this is not an optional RFI for CCAP and CCAP is denied.]



- P. Contributions made to the household from individuals not living with the family; and
- Q. Monies that are legally obligated and otherwise payable to the household, but which are diverted by the provider of the payment to a third party for household expenses are counted as income. The distinction is whether the person or organization making the payment on behalf of a household is using funds that otherwise are payable to the household. If an employer, or agency who owes these funds to a household diverts them instead to a third party to pay for a household expense, these payments are still counted as income to the household (e.g., garnishment on wages).

**NOTE:** Consider income derived from rental property as earned income for the earned income deduction only if a member of the household is actively engaged in the management of the property at least an average of twenty (20) hours per week. If the twenty (20) hours per week criteria is not met, **the net income is considered unearned**. Whether the income is considered earned or unearned, exclude the cost of doing business.

MS 3550 VERIFICATION OF UNEARNED INCOME (1)

Use the following types of documentation for unearned income:

- A. Award letters or verification forms from Social Security;
- B. Job service card;
- C. Company pension statement;
- D. Internal Revenue Service records;
- E. Veterans records;
- F. Railroad Retirement records;
- G. Support orders;
- H. Union records;
- I. IMS Program 39;
- J. Contract on sale of property;
- K. Bank statements;
- L. Statement or copy of checks from the non-custodial parent for support payments; or
- M. Statement from the person or entity providing income to the client.



MS 3560 CHILD SUPPORT AND/OR SPOUSAL SUPPORT (1)

Count child support or spousal support payments made directly to the household by non-household members or by the Division of Child Support (DCS) as income.

Child and/or spousal support income is the amount of legally established or voluntary child/spousal support regularly received by the family. Voluntary payments are those amounts made by a legal, alleged, or adjudicated parent when there is no court order for support. Any amount of a military allotment designated as child/spousal support is considered as child/spousal support.

Child support income is considered in the child care assistance case and attributed to the child as income.

A. Verifying Child Support Income - The following may be used to verify child support income.

1. Child Support Enforcement (CSE) External Search;
2. A printout from the entity which issues the payments;
3. A written statement - Verification from the non-custodial parent of the child support is paid voluntarily;
4. Collateral contact with the person or entity from whom the payments are received. Contact information for the person or entity must be documented in case comments; or
5. A client-provided ReliaCard statement.

If an individual cannot obtain verification of child support income due to an uncooperative non-custodial parent or an unreasonable cost associated with obtaining the verification, the individual's statement may be accepted upon first being reported. Check stubs, bank statements, the Worker Portal, or other documentary evidence can be used to support the client's statement in this instance but cannot be used as primary verification. For any subsequent actions the individual must maintain a record, log, and any other available documentary evidence as verification.

**NOTE:** Comments must be entered to document the reason for accepting the individual's statement and that the individual has been informed of the requirement to maintain a record for future case actions.

B. Calculating Child Support -To calculate the monthly amount of child support:

1. If representative of the ongoing amount of child support; manually calculate the total amount of child support for the three (3) prior months, **round** the amount and then enter it for the child or children it is intended. **THE SYSTEM WILL NOT ROUND THESE AMOUNTS AND IT MUST BE COMPLETED MANUALLY.**

Example: In the prior three (3) months the non-custodial parent paid the following amounts. Prior month 1 - \$100, Prior month 2 - \$0.00, Prior month 3 - \$200. The income from all three (3) months would be totaled to \$300 and divided by three (3) months for an average monthly income of \$100 of countable income.

2. If not representative, (e.g., received less than three (3) months, reduction in amount paid; etc.); use the monthly amount that best represents the ongoing child support income. For Child Support income which is received on a weekly, bi-weekly, or semi-monthly basis convert the income to a monthly amount by multiplying the amount received in the representative periods by the correct multiplier as shown in the table below.

**Monthly Income Multiplier Table**

| Pay Frequency | Multiplier |
|---------------|------------|
| Weekly        | 4 1/3      |
| Bi-Weekly     | 2 1/6      |
| Semi-Monthly  | 2          |
| Monthly       | n/a        |

### C. Ending Child Support

1. Court Ordered Support: Regularly Received– Child support which is court ordered and is received on a regular basis can be ended when verification has been provided which shows:
  - a. Change in court order;
  - b. Incarceration of the Non-Custodial Parent (NCP);
  - c. Death of NCP;
  - d. Other circumstance which shows the NCP will no longer be able to make payments;
  - e. That no payments have been received in the prior three (3) months; or
  - f. That the payments have ceased and no new payments have been issued to the client.
2. Court Ordered Support: Irregularly Received - Child support which is court ordered and received on an irregular basis can only be ended when verification has been received that no new payments will be issued due to a:

- a. Change in court order;
  - b. Incarceration of the Non-Custodial Parent (NCP);
  - c. Death of NCP;
  - d. Other circumstance which shows the NCP will no longer be able to make payments; or
  - e. When no payments have been received in the prior three (3) months.
3. Voluntary Support: Support which is paid directly to the recipient by the NCP can be ended when:
- a. A written statement from the NCP has been received that they will no longer be making payments;
  - b. Incarceration of the NCP;
  - c. Death of NCP; or
  - d. Other circumstance which shows the NCP will no longer be able to make payments.

MS 3565

CHILD SUPPORT DEDUCTION

(1)

Prior to comparing the family's gross income to the allowed scale for size and type deductions are allowed for actual legally obligated child support payments paid by the head of household or responsible adult to a child living outside the home. The amount of the monthly deduction is determined in the same manner as when calculating the monthly amount of child support. See MS 3560 Child Support and/or Spousal Support.

**NOTE:** The total deduction **may not** exceed the amount that the individual is legally obligated to pay, regardless of the amount actually paid. **Arrearage payments are not considered as deductions in the CCAP case.**

MS 3570                      DETERMINING FAMILY SIZE FOR INCOME ELIGIBILITY                      (1)

**[For the purpose of determining eligibility for child care, a family consists of the head of household, the second responsible adult if present, and any children under age nineteen (19) and living in the home that the HOH and/or RA are responsible for the care of. This would not include children that belong to other adults in the home or adults with no established relationship to children applying for CCAP.]**

Example 1: Household consists of Susie, Jed, her boyfriend, and Susie's two (2) children, ages three (3) and six (6). Susie needs child care for her children. Susie is the head of household. Family size is three (3) and consists of Susie and her two (2) children. Susie's income is counted.

Example 2: Household consists of Mary, her husband, Tim, and their two (2) children, ages three (3) and six (6). Mary and Tim need child care for the three (3) year old. Mary is the head of household. Tim is the responsible adult. Family size is four (4) and consists of Mary, Tim, and their two (2) children. Mary and Tim's income is counted.

Example 3: Household consists of Cindy, Cindy's mom, Hilda, and Cindy's two (2) children, ages three (3) and six (6). Cindy needs child care for her children. Cindy is the head of household. Family size is three (3) and consists of Cindy and her two (2) children. Cindy's income is counted.

Example 4: Household consists of Jenny, sixteen (16), Connie (Jenny's aunt), Sam (Connie's husband), Otto (Jenny's cousin) and Drew, Jenny's baby. Jenny is a teen parent and needs child care for her baby. Jenny is the head of household. Family size is two (2) and consists of Jenny and Drew. Jenny's income is counted.

Example 5: Household consists of Mimi, her husband Sam, Tootie, their sixteen (16) year old daughter, and their three (3) month old nephew, Jason. Mimi needs child care for Jason. Mimi is head of household. Sam is the responsible adult. Household size is four (4) and consists of Mimi, Sam, Tootie and Jason. Mimi and Sam's income is counted.

MS 3580

CHILD CARE RESOURCE LIMITS

(1)

To remain eligible for child care, resources must remain less than 1 million dollars. The CCAP resource limit is not applicable for CCPE/CCPO cases.

**[Resources are assets which can be used, to meet basic needs of food, clothing, and shelter, including liquid assets, property, vehicles, etc.]**

MS 4000 ELIGIBLE PROVIDERS (1)

[Families must select a CCAP eligible child care provider. Protection and Permanency (P & P) referral recipients are not eligible to use a registered relative child care provider and must select either a licensed or certified program.]

To receive payment from the Child Care Assistance Program (CCAP) a provider must be a:

- A. Licensed Provider - Child care facility with a current license issued by the Office of the Inspector General (OIG), Division of Regulated Child Care (DRCC);
- B. Certified Provider - Family child care home provider certified by OIG, DRCC, to care for up to six (6) unrelated children;
- C. Registered Relative Child Care Provider – A relative of the child/ren needing care that is approved and registered by the Division of Child Care (DCC). Enrollments with Registered Relative Child Care Providers can only be approved by DCC staff.

NOTE: Parents who choose a Registered Relative Child Care Provider should be given contact information for the Division of Child Care.

The DCC staff can mail/email a Registered Relative Child Care Provider application packet to the prospective provider to complete and return.

