TO: Directors of County Departments of Social Services
Other Local Purchasing Agencies
State Level Contractors

ATTENTION: Work First Supervisors and Child Care Coordinators

DATE: October 28, 2002

SUBJECT: Spending Local Work First Block Grant Funds for Child Care

Many counties are experiencing large waiting lists for child care services and are exploring all possible resources for use in paying for subsidized child care services. There has been growing interest from county departments of social services in providing subsidized child care services with Work First Block Grant funds, which include federal Temporary Assistance for Needy Families (TANF) and county and state Maintenance of Effort (MOE) funds, in order to address the waiting list. Even if your county does not currently have a waiting list, you can choose to use Work First Block Grant funds for child care in order to maximize subsidy funds. This letter consolidates information provided by the Division of Social Services and the Division of Child Development regarding the provision of child care services with Work First Block Grant funds.

Eligibility for Subsidized Funding

At any time your county may use Work First Block Grant (WFBG) funds for families who receive Work First Family Assistance (WFFA). Work First Block Grant funds can be used to pay for subsidized child care services for the following:

1. Families who are receiving Work First Family Assistance.

2. Employed families whose income is at or below 200% of the Federal Poverty Guidelines. (For Work First purposes, the Work First Manual, Section 102, Short Term Services and Benefits, figure 2, can be viewed for income guidelines.)

3. Employed Non-custodial parents of children receiving WFFA. (Parent must have other child(ren) in the home who need child care.)

4. Families and non-custodial parents whose income is at or below 200% of poverty when the only child care services provided with Work First Block Grant funds are for a one-time episode of need that lasts 4 months or less. (See the Work First Manual, Section 102 for more information.)

    NOTE: Subsidized child care services must be needed in this situation for reasons other than employment, such as education, child's developmental needs, etc.

Policies Regarding Use of Work First Block Grant Funds

State legislation requires that child care subsidized by county Work First Block Grant funds comply with subsidized child care policies administered by the Division of Child Development. Counties cannot use locally developed criteria for families needing child care assistance provided with Work First Block Grant funds. Please see the Subsidized Child Care Services Manual for the subsidized child care policies.

Reporting and Reimbursement Instructions

Reimbursement for child care paid with Work First Block Grant funds is accomplished through the use of the DSS-1571. The Subsidized Child Care (SCC) Reimbursement System cannot be used to claim reimbursement for child care services paid with Work First Block Grant funds (Fund Source 71). For reporting purposes, you may continue to enter the names of children funded with Work First Block Grant funds into the SCC Reimbursement System. This will allow your county and the state to track the actual number of children served. In addition, the children will already be in the SCC Reimbursement System if you need to switch the fund source.

To help child care providers maintain eligibility to participate in the Child. and Adult Care Food Program (CACFP), $1.00 can be paid out of SCC funds for those children whose child care is paid with Work First Block Grant funds. Instructions regarding the payment of the $1.00 supplement can be found in the Subsidized Child Care Services Manual in **Chapter 20: Payment Policies.**

When utilizing Work First Block Grant funds to pay for child care services, use the following instructions to determine the appropriate coding for each system:

1. **Families Receiving Work First Family Assistance (where adult caretaker is included in the Work First Family Assistance case):**

   SCC: Fund Source 71
                  Use one of the following category codes:
                  005 – WFFA recipient with no countable income
                  006 – WFFA recipient with countable income
                  055 – WFFA recipient who is a teen parent in high school or working on a
                          GED

   DSS-1571:   TANF 100% Federal, Part II code 205 fund 1, lump sum entry. MOE, Part II code 225, fund 1, lump sum entry.

   SIS: 521 – Child Care, Program codes R, 9, or W.

2. **Employed Families At or Below 200% of Poverty (not receiving WFFA or adult caretaker is not included in the WFFA case):**

    SCC: Fund Source 71
                Use the following category code:
                017 – Non-WFFA employed parents.

    DSS 1571:   TANF 100% Federal, Part IV, Code 542, Fund T, SIS Client ID is
                required. MOE, Part IV, Code 542, Fund W, Client ID is required.

    SIS: 542, Child Care Retention Services, Program Codes R, 9, or W, SIS Client
                ID is required. For child care expenditures, the DSS-5027 still must be
                completed.

3. **Non-Custodial Parents At or Below 200% of Poverty (not receiving WFFA):**

    SCC: Fund Source 71
                Use the following category code:
                018 – Non-WFFA, employed non-custodial parent.

    DSS 1571:   TANF 100% Federal, Part IV, Code 549, Fund T, Client ID is required.

    SIS: 549, Non-Custodial Parent Child Care, Program Code R, SIS Client ID is
                required. For child care expenditures, the DSS-5027 still must be
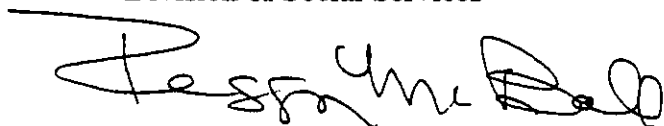   completed.

Additional information can be located in the Fiscal Manual, the Services Information System
(SIS) Manual, the Work First and the Subsidized Child Care Services Manual.

We hope this information is helpful. If you have any questions about any of this information,
please contact your Local Business Liaison, Child Care Subsidy Services Consultant, or Work
First Representative as appropriate.

Sincerely,

Pheon Beal, Director
Division of Social Services

Peggy M. Ball, Director
Division of Child Development

PB/PMB/DL/IC