

## CHILD CARE ASSISTANCE PROGRAM 7 AAC 41 AGGREGATED QUESTIONS AND RESPONSES

The Department of Health & Social Services proposes to adopt regulation changes in Title 7 of the Alaska Administrative Code, dealing with the child care assistance program, including: reorganization of sections; clarification, description, and addition of program provisions and requirements; repeal of sections as no longer applicable; and addition, removal and amendment of definitions. These proposed changes to 7 AAC 41 will include the following articles: Article 1. Administrative Provisions (7 AAC 41.010 – 7 AAC 41.060); Article 2. Provisions for Providers (7 AAC 41.200 – 7 AAC 41.270); Article 3. Provisions for Families (7 AAC 41.300 – 7 AAC 41.375); Article 4. General Provisions (7 AAC 41.400 – 7 AAC 41.450); and Article 5. Definitions (7 AAC 41.990).

You may view the proposed changes and documents adopted by reference, as well as how to provide comments by visiting the Alaska Online Public Notice System at: <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=181249>. Comments must be received no later than **5 p.m., on June 13, 2016**.

This document contains aggregated questions received by at least 10 days before the end of the public comment period (June 3, 2016), with responses to substantially similar questions. This document is also available on the CCPO website at: <http://dhss.alaska.gov/dpa/Pages/ccare/default.aspx>.

After the public comment period ends, the Department of Health & Social Services will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation.

### Aggregated Questions With Responses:

1. What does all this mean and what will change? The notice does not give specific changes only what may possibly be "proposed" to change. How is anyone whose interests could be affected by the proposed changes supposed to even comment on the changes when the changes listed are not specific? All the website is showing is WHAT may possibly be changed, not HOW EXACTLY it may be changed. It seems like another government trick to make the people feel like they have a voice when they really don't.

**Answer:** *The public notice only gives a general overview of the areas that are being proposed to change in Articles 1, 2, 3, 4, and 5 of regulations 7 AAC 41 Child Care Assistance Program. To see the specific language on what is being proposed to change, please access the Alaska Online Public Notice System link at:*

*<https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=181249> to read the document titled "Child Care Assist. Prog. Public Review Draft .JUL201620028.04.05.2016.pdf". This document is found under the Attachments, History, Details section (scroll to the bottom) and shows all proposed changes.*

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*These regulation changes are “proposed” because before any State of Alaska regulations are adopted, they must go through a public comment process to allow for interested parties to comment and ask questions. These may lead to reconsideration of the language used or considered for future changes. Comments and questions received by 5pm on June 3, 2016 will be posted to the Child Care Program Office website, with a response (editing out name, personal information, etc.). This allows all interested parties to view all comments and questions (responses cannot be given directly to the individual). Questions/comments with responses that are the same will only show once (they will be aggregated).*

2. Where can I find the proposed regulations that are changing?

**Answer:** *To see the specific language on what is being proposed to change, please access the Alaska Online Public Notice System link at:*

*<https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=181249> to read the document titled “Child Care Assist. Prog. Public Review Draft JUL201620028.04.05.2016.pdf”. This document is found under the Attachments, History, Details section (scroll to the bottom) and shows all proposed changes. Also under the Attachments, History, Details section is the Child Care Assistance Program Rate Schedule, the Child Care Assistance Program Family and Contribution Schedule and the “Child Care Assistance Program Additional Re. Notice Information” document.*

3. I am interested in knowing what changes are being made to Article 3, like what it is currently and what is proposed to change. Not just the general information on-line.

**Answer:** *To see what the specific changes are, please read through the proposed regulations, which are accessed on the Alaska Online Public Notice System link at: <https://aws.state.ak.us/OnlinePublicNotices/Notices/Search.aspx> to read the document titled “Child Care Assist. Prog. Public Review Draft JUL201620028.04.05.2016.pdf”. This document is found under the Attachments, History, Details section (scroll to the bottom) and shows all proposed changes. Within the document, brackets show where language is deleted and bold with underline shows where language has been added. If you would like to read the current 7 AAC 41 Child Care Assistance Program regulations in its entirety, you can access that through the Child Care Program Office website at: [http://dhss.alaska.gov/dpa/Documents/dpa/programs/ccare/files/Child\\_Care\\_Assistance\\_Regulations.pdf](http://dhss.alaska.gov/dpa/Documents/dpa/programs/ccare/files/Child_Care_Assistance_Regulations.pdf).*

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### 4. Specific questions regarding Article 3. Provisions for Families (7 AAC 41.300 – 7 AAC 41.375).

#### a. Changing the certification period for families - What is the new period going to be?

**Answer:** Under 7 AAC 41.305(a), proposed changes will increase a family's certification period to one year, so long as the family's average monthly income as described in 7 AAC 41.325(b), does not exceed 85 percent of the state median income, as described in 7 AAC 41.335(b), for a family of the same size. This change is to come into compliance with federal law under the Child Care and Development Block Grant Act of November 19, 2014.

#### b. Amending allowable family activities – Amending to what?

**Answer:** Under 7 AAC 41.310 Eligible activities, proposed changes are:  
Upon application, the