MS 4005                      DETERMINING NEED FOR CHILD CARE                      (1)

In order to qualify for child care services, the family must need child care for one (1) or more of the following reasons:

- A. To maintain employment;
- B. To support child protective services;
- C. To attend school if a teen parent;
- D. To attend activities as required participation in Kentucky Works.
- E. To participate in the SNAP Employment and Training Program/SNAP E&T.
- F. [To attend school if enrolled at least 6 credit hours per semester and are pursuing a secondary education in a certified trade school, college, or university.]

For families who are approved for child care due to employment, services may be provided to cover time spent in both part-time and full-time education activities.

Child care must accommodate the work and school schedule of the adults and allow for commuting time. Additionally, there may be circumstances that keep the child in care for more hours than usual, such as a child suspended from school, school closed for damages, and snow days.

If a parent works full-time during the third shift (defined as the hours from 11:00 p.m. to 7:00 a.m.), care may be authorized during daytime hours to sleep if all other income and eligibility requirements are met.

For cases approved by the Division of Child Care, information provided on form DCC-85, Approval for Child Care Assistance (P&P only), is used to determine the hours and days of the week care is needed.

MS 4010 SCHEDULE OPTIONS (1)

- A. Full-Day Care: is defined as 5 or more hours per day.
- B. Part-Day Care: is defined as less than 5 hours per day.
- C. School Schedule: for a child that is enrolled in school. Automatically adjusts to cover the child with the provider for part-days when school is in session and full-days when school is not in session.
- D. Flex Schedule: typically used when a child attends a center that is open 7 days a week or the parent has an irregular work schedule.

Example: The parent always works 4 days per week, but the days are different each week.

Full day care is defined as 5 or more hours per day. Part day care is defined as less than 5 hours per day.

[Payments to all providers are made based on the child's daily attendance, unless otherwise noted.]

**IMPORTANT:** Family Support Staff should thoroughly question the client during the initial interview regarding their work schedule and needs for child care to ensure the proper schedule is selected. The selected child care provider and needed schedule must be noted in case comments. This information will then be used to complete the enrollment. If the client has not selected a provider at the initial interview, this should be noted as well.

Child care services will be paid according to the parent's schedule. The parent may select services from a licensed, certified, or registered provider.

[There is a "Non-Traditional Hours" box, that when checked, pays the provider an extra \$10 per day for that enrollment. If the child is attending during "Non-Traditional Hours", and the box has not been checked, the provider is not receiving the correct amount owed and if checked incorrectly, we are overpaying the provider. Case comments need to clearly reflect the need for "Non-Traditional Hours", so the box can be checked when the enrollment is completed.]

When an individual who is only eligible for part day care requests full day care, it is to be given and the reason documented in the comments. The same applies for additional days per week.

**Children that are homeschooled:** The Federal Funding for CCAP cannot be used to pay for full day child care services for school-age children when full day public school is available. Children that are homeschooled should be placed on a traditional "school schedule". The parent would be responsible for the overages if they choose to send their child full days when schools in their area are in session.



MS 4020 CHILD CARE CERTIFICATE TO ACCESS CHILD CARE SERVICES (1)

Families who are determined eligible for child care services are provided with form DCC-94.1, Child Care Approval Notice, as proof of eligibility. This is used by the client to access child care services from a child care provider. Families approved by Protection & Permanency staff are provided a copy of form DCC-85, Approval for Child Care Assistance, to access child care services.

- A. Families must report the name of their child care provider within 30 days of the child's start date with the provider. A CCAP case will not be discontinued if a provider is not selected, unless the DCBS staff gets returned mail. The case can then be discontinued due to failure to locate.
- B. When the family has chosen an approved provider, the DCBS staff will enter enrollment information on the Worker Portal and generate form DCC-94, Child Care Service Agreement and Certificate. This service agreement confirms enrollment, rates, children cared for, schedules, and family co-payments. Payment cannot be authorized to a provider without their representative signing and returning the service agreement to DCBS staff. Form DCC-94 must be signed by the client and the child care provider. Electronic signatures are acceptable.
- C. Form DCC-94 has a 10-calendar day due date. If form DCC-94 is not returned within 20 calendar days of the enrollment start date, the enrollment will be denied in Worker Portal and the provider will not receive payment.
  1. Untimely Certificates- If form DCC-94 is received untimely and after the enrollment has been denied, the enrollment should be put back on with a new start date that corresponds with the date the certificate was received.
  2. [Incomplete Certificates- If a worker receives a partial DCC-94 or it's missing both signatures (client and provider), it should be marked "incomplete". This will not deny the enrollment but will send a notice to the client and the provider informing them that further action is needed.]

CCPO/CCPE cases are exceptions to this policy: Enrollments on a CCPO/CCPE case should be put back on with the original start date.

MS 4025

CONSUMER EDUCATION

(1)

Among the goals of the Child Care Development Fund (CCDF) is to encourage states to provide consumer education information to help parents make informed choices about child care.

[Developmental screenings are used to take a closer look at a child's growth and developmental skills. Families can reach out to "Help Me Grow Kentucky", which is a free, confidential call center for families, health providers and community service providers offering developmental screening and connections to local services and learning activities.

Help Me Grow Kentucky can be used to quickly check the child's development and identify the child's strengths as well as areas in which the child may need support. Access this website at [Helpmegrowky.com](http://Helpmegrowky.com).

To contact Help Me Grow Kentucky call center staff, call 877-616-7388.

As part of the CCAP Application, the parent receives the **Division of Child Care Consumer Education Statement** that informs parents about:

- A. Choosing quality child care and provider types;
- B. Developmental Screenings; ]
- C. Rights for children in child-care programs and their parents, custodians, or guardians - Posting and distribution requirements;
- D. The availability of the Public Child Care Provider Search:  
<https://Kynect.Ky.Gov>.

MS 4500                                      REQUIRED ACTION ON CHANGES                                      (1)

Clients are still required to report changes. We want to look more toward stability of the placement of the child. We want to try to ensure once a child is placed in care that the care is available without interruption.

NOTE FOR CO-PAYMENT CHANGES: Co-payments do not increase during the initial eligibility year. However, a co-payment may be decreased due to changes reported by the client.

When a change report is received, the DCBS staff is responsible for:

- A. Requesting information needed to document a reported change on form DCC-102 We Need Information for CCAP (RFI);
- B. Issuing form DCC-94 Child Care Service Agreement and Certificate confirming when benefits increase or decrease, and co-payments decrease;
- C. Issuing form DCC-105 Child Care Denial/Discontinuance Notice; and
- D. Proving all necessary provider documents and notices.

[A non-temporary change may adversely impact a case after initial application or at recertification if the client is not compliant with CCAP eligibility requirements by the end of the job search in change period. An increase in income following an initial or recertification approval will not adversely affect eligibility unless the income is above 85% SMI.]

MS 4505                                      CHANGES IN ELIGIBILITY FACTORS                                      (1)

[A. The following changes must be reported no later than 10 days after the change occurs:

1. Non-temporary loss or ending of eligible activity;
2. Monthly income that exceeds 85% State Median Income (SMI) for their appropriate household size;
3. Change in household size;
4. Change in marital status;
5. Change in mailing address or residency; or
6. Changes in child care providers and/or changes in the scheduled hours care is needed.

B. CCAP households have the right to voluntarily report other changes that may increase benefits or reduce the family co-payment.

These changes may include:

1. Change in employer;
2. Increase or decrease in number of work hours;
3. Decrease in the rate of pay; or
4. Decrease in unearned income;

C. A non-temporary change will adversely impact a case after initial application or at recertification if the client is not compliant with CCAP eligibility requirements by the end of the job search period. An increase in income following an initial or recertification approval will not adversely affect eligibility unless the income is above 85% SMI.]

MS 4510            KNOWN CHANGES WITHIN AN ELIGIBILITY PERIOD            (1)

A. Changes are automatically identified for cases in which the age of the recipient impacts eligibility. These include:

1. A child's thirteenth (13th) birthday when special needs are not present;
2. A child's nineteenth (19th) birthday when special needs are present; or
3. A teen parent's twentieth (20th) birthday.

NOTE: A twelve (12) year old child turning thirteen (13) and an eighteen (18) year old child turning nineteen (19) will continue to receive child care assistance during the approved 12-month eligibility period. If the application is approved for benefits, the determination is valid for twelve (12) months. The 12-month period begins on the date of application and is valid until twelve (12) months later.

B. Many times, there are future known or anticipated changes to the recipient's circumstances that impact eligibility.

Depending on the circumstances, DCBS/Family Support Staff should instruct the recipient of their responsibility to report changes within ten (10) calendar days of them occurring.

Example 1: Recipient reports at recertification interview in May that she will not be attending summer school classes and won't need child care services for the time spent at school. She will continue to work for her current employer. She does plan to return to school in the fall and will need care for her children while she attends evening classes. The next term starts September 20. It would be the recipient's responsibility to report the changes within ten (10) days of them occurring.

Example 2: [Recipient reports at interview that they have a 6-month probation at work with an anticipated raise date of October 30, that will put her over the 85% SMI. DCBS/Family Support Staff should instruct the recipient of their responsibility to report changes within ten (10) calendar days of them occurring.]

C. Provider Changes

The DCBS/Family Support staff acts on a recipient's request to change a provider.

Payment of services is made only to the provider providing care of child. Form DCC-94C, Provider Notification Letter, is issued to the new provider.

The recipient is notified to choose a new provider within ten (10) calendar days.

NOTE: Provider discontinuations must be dated eleven (11) or more calendar days out, as it is required providers receive a notification ten (10) calendar days before discontinuance.

EXCEPTIONS - Ten (10) days notification for a provider change not required:

1. Provider Closure;
2. Provider License/Certificate is expired;
3. Child abuse;
4. Provider will not let child return; and
5. Worker error.

[It is permissible for health & safety reasons, to immediately start a new enrollment (if needed), using multiple providers. The only discontinuance effective immediately is for provider closures.]

#### D. Provider Closures

When services to a provider cease due to the provider's failure to meet regulatory requirements, notice is sent to the provider. For licensed and certified providers, denial, revocation, and suspension notices are generated by the Division of Regulated Child Care (DRCC). For a registered relative child care provider who is closed or revoked, DCC staff generates form DCC-108, Notice of Adverse Action for Child Care Providers and Early Care and Education Professionals. The notice is sent by DCC staff to recipients of CCAP advising that a different provider must be chosen. Form DCC-111, Parent Notice of Need to Change Child Care Providers, is used for this purpose.

[In the event of closure of a licensed or certified provider caring for children receiving preventive or protective child care assistance, DCC will provide a list of names of children currently enrolled with the provider under those eligibilities to the Division of Protection and Permanency (DPP).]

MS 4515                      TIME FRAMES FOR PROCESSING CHANGES                      (1)

Changes must be reported within ten (10) calendar days of when the change is known by the recipient. Recipients receiving child care assistance must be given 10-calendar day notice prior to a negative action being taken by DCBS staff. Form DCC-105, Child Care Denial/Discontinuance Notice, is used to notify the recipient of the change and effective date of reduced or discontinued benefits. Failure to report a change timely could result in not receiving benefits or erroneous benefits being issued and a subsequent overpayment and possible referral for fraud investigation.

NOTE: The administratively feasible date for discontinuations is ten (10) days before the end of the month.

Workers enter a reported change the day it is reported and send form DCC-102, We Need Information for CCAP (RFI), and required forms to the recipient requesting verification of the change. Recipients are given ten (10) days from the date form DCC-102 is sent to provide the verification.

[A non-temporary change will adversely impact a case after initial application if the client is not compliant with CCAP eligibility requirements by the end of the up to 3 (three) month "job search in change" period. An increase in income following an initial or recertification approval will not adversely affect eligibility unless the income is above 85% SMI.]

MS 4520

EFFECTIVE DATES

(1)

The effective date of a change to an active case is dependent on whether it impacts the recipient positively or negatively.

A. Positive Action to a Case

1. For changes that result in a positive action to the case, such as a decrease in co-payment or adding a child, the effective date is the next day.
2. If adding a new member, this will be the date of the change reported to add the new member if all technical and financial eligibility factors are met.
3. For other changes that decrease the co-payment the effective date of the change is the date the change was reported by the recipient if all requested documentation of the change is provided.

Example: A recipient reports on June 19 that the adult will no longer receive alimony payments and provides a letter from the ex-spouse stating payments stopped in May due to a revised court order. Action is taken by the worker on June 25 to remove this income from the case which results in a reduction in the required co-payment. The revised service agreement will indicate a start date of June 26 for the reduced co-payment amount.

Example: A mother and her two (2) children have an active child care assistance case based on her low-income employment. On June 25, the DCBS staff receives a DCC-85 Approval for Child Care Assistance, due to protection needs of one (1) of the children and waiving the copayment. The DCC-85 indicates a start date of May 15. Payment for the month of May has already been made. The revised service agreement will indicate a start date of June 26 for the waived copayment.

B. Negative Action to a Case

Changes reported during the recertification process, the effective day is the first day of the new eligibility period. This date is the interview date if the changes are positive or there are no changes to the case. If there are negative changes to be made, a DCC-105 is sent to the recipient to allow for a ten (10) day notice prior to benefits being decreased. The changes are effective after the ten (10) calendar day notice to the recipient or the first day of the new eligibility period if there is less than ten (10) calendar days left in the current eligibility period.

If the day falls on a weekend or holiday, the next business day is considered the last day prior to action being taken or information provided.

Changes that increase the co-pay after recertification will follow the same logic as at application. It can be reduced, not increased. These changes still need to be reported to the worker.

Case notes are required to indicate any action taken to effect a change in eligibility, need for care, co-payments, or providers. Changes that increase benefits to the recipient, such as the addition of a child or changes that decrease a co-payment obligation, require verification. The DCC-102 We Need Information for CCAP (RFI) is used to request needed information from the recipient.

Reported changes require verification regardless of the impact of the case. A DCC-105 Child Care Denial/Discontinuance Notice is sent to the recipient and provider.



MS 4530                      REQUIRED ACTIONS ON RECERTIFICATION                      (1)

At recertification all eligibility factors are reviewed and updated as needed. Any changes in the recipient's situation are verified and considered.

All sources and amounts of income and deductions must be verified at recertification.

Forms required at recertification are:

- A. DCC-90, Application for Subsidized Child Care Assistance; and
- B. [DCC-94, Notice of Change/Child Care Service Agreement & Certificate, – this is an updated copy of form DCC-94 that verifies continued enrollment and does not require signatures.]

Cases approved by DCBS staff are assigned an eligibility period of twelve (12) months.

MS 5000

CO-PAYMENTS

(1)

[Family co-payments are determined by the amount of countable income in the household and household size. They are paid directly to the child care provider.

Family co-payments are waived for all Protection & Permanency child care referrals]

MS 5005

COURT ORDERS

(1)

If a court orders a parent to pay a portion of the child's child care expenses, that copayment amount shall be made in lieu of the family co-payment. The amount of the court ordered co-payment shall be indicated on the DCC-85 Approval for Child Care Assistance.

MS 5010

CO-PAYMENT OVERRIDE

(1)

Co-pay overrides should only be completed to accommodate a court-ordered co-pay amount.

MS 5015

CO-PAYMENT CHART

(1)

[Chart is effective 10/1/24. The Family Co-Payment is a per/day amount.]

| Gross Income Range |            | HH of 2 | HH of 3 | HH of 4 | HH of 5 | HH of 6 | HH of 7 | HH of 8 |
|--------------------|------------|---------|---------|---------|---------|---------|---------|---------|
| 0                  | 1599.99    | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     |
| 1,600              | 1,899.99   | \$4     | \$3     | \$2     | \$1     | \$0     | \$0     | \$0     |
| 1,900              | 2,199.99   | \$5     | \$4     | \$3     | \$2     | \$1     | \$0     | \$0     |
| 2,200              | 2,499.99   | \$6     | \$5     | \$4     | \$3     | \$2     | \$1     | \$0     |
| 2,500              | 2,799.99   | \$7     | \$6     | \$5     | \$4     | \$3     | \$2     | \$1     |
| 2,800              | 3,099.99   | \$8     | \$7     | \$6     | \$5     | \$4     | \$3     | \$2     |
| 3,100              | 3,399.99   | \$9     | \$8     | \$7     | \$6     | \$5     | \$4     | \$3     |
| 3,400              | 3,699.99   | \$10    | \$9     | \$8     | \$7     | \$6     | \$5     | \$4     |
| 3,700              | 3,999.99   | \$11    | \$10    | \$9     | \$8     | \$7     | \$6     | \$5     |
| 4,000              | 4,299.99   | \$12    | \$11    | \$10    | \$9     | \$8     | \$7     | \$6     |
| 4,300              | 4,599.99   | \$13    | \$12    | \$11    | \$10    | \$9     | \$8     | \$7     |
| 4,600              | 4,899.99   | \$14    | \$13    | \$12    | \$11    | \$10    | \$9     | \$8     |
| 4,900              | 5,199.99   | \$15    | \$14    | \$13    | \$12    | \$11    | \$10    | \$9     |
| 5,200              | 5,499.99   | \$16    | \$15    | \$14    | \$13    | \$12    | \$11    | \$10    |
| 5,500              | 5,799.99   | \$17    | \$16    | \$15    | \$14    | \$13    | \$12    | \$11    |
| 5,800              | 6,099.99   | \$18    | \$17    | \$16    | \$15    | \$14    | \$13    | \$12    |
| 6,100              | 6,399.99   | \$19    | \$18    | \$17    | \$16    | \$15    | \$14    | \$13    |
| 6,400              | 6,699.99   | \$20    | \$19    | \$18    | \$17    | \$16    | \$15    | \$14    |
| 6,700              | 6,999.99   | \$21    | \$20    | \$19    | \$18    | \$17    | \$16    | \$15    |
| 7,000              | 7,299.99   | \$22    | \$21    | \$20    | \$19    | \$18    | \$17    | \$16    |
| 7,300              | 7,599.99   | \$23    | \$22    | \$21    | \$20    | \$19    | \$18    | \$17    |
| 7,600              | 7,899.99   | \$24    | \$23    | \$22    | \$21    | \$20    | \$19    | \$18    |
| 7,900              | 8199.99    | \$25    | \$24    | \$23    | \$22    | \$21    | \$20    | \$19    |
| 8,200              | 8499.99    | \$26    | \$25    | \$24    | \$23    | \$22    | \$21    | \$20    |
| 8,500              | 8799.99    | \$27    | \$26    | \$25    | \$24    | \$23    | \$22    | \$21    |
| 8,800              | 9,099.99   | \$28    | \$27    | \$26    | \$25    | \$24    | \$23    | \$22    |
| 9,100              | 9399.99    | \$29    | \$28    | \$27    | \$26    | \$25    | \$24    | \$23    |
| 9,400              | 9699.99    | \$30    | \$29    | \$28    | \$27    | \$26    | \$25    | \$24    |
| 9,700              | 9999.99    | \$31    | \$30    | \$29    | \$28    | \$27    | \$26    | \$25    |
| 10,000             | >10,299.99 | \$32    | \$31    | \$30    | \$29    | \$28    | \$27    | \$26]   |

MS 5020

CO-PAYMENT INCREASES

(1)

During the initial twelve (12) calendar month eligibility period, a change in circumstances will not increase the co-payment. Co-payment can increase at recertification, but after the recertification, it will follow the same logic as at application. It can be reduced, but not increased.

MS 5500 STATUTORY RIGHTS – FAMILY RIGHTS & RESPONSIBILITIES (1)

All children receiving child care services in a licensed, certified, or registered provider setting have the right to be cared for in an environment free of any form of abuse and cared for by adults who meet health, safety, and developmental needs.

The parents, custodians, or guardians of children in care have the right to:

- A. Always gain access to their children at all times in which the child is in care as well as access to the provider caring for their children during normal hours of provider operation and whenever the children are in the care of the provider.
- B. Access information about child care regulatory standards; if applicable, where to direct questions about regulatory standards, and how to file a complaint.
- C. File a complaint against a child care provider without any retribution.
- D. Obtain information from the Cabinet regarding any type of licensure denial, or revocation of an operator, and Cabinet reports that have found abuse or neglect by any child care provider or any employee of a child care provider. Identifying information regarding children and their families shall remain confidential.
- E. Obtain information from the Cabinet regarding the inspections and plans of corrections of the day-care center, the family child-care home, or registered provider.
- F. Review and discuss with the provider any state reports and deficiencies revealed by such reports.
- G. Know about complaints, civil penalties, and licensure compliance issues.

MS 5505 PARENT RIGHTS IN THE CHILD CARE ASSISTANCE PROGRAM (1)

Unless an alternative program such as Head Start, public state pre-school or kindergarten is available and accessible during the time the parent needs child care services, a parent is given the opportunity to choose a provider once the case is approved.

Form DCC-94.1, Child Care Approval Notice, is sent on all approved applications. The parent is instructed to use form DCC-94.1 as proof of eligibility for child care assistance to access child care services. Families approved by DCBS/Protection & Permanency staff are provided a copy of form DCC-85, Approval for Child Care Assistance, to access services.

Parents have ten (10) calendar days advance notice of proposed action if a change in the family's circumstances indicates the child care benefit will be discontinued. Notice is provided on form DCC-105, Child Care Denial/Discontinuance Notice. Form DCC- 105 will be sent ten (10) calendar days prior to an action.

An increase in income following an initial or recert approval will not adversely affect eligibility unless the income is above 85% SMI.

Parents have the right to informal resolution of a complaint or to file a service appeal if they are dissatisfied with any action or inaction taken in their child care case

MS 5510

PARENT RESPONSIBILITIES

(1)

The parent/guardian must sign the DCC-94, Child Care Service Agreement and Certificate, and return to DCBS within ten (10) days. If the parent/guardian fails to sign and return the DCC-94 timely, the child's enrollment with the selected provider will be denied.

**NOTE: the certificate also requires the signature of the child care provider.**

Any family receiving child care assistance must cooperate with all Cabinet case reviews, including Quality Control (QC). Failure to cooperate with any review will cause the household to be disqualified from further participation in the program, until the household cooperates and provides all necessary information.

MS 5515                      RESPONSIBILITY TO REPORT CHANGES                      (1)

[Parents are required to report certain changes in to the Cabinet within ten (10) calendar days of the day the change is known. Failure to report these changes may result in an overpayment and/or a referral for fraud investigation and possible court action.

A. Changes that must be reported include:

1. Non-temporary loss or ending of eligible activity;
2. Monthly income that exceeds 85% State Median Income (SMI) for their appropriate household size;
3. Change in household size;
4. Change in marital status;
5. Change in mailing address or residency; or
6. Changes in child care providers and/or changes in the scheduled hours care is needed.]

A temporary change will adversely impact a case after initial or recert approval if the client is not compliant with work requirements by the end of the grace period.

An increase in income following an initial or recert approval will not adversely affect eligibility unless the income is above 85% SMI.

[NOTE: All provider discontinuations must be dated eleven (11) calendar or more, as it is required that providers receive a notification ten (10) calendar days before discontinuance. It is permissible for health & safety reasons, to immediately start a new enrollment (if needed), using multiple providers. The only discontinuance effective immediately is for provider closures.]

B. The DCBS/Family Support staff is responsible for:

1. Processing the change;
2. Issuing form DCC-105, Child Care Denial/Discontinuance Notice, confirming the reported change, household circumstances, and if benefits will change;
3. Providing all necessary provider documents and notices. Failure on the part of the parent to provide requested information will result in the issuance of form DCC-105 and possible discontinuance of child care assistance.

NOTE: The administratively feasible date for discontinuations is ten (10) calendar days before the end of the month.

MS 6000                                      PREVENTING IMPROPER PAYMENTS                                      (1)

DCBS/Family Support staff is to take the following steps to prevent and deter improper payments:

1. Thoroughly question the client on all aspects of eligibility;
2. Verify statements by examining documents the applicant provides or by obtaining information from appropriate third party sources;
3. Clarify inconsistencies;
4. Make sure applications are signed, accurately dated, and maintained in the ECF/ Electronic Case File;
5. Verify information reported matches the Worker Portal; and
6. Inform client of the responsibility to provide correct and complete information, including reporting changes correctly and timely;
7. Make sure that case comments list the details of the client's provider selection, start date and requested schedule to ensure the child's enrollment is correct.

MS 6005 IDENTIFYING AN IMPROPER PAYMENT (1)

A. Improper payments may be identified by:

1. "Hotline" referrals from the Office of Inspector General (OIG);
2. Case review;
3. Reported case changes;
4. Thorough interviews;
5. Other various sources.

B. An improper payment can result in:

1. An overpayment, where a claim is established for the purpose of collecting erroneous benefits; or
2. A neutral effect with no error in payment.

Upon discovery of an improper payment, immediately correct the case to ensure accurate ongoing benefits are issued.

MS 6010

OVERPAYMENT

(1)

A claim is established to collect the amount that was overpaid.

A. DCBS/Family Support staff is responsible for the following actions related to a claim for a recipient:

1. Identify, verify and compute;
2. Contact the household to determine the reason for the claim to explain how the claim will be calculated, and to explain the recipient rights;
3. Set up and maintain claim record within ECF;
4. Screen claims for suspected fraud;
5. Request and participate in Administrative Disqualification Hearings;
6. Respond to fraud hotline requests generated by OIG;
7. Claim payments are not accepted in the local DCBS offices. Payments are accepted by Central Office staff in the Claims Management Section for both recipient and providers.
8. Refer all questions relating to tax intercepts to the Claims Management Section/502-564-3440.
9. Forward bankruptcy information to the Claims Management Section.

**The Division of Child Care/DCC is responsible for all actions pertaining to claims for Child Care Providers.**

B. DCBS/Family Support staff is responsible for the following actions related to a claim:

1. Pursue collection of all claims;
2. Review all OIG referrals to determine if evidence exist to pursue as IPV;
3. Review recommended and final orders related to claims;
4. Prepare and route exceptions to recommended orders related to claims;
5. Enter payment agreements with recipient into Worker Portal;
6. Negotiate payment agreements with recipient;
7. Suspend or terminate collection efforts on claims;

8. Adjust balances on Worker Portal;
9. Determine if claim meets criteria for hardship or compromise.



MS 6020 DETERMINING THE START DATE AND AMOUNT OF THE CLAIM (1)

The DCBS/Family Support staff shall calculate the amount of an overpayment for an:

- A. Agency error (AE) back to the month that the error first occurred, but **not more than twelve (12) calendar months** prior to the discovery date;
- B. Inadvertent Household Error (IHE) back to the month that the misunderstanding or error first occurred, but not more than three (3) years prior to the discovery date;
- C. Intentional Program Violation (IPV) back to the month the fraudulent act first occurred, but **not more than five (5) years** prior to the date of discovery.

In calculating the claim amount the Regional Claims Worker must first calculate the first day of the claim, use the 10-10-10 policy unless it is an application or recertification month and the change is known to the client at the time of the interview. The 10-10-10 rule is as follows: The client has ten (10) calendar days to report a change from the time that the change becomes known, the worker has ten (10) calendar days to act on the change and there is a ten (10) calendar day adverse action period.

The first day of the claim is determined by when the change is known. The beginning day of the claim is the day after the adverse action ends.

**Example 1:** Kathy Jo failed to report a change in unearned income. She knew the change on 10/2/18. Allow ten (10) calendar days for her to report (10/12/18), ten (10) calendar days for the agency to act on the change (10/22/18), and ten (10) calendar days adverse action (11/1/18). Since the adverse action ends 11/1/18, the first day of the claim would be 11/2/18. (11/1/18 would not be part of the claim as it is within the ten (10) calendar day adverse action period).

**Example 2:** In December 2018 the worker learned that Amanda started a new job on July 2, 2017. Amanda was in the office on July 12 and did not report the job at the time of the interview. The first day of the claim would be July 12, 2018. The claim amount is calculated based on the date of the occurrence and must include all service months with errors.

**Example 3:** (CCIE)-Jenna applies for benefits on 11/01/18 and is approved 11/6/18. On 12/2/18 Jenna starts a job that exceeds the income limits. Jenna is given until 12/12/18 to report the change, the worker is given until 12/22/18 to complete the change and ten (10) calendar days are allowed for adverse action, 01/01/19. The overpayment would start on 01/02/19. The 10-10-10 rule does not apply if a client does not report a known change at the time of application or recertification. The overpayment begins with the date of the application or recertification.

MS 6025 CATEGORIES OF CLAIMS (1)

Claims fall into one (1) of three (3) categories:

- A. **Agency Error (AE)** – occurs when the claim is caused by DCBS/Family Support staff action or inaction on a case.

This includes claims caused by:

1. Failure to take prompt action on a reported change;
2. Incorrectly computed income and deductions; or
3. Policies, rules or statues that were not applied correctly by DCBS/Family Support staff (clients).

AE claims are categorized as Child Care Agency Error (CAE) for recipients.

- B. **Inadvertent Error (IE)** – occurs when the claim is caused by a misunderstanding or an unintended error by the recipient.

This includes claims caused by:

1. Failure to provide correct or complete information or report a change with no ill intent; or
2. Receipt of benefits pending the outcome of a hearing that rules against the recipient.

IE claims are categorized as Child Care Non Court (CNC) for recipients.

- C. **Intentional Program Violation (IPV)** - occurs when the claim is established by admission, hearing, or a court of law.

This includes claims caused by:

1. Misrepresentation of information by making a false statement either orally or in writing to obtain or attempt to obtain services for which they are not eligible;
2. Concealment of information to obtain services to which they are not eligible;
3. Deliberately withheld information needed to accurately determine eligibility;
4. Deliberate failure to report a change timely in order to continue to receive services to which they are not entitled; or
5. Falsification or alteration of documents to obtain services to which they are not entitled.

MS 6030

CRITERIA FOR PURSUING AN IPV CLAIM

(1)

The burden of proof to establish an IPV is on the agency. Evidence used to demonstrate this must support the accusation of IPV and prove intent to commit child care fraud.

Evidence includes, but is not limited to:

- A. A signed child care application used to determine eligibility for the claim period. IPV cannot be pursued if a signed application is not available. The claim category is inadvertent error or agency error, depending on the case circumstances;
- B. Computer printouts
- C. Form PAFS-700 Verification of Employment and Wages; and
- D. Form PAFS-76 Information Request.

MS 6035

CLAIMS PROCESS

(1)

Once a potential claim has been identified, secure all verifications to complete the calculation of the overpayment. If the claim is over \$5,000 and fraud is suspected, the case is referred to OIG and no further action is taken by the DCBS/Family Support staff.

- A. Complete the following if the potential claim is Agency Error (AE) or Inadvertent Household Error (IHE):
  1. Send Claims Appointment Notice to the recipient to set up an appointment, to discuss the potential claim. The appointment is to occur no later than thirty (30) calendar days from the date the claim is discovered. The interview is scheduled at a time that is convenient for both the DCBS/Family Support staff and the client. The interview can be a phone interview. The interview shall consist of presenting the evidence, explaining how the claim will be calculated and explaining the client rights. During the interview, the client is given an opportunity to dispute the existence, amount, or the category of the claim.
  2. Give the recipient the opportunity to complete form DCC-98. This form is voluntary and is completed by the recipient without coercion from the DCBS/Family Support staff. The DCC-98 and documentation become part of the claims record.
  3. DCBS Staff complete forms OIG Fraud Referral and DCC-99B.
- B. Complete the following if the potential claim is fraud (IPV) and under \$5,000 recipient;
  1. Send forms Claims Appointment Notice, DCC-84, Notice of Suspected Intentional Program Violation, and DCC-84, Supplement A Voluntary Waiver of Administrative Disqualification Hearing, to the recipient to set up an appointment, to discuss the potential claim. The appointment is to occur no later than thirty (30) calendar days from the date the claim is discovered. The interview is scheduled at a time that is convenient for both the DCBS/Family Support staff and the recipient. The interview can be a phone interview. The interview shall consist of presenting the evidence, explaining how the claim will be calculated and explaining the recipient rights. During the interview, the recipient is given an opportunity to dispute the existence or the category of the claim.
  2. Give the recipient the opportunity to complete form DCC-99C. This form is voluntary and is completed by the client without coercion from the DCBS/Family Support staff. All of the above forms and documentation become part of the claims record.
  3. If the recipient fails to show for the appointment and does not reschedule

within ten (10) calendar days, does not sign the DCC-84 Supplement A, or request disqualification hearing, the DCBS staff completes form DCC-80, Request for an Administrative Disqualification Hearing.

If the DCBS/Family Support staff determines that there is no claim after the interview, the case record is documented as to the reason for the determination. No further claims activity is needed on the case.

C. Complete the following if the potential claim is fraud (IPV) and over \$5,000 recipient:

1. The OIG Fraud Referral form and DCC-99B are completed per procedural instructions:
2. A copy of the case record pertaining to the claim period, including application and all forms and documentation, used to calculate the claim are sent with the OIG Fraud Referral form and 99B. Send only copies, maintaining all originals to the DCBS/Family Support central office.
3. Once the case has been forwarded to OIG for investigation and possible prosecution, do not discuss the claim with the recipient. If the recipient has questions relating to the investigation, refer the client to the OIG office at 502-564-2815.
4. If the OIG office contacts the DCBS/Family Support staff for further information, the DCBS/Family Support staff must cooperate with the OIG investigator. If the case is referred to court, the DCBS/Family Support staff is to appear in court, if subpoenaed, to discuss how the calculations were computed and to provide any available documentation to substantiate the circumstances of the claim.

If OIG returns the case for Administrative Action, a copy of form DCC-99A will be returned to DCBS/Family Support staff.

MS 6040 ADMINISTRATIVE DISQUALIFICATION HEARINGS (1)

An Administrative Disqualification Hearing is conducted by the Division of Administrative Hearings (DAH) to determine if an Intentional Program Violation (IPV) has occurred. The format of the hearing is similar to that of a fair hearing, except the burden of proof is on the Agency.

- A. Refer a case for a disqualification hearing via form DCC-80, Request for an Administrative Disqualification Hearing, within ten (10) calendar days if there is sufficient evidence to substantiate a claim of IPV and one or more of the following situations apply:
  1. The claim does not meet criteria for referral to the Office of Inspector General (OIG);
  2. The facts of the case do not warrant civil or criminal prosecution and OIG closes their case; or
  3. Form DCC-84, Supplement A, Voluntary Waiver of Administrative Disqualification Hearing, is not received signed within ten (10) days of being sent to the household.
- B. Review Worker Portal for previous disqualifications before completing the DCC-84, Supplement A. Make DAH aware of the prior IPV that was established by signing an DCC-84, Supplemental A., whether it is a 1st, 2nd, or 3rd offense. If client commits an IPV after July 1, 2013, the waiver can be offered to establish an IPV for each program violation.
- C. Access the "Claim Adjustment" screen on your navigation panel through Benefit Management and click "request ADH" to start the administrative hearing process.
- D. Complete form DCC-80, Request for an Administrative Disqualification Hearing, and attach it with all evidence that will be presented at the hearing along with a copy of the DCC-84, Notice of Suspected Intentional Program Violation, in the Hearings Module under the appropriate hearing ID as "Exhibit List".
- E. Only evidence listed on the DCC-80 can be introduced at the hearing, if information is not listed on the DCC-80 or evidence is missing, submit a "Withdraw Request" request via the Hearings Module and re-submit a new DCC-80 with correct information and all of the necessary evidence following the process outlined in C above. Complete the DCC-80 using the following guidelines:
  1. Provide a detailed explanation of the charges, attaching additional sheets if necessary.
  2. List the chronology of events which led the worker and supervisor to suspect an IPV occurred, e.g., when and how the claim was discovered, the client's history of not reporting changes, and the client's statements regarding the situation, ONLY if it supports the IPV.

3. List each piece of evidence which should include all CCAP applications, including electronically signed or voice recorded, PAFS-700, Wage Verifications & Wage History/Pay Stubs, Wage File Data, EA Verification, Comments Screens that support the IPV, Written Statement/Emails from the client or other parties that support the IPV, Notice of Eligibility, etc. that supports a determination of an IPV. Include the DCC-80 as part of the list of evidence. Redact any private information that should not be disclosed at the hearing.
4. Electronic Signature application(s) and dates are verified by Worker Portal inquiry. However, in pursuing the IPV claim, provide the hardcopy application to show the electronic signature was used in order to process the CCAP application for the time period of the claim.
5. Voice Recorded Signature applications and dates are verified through Worker Portal. However, in pursuing the IPV claim, you must present the original Voice Signature Application and the completed Voice Signature Application Instruction Letter that was scanned into ECF for the CCAP case. The worker documents the case record thoroughly to explain all case actions taken. Review CCAP clarification, "Voice Signature with No Application in ECF", issued November, 2015, to ensure procedure is followed to protect the validity of the application for the hearing.
6. Any prior disqualification verification, i.e. DCC-84, DCC-83, Court documentation, prior hearing affirmation, or out of state disqualification verification, must be presented at the hearing.
7. When a hearing is requested on Worker Portal, tasks are systematically created for the requested hearings based on SNAP/Medicaid/KTAP/Child Care eligibility and Claims. A task will be sent to DAH along with any documentation associated with the hearing request. The type of hearing requested will determine the task that is created by DAH and the type of notice sent back to each region. The regions have assigned designated hearings PAPS that will be a part of the queue to receive tasks concerning the notices for the different types of hearings. The hearing PAPS will log the hearing notices and assign a task to the appropriate supervisor/worker for that region. They will monitor the hearing process and track results.
8. Once an ADH has been requested through Worker Portal corrections cannot be made to the hearing request on Worker Portal; instead, "Withdraw Request" will need to be done and a new hearing request completed.
9. Individuals who are not on Worker Portal or have never had a case on KAMES, i.e. "caseless individuals", must first be assigned an Individual number prior to requesting a hearing. The Individual number is created by clicking on the Individual tab at the top of the navigation page through Worker Portal. Enter the required information on the individual. Once all information is entered, the system navigation will take you to the Individual Summary screen. Now that the individual is known to Worker Portal the worker may create a manual

claim against the individual and request a hearing through Benefit Management or the Hearings Module, whichever is appropriate.

- F. DAH schedules the hearing and provides written notice to the household at least thirty (30) days in advance of the hearing date. The notice advising of the date and time is of the hearing sent to the household and a task is generated for the Hearings PAPS to review.
1. Hearings held telephonically – an agency representative must be present at each hearing. The agency cannot ask DAH to reschedule the hearing if the designated individual cannot attend. Another claims worker will have to be assigned to attend the hearing if the designated worker is unable to. The agency's evidence uploaded to the Hearings Module with the DCC-80 and mailed to the client. ALL evidence must be labeled as: Exhibit 1, 2, and 3 or Exhibit A, B, C, etc. prior to uploading to the Hearings Module for DAH and mailing to the client.
  2. Hearings held face-to-face - an agency representative must be present at each hearing. The agency cannot ask DAH to reschedule the hearing if the designated individual cannot attend. Another claims worker will have to be assigned to attend the hearing if the designated worker is cannot. Agency's evidence must be uploaded to the Hearings Module when submitting the DCC-80 and must be labeled. The client will receive a copy of the evidence at the scheduled face-to-face hearing. Additionally, if another worker had input in the case or gathered collateral information during the time at issue, include that worker as a witness. Attendance by a DCBS worker is mandatory under these circumstances so that the evidence is not considered "hearsay".
- G. A requested hearing may be withdrawn by utilizing the "Postponement/Withdrawal Request" button on the Hearings Summary page in the Hearings when:
1. Information becomes available that indicates IPV did not occur. Contact the client when this occurs.
  2. The client signs form DCC-84, Supplement A, Voluntary Waiver of Administrative Disqualification Hearing.
- H. The preparation for and conduct of an administrative disqualification hearing is the same as a fair hearing.
- I. After the hearing is conducted, the DAH issues a hearing officer's order, which is sent for review to all participants at the hearing.
- J. The Cabinet Secretary/Secretary's Designee issues the final order and copies are mailed to the client, and uploaded to the Hearings Module creating a task for the Hearings PAPS for review.
1. If the final order determines an IPV occurred, enter the IPV disqualification on Worker Portal within three (3) work days of receiving the order.

2. If the case is active, change the category to IPV on Worker Portal. If inactive, contact CMS by e-mail at CHFS.DFS.Claims@ky.gov to change the category.
  3. If the final order determines an IPV did not occur and an SIPV claim has been established, recalculate the claim amount as appropriate and make system entry changes on Worker Portal to show the correct claim category, IHE or AE. If the case is not active, contact CMS by e-mail at CHFS.DFS.Claims@ky.gov to change the category or terminate the claim if the claim period is more than twelve (12) calendar months (1 year) prior to the discovery date for AE claims or seventy-two (72) months (6 years) prior to the discovery date for IHE claims.
  4. The claims worker updates Worker Portal to reflect the dates that the form DCC-84 and DCC-84 Supplement A are sent and when the ADH hearing has been requested, scheduled, affirmed or reversed.
- K. If the client is dissatisfied with the final order, a petition can be filed in the Circuit Court of the county where the member lives within thirty (30) calendar days of receipt of the final order. Although a court appeal may be filed, the disqualification is imposed on Worker Portal; however, it may be subject to change by the decision of the Court.

MS 6045 DEFERRED ADJUDICATION OF IPV CLAIMS (1)

After the CCAP benefits claim has been processed by the Office of Inspector General (OIG), an agreement not to prosecute may be reached between the court and the member suspected of the Intentional Program Violation (IPV). This agreement is called deferred adjudication.

- A. If adjudication is deferred, the member accused of the IPV is provided an opportunity by the court to sign form DCC-83, Deferred Adjudication Disqualification Consent Agreement.
- B. By signing form DCC-83, the accused member does not admit guilt. The member only consents to imposition of the appropriate disqualification period and repayment of the claim.
  - 1. The form must be signed by the accused member and the head-of household, if different persons, and the prosecuting attorney.
  - 2. The member is under no obligation to sign such an agreement.
- C. OIG is responsible for providing a supply of forms DCC-83 to the County/Commonwealth Attorney's office.
- D. If a case is sent back to the local office indicating the member has agreed to deferred adjudication but the County/Commonwealth Attorney's office does not send form DCC-83, OIG contacts the member and has the form signed.
- E. If the household consents to disqualification, impose a disqualification on the Worker Portal upon receipt of form DCC-83.





MS 6060

CLAIMS REPAYMENTS

(1)

Once a claim has been established, the claimant can voluntarily negotiate either orally or in writing a payment arrangement. The negotiated agreement, which includes a payment schedule and mode of payment is not finalized until the claimant/provider signs and returns a Repayment Agreement.

- A. The method of payment on the Payment agreement can only be modified once in a 12-month period. Current policy does not allow for the modification of the payment amount.
- B. The amount negotiated with claimants shall not be less than 10 percent of the total CCAP payment.
- C. Recipients may choose to pay the claim with installment payments. The chart below shows the minimum monthly payment required based on the claim threshold.

| <b>Claim Installment Payments Based on Claim Threshold</b> |                                    |
|--|------------------------------------|
| <b>Claim Amount</b>  | <b>Minimum Installment Payment</b> |
| \$0-\$1,000  | \$25.00                            |
| \$1,001-\$5,000  | \$50.00                            |
| \$5,001-\$10,000   | \$75.00                            |
| \$10,001-\$15,000  | \$100.00                           |
| \$15,001-\$20,000  | \$125.00                           |
| \$20,001+  | \$150.00                           |

- D. Claims may be repaid using one of the following methods:
  - 1. Lump Sum;
  - 2. Monthly repayment agreement;
  - 3. State tax offset.
- E. Claims shall be considered delinquent if:
  - 1. The claimant has not made an initial payment or entered into a satisfactory payment arrangement with the Cabinet within 60 calendar days from the date on the Demand Notice/KCD 2.08 received by the claimant.
  - 2. 60 calendar days have lapsed since the claimant has missed a scheduled payment pursuant to the payment arrangement with the Cabinet.
- F. The Cabinet can pursue collection on a delinquent claim through the following collection methods:
  - 1. Court-ordered repayment;
  - 2. State tax refund interception;

3. Lottery offsets;
4. Wage garnishment; or
5. Referral to a collection agency.

#### G. Delinquent Recipients

If a recipient is delinquent 90 calendar days or more on making payments, the claim will appear on a report. Notice is sent to the recipient giving them 10 days to make a payment or ongoing child care services are discontinued. The payment needs to be 2 calendar months of the repayment amount. This is based on the established claim period of 60 days. If there is not a repayment agreement, a minimum payment of \$50 is required and the repayment agreement must be established with the Cabinet to stop the negative action.

The recipient will not be eligible for services until they have paid all delinquent payments. This is the amount that was originally due when the claim became months of the original repayment amount. If an applicant whose case was previously discontinued for non-payment of claim wishes to reapply, without making a payment, the application must be taken. The application is pended for the 30 calendar days or until an agreeable payment is made. Inform the applicant that the application will deny in 30 calendar days if no action is taken.

Once a claim is delinquent in payment for 90 calendar days, the claim is automatically sent to the Kentucky Revenue Service for tax offset.

#### H. Delinquent Providers:

**[Delinquent providers are tagged within the system and noted by a "flag" to alert the Child Care Payment Staff, during their billing process, that a delinquent claim exists and needs to be addressed by Child Care Claims Staff.]**

Child Care Providers that are delinquent on their claim for 90 days will have the following actions taken against them.

The Cabinet shall:

1. Disallow any CCAP payments to the childcare provider; and
2. Not approve the child care provider for any further CCAP payments until the provider has paid all delinquent payments. This is the amount that was originally due when the claim became delinquent. This payment amount cannot be less than the 2 calendar months of the original repayment amount.

#### I. SPECIAL NOTE REGARDING BALANCE UPDATES IN THE SYSTEM

There is a report that KICCS runs every Friday evening. KICCS sends a weekly file to the Claims Management Section (CMS) in DFS...CMS and sends to IEES (so they can correlate together) so KICCS and IEES can match on the balances of any payments, recouplements made by individuals and Providers.

MS 6065

CLAIMS RECORDS

(1)

Claims information is maintained in ECF/Electronic Case File.

A. The recipient claims folder should consist of:

1. Verification of Income and Work Schedule, if applicable;
2. Copy of recipient's signed DCC-90, Subsidized Child Care Assistance Application Summary;
3. Signed DCC-94, Child Care Service Agreement and Certificate;
4. Claim Referral form or DCC-99A, OIG Fraud Referral form;
5. DCC-99B, Claims Calculation Worksheet;
6. DCC-98, Client Repayment Agreement, if applicable;
7. Any other documentation verifying overpayment, including but not limited to, the investigation by OIG, court order, and a signed final order from a hearing.
8. Copies of receipts for payments received by Claims Management Section (CMS).

B. AE and IE claims case folders are retained for three years once the claim is paid in full, unless the claims is part of an audit. If part of an audit, retain the claims case folder until the audit is complete.

C. IPV claims case files are retained indefinitely.

MS 6070

CLAIMS APPEALS

(1)

If a recipient/provider disagrees with the claim, he/she may request a hearing.

All completed claims forms are to be sent to CCAP CO, so claim collections may be suspended if appeal is within thirty (30) calendar day timeframe of the establishment of the claim. If appeal is timely, but meets good cause criteria by Quality Assurance for a hearing, collections will be suspended once CCAP CO receives notification.

DCC-94E, Child Care Daily Attendance Record, will not be accepted after requested deadline. Other attendance records, such as room attendance and van attendance, are not acceptable.

MS 6075

LEGAL COUNSEL

(1)

Any hearing where a client has legal representation, the hearings worker must request legal assistance from DCBS/Family Support staff. DCBS/Family Support staff will request assistance, and someone will be assigned to assist in these cases.

MS 6500

ADMINISTRATIVE HEARINGS

(1)

Any applicant or recipient of any type of assistance from the Department for Community Based Services (DCBS) has the right to request a hearing before an impartial hearing officer, if dissatisfied with an action or inaction on the part of the Department that adversely affects his/her case.

- A. At the time of application and at the time of any adverse action affecting his/her status with the Department, inform the individual in writing of the right to discuss the situation with a worker and/or to request a hearing. Such information is included on various Agency forms mailed or given to the individual. In addition, applicants are provided the pamphlet, PAM-PAFS-326, Division of Family Support Administrative Hearing Procedures.
- B. The hearing process consists of:
  - 1. The request;
  - 2. Preparation for and scheduling of the hearing;
  - 3. The hearing itself;
  - 4. Review of the recommended order; and
  - 5. The final order.

Additional recourse for the recipient following an adverse hearing decision is available through appeal to the Cabinet Secretary/Secretary's Designee or Judicial review.

MS 6505

HEARINGS REQUEST

(1)

A hearing request is a clear expression, either oral or written, to review a decision made by the Agency.

- A. The request must be made by the client, a household member, his/her counsel, or an individual acting on behalf of the household or recipient.
- B. Requests for a Hearing, Appeal or Withdrawal, either written or oral are requested through Worker Portal for the client.
  - 1. When requesting a hearing through Worker Portal for an ETP/KWP work program related issue, indicate that the hearing request involves an ETP/KWP issue.
  - 2. If received by phone or through the mail, indicate this in the comments section when requesting the hearing.
  - 3. When a client has moved out-of-state and subsequently requests a hearing, tell the individual they may request a hearing to be held telephonically.
- C. When completing a request for a hearing, be specific when describing the client's reason(s) for the hearing request. Use statements like: "The client does not agree with the amount of earnings counted in her CCAP case". Avoid vague statements such as "client request", or "client disagrees with denial". In addition, if the hearing involves an emergency situation, clearly annotate on the Note screen that it is an emergency.
- D. A request for a DCBS hearing may be submitted by the client or their representative directly to the Administrative Hearings Branch.
- E. The client may voluntarily withdraw the hearing request any time prior to the hearing. If the client wishes to withdraw the request, complete a hearing request search through the Hearings Module, locate the client's hearing request, and click the "Postponement/Withdrawal Request" button. Form, PAFS-277, Hearing Withdrawal Confirmation Notice will generate automatically to the client. Print the system generated notice and attach in the Hearings Module as is part of the official Hearings Record. Enter comments in the Hearings Module as well as the respective Worker Portal case or claim. Be specific when describing the client's reason(s) for the hearing withdrawal.

MS 6510

HEARING RIGHTS

(1)

In addition to the right to request a hearing, appellants are to be notified of their rights.

A. They have the right to:

1. Present the case themselves;
2. Have the case presented by legal counsel or another representative;
3. Review the case record relating to the issue;
4. Bring witnesses to support their case in the hearing;
5. Present arguments without interruption;
6. Question any testimony or evidence;
7. Cross-examine witnesses;
8. Submit evidence establishing pertinent facts and circumstances in the case;  
and
9. Continue benefits or payments if the appeal is requested within ten (10) calendar days of the date of the adverse action. The ten (10) calendar days would be the date the action is effective not the date on the DCC-105 Child Care Denial/Discontinuance Notice.

B. **Appellants are to be notified of the availability of free legal services.**

Explain to the appellant that the Department does not provide payment for legal counsel but, if available, will refer them to a legal aid agency.

C. If requested by the household or its representative, the agency provides a free copy of the relevant portions of the case file, including the application form and documents of verification used by the agency to establish the household's ineligibility or eligibility and benefit. The agency provides the appellant or the representative adequate opportunity to examine all documents and records to be used at the hearing.

Provide all information to the appellant before the date of the hearing in a reasonable time as well as during the hearing.

**NOTE:** Confidential information, such as names of individuals who have disclosed information about the household without its knowledge or the nature or status of pending criminal prosecutions, is protected from release.

Confidential information protected from release and other documents or records which the appellant will not otherwise have an opportunity to contest or challenge may not be presented at the hearing, and do not affect the hearing officer's decision.

MS 6510

(2)

Confidential information protected from release and other documents or records which the appellant will not otherwise have an opportunity to contest or challenge may not be presented at the hearing, and do not affect the hearing officer's decision.

MS 6515

HEARING TIME FRAMES

(1)

A hearing request is considered timely if received by the Cabinet within thirty (30) calendar days from the effective date of the adverse action, not the date the DCC-105 Child Care Denial/Discontinuance Notice is sent.

If the hearing request is untimely, forward the request and any information concerning the reason the request was untimely to the Quality Assurance Section. The hearing officer determines from the information provided whether the household had good cause for submitting an untimely request.

The Hearings Branch acknowledges all hearing requests, conducts a hearing, and issues a recommended order within forty-five (45) calendar days of receipt of a timely request for a hearing. The Commissioner of the Department for Community Based Services (DCBS) has forty-five (45) calendar days from the receipt of the recommended order in which to issue the final decision.

MS 6520 PREPARATION FOR THE HEARING (1)

- A. Mail the PAFS-78 Request for Hearing, Appeal or Withdrawal (within three (3) days of receipt) to:

**The Quality Assurance Section  
275 East Main Street, 1E-B  
Frankfort, KY 40621**

If the hearing issue involves a negative action, attach a copy of the negative action notice to form PAFS-78.

Do NOT send a copy of the case record or current packet to the Quality Assurance Section.

- B. If the request is from an appellant who has limited English proficiency and requires interpreter services or has a physical or mental condition that requires accommodation in order to participate in the hearing, annotate the hearing request with this information.
- C. After forwarding the hearing request to Quality Assurance Section:
1. Prepare for the hearing by reviewing the case record and writing a summary of the issue/action that prompted the request. If the hearing involves a claim issue, it may be necessary to contact the claims worker for additional information.
  2. Attach the summary and form PAFS-78 to the case record and give a copy of the summary to the supervisor. Include in the summary all information, documentation, notices, forms, comments, etc., that support the action taken by the agency. Be clear and concise but include pertinent information with the explanation in case you are unable to attend the hearing and the supervisor or another worker must represent the agency's position. **DO NOT** include unprofessional language or comments in the summary.
  3. Make copies of all administrative regulations that relate to the issue/action.
- D. Any hearing with a provider will need to be coordinated with DCC. A DCC CCAP employee should attend all hearings involving a provider.
- E. When an appellant has legal counsel/attorney, DCC will be notified and DCC will request legal representation for DCC employee. A DCC employee will also need to attend all hearings when appellant has legal counsel/attorney.
- F. The parent of a child receiving child care subsidy cannot appeal the termination or denial of a specific child care provider.

MS 6525

SCHEDULING THE HEARING

(1)

The hearing request is acknowledged by the Hearings Branch.

- A. The Hearings Branch notifies the appellant that the request has been received and entered on the docket of pending requests. The acknowledgement letter also contains information regarding the hearing process, including:
  1. The right to case record review prior to the hearing,
  2. The right to representation, and
  3. A statement explaining DCBS can provide information regarding the availability of free representation by legal aid or welfare rights organizations.
- B. The Hearings Branch notifies the appellant of the date, time, and place the hearing will be held via form, "Notice of Hearing".
- C. The form also advises the appellant of:
  1. The right to bring an attorney and/or witnesses if desired.
  2. The fact that if the appellant or a representative does not appear for the hearing, the appellant will have a period of ten (10) calendar days to advise the Hearings Branch of the reason for not appearing. The Hearings Branch considers the reasons and determines if good cause exists. The request is considered abandoned and dismissed unless good cause for the absence can be shown.
  3. All parties to the hearing are provided at least ten (10) calendar days timely notice of the hearing to permit adequate preparation of the case.
- D. The appellant may request and is entitled to a postponement without good cause if the request is made **BEFORE** the hearing. The postponement cannot exceed thirty (30) calendar days and the time limit for action on the decision is extended for as many days as the hearing is postponed. The DCC CCAP staff is to notify the hearing officer of the postponement.

MS 6530

CONDUCTING THE HEARING

(1)

Hearings are conducted by a hearing officer with the Hearings Branch which operates independently and recommended orders are based only on information presented at the hearing.

- A. Hearings are privately conducted at a place convenient to the appellant and:
  - 1. Are orderly but informal;
  - 2. Conducted without the use of strict technical rules of evidence and procedure;
  - 3. Provides a method by which the appellant can speak freely regarding facts and circumstances of the situation, refute testimony and examine all papers and records introduced as evidence;
  - 4. Provides the appellant the opportunity to submit additional evidence and to cross examine witnesses; and
  - 5. Are concluded when the hearing officer is satisfied that sufficient evidence has been introduced to resolve the issue.
- B. The hearing is attended by DCC CCAP staff and by the appellant, his/her representative or both. The hearing may also be attended by any individual the appellant wishes to attend. However, the hearing officer has the authority to limit the number of persons in attendance at the hearing if space limitations exist.
- C. Agency representatives should dress and speak professionally when presenting the Agency's position to the hearing officer. Policies and procedures should be explained in terms that everyone in attendance can understand. If unsure of a response to a question, advise those present that the information is not available at the hearing but will be provided if necessary.
- D. If conclusive evidence is not produced at the hearing, the hearing officer may continue the hearing. If continued the hearing process must still be completed within forty-five (45) calendar days of the initial hearing request and the appellant and DCC CCAP staff are notified ten (10) calendar days in advance of the time and place of the continued hearing.
- E. The appellant may request for the hearing officer to delay the recommended order for a reason beyond the control of the appellant. The decision to grant the delay and continue the hearing is made by the hearing officer.

MS 6535

RECOMMENDED ORDER

(1)

After completion of the hearing, the hearing officer drafts a recommended order. The recommended order is not the final order; therefore, action is not taken on the case.

A. The hearing officer:

1. Reviews all evidence and drafts a recommended order. A recommended order, summarizes the facts of the case, states the reason for the recommended order, identifies the supporting evidence and provides citations of the pertinent sections of state and federal policy and regulations.
2. Ensures that the recommended order complies with state and federal laws and regulations.
3. Mails a copy of the recommended order for review to the appellant or the representative (if present at the hearing), DCC CCAP staff.

B. The recommended order is reviewed by the appellant and/or the representative and DCC CCAP staff. The parties have fifteen (15) calendar days to review and file any exceptions and/or rebuttals. Exceptions or rebuttals filed after the 15th calendar day are disallowed.

C. If no exceptions or rebuttals to the recommended order are received within the fifteen (15) calendar day period, the recommended order is reviewed to ensure that it is in accordance with regulations. A final order is drafted and then forwarded to the Commissioner of DCBS. The Commissioner reviews and signs the final order.

D. Exceptions by the Agency are filed by DCC CCAP staff.

E. DCC CCAP staff is to use the following procedures to file an exception;

1. Upon receipt of a recommended order, the DCC CCAP staff has five (5) work days to review and request an exception. An exception can only be based on the facts and evidence presented at the hearing. No new information or evidence may be used.
2. If an exception is filed timely by either party, the other party can file a rebuttal to the exception within the fifteen (15) calendar day period. If the fifteen (15) calendar days have elapsed, no rebuttal can be made.
3. The Commissioner's office staff reviews all timely exceptions to the recommended order and drafts a final decision for submission to the Commissioner.

F. If no exceptions to a Recommended Order of Dismissal are submitted to the Office of the Commissioner the recommended order becomes the final order effective fifteen (15) calendar days from the date of the recommended order.

MS 6540

FINAL ORDER

(1)

The final order accepts the recommended order, rejects or modifies the recommended order, or returns the issue back to the hearing officer for further action before a final order is issued.

- A. The Commissioner of DCBS issues the final order for the hearing.
  
- B. The Commissioner has forty-five (45) calendar days to issue a final order from the date the Commissioner:
  1. Receives the official record of the hearing in which a recommended order is not submitted; or
  2. Receives the recommended order.
  
- C. The Commissioner signs the final order and mails a copy of the final order to the following:
  1. The recipient and representative (if present); and
  2. DCC CCAP section.

The final order becomes part of the record and approves or rejects the recommended order.

A final order is followed until the next time the household's eligibility is re-determined.

MS 6545 FOLLOW-UP TO A FINAL ORDER (1)

Upon receiving the final order signed by the Commissioner and DCC CCAP staffs are to review the final order along with the recommended order for any reference to future action in the case.

Complete the following actions as required by the final order:

- A. For reversals of denials or discontinuances of cases, take case action to approve or reapprove the case.
- B. For reversals involving a reduction of benefits, action is taken within ten (10) calendar days to restore benefits to the date of the action which resulted in the hearing.
- C. For final orders which result in an increase in the household's ongoing benefits take action within ten (10) calendar days of the receipt of the final order. Determine if the appellant has an existing claim. If so, offset benefits, if appropriate.
- D. For final orders which the Agency is affirmed and the benefits were continued during the hearing process, take action to correct the case and the amount of benefits. If appropriate, initiate a claim and collection amount of benefits. If appropriate, initiate a claim and collection action against the appellant for any overpayment caused by a continuation of benefits pending the hearing.

The hearing officer's responsibility ends with the issuance of the final order.

Enter a brief statement of action, including date of final order on the Worker Portal "Comments" screen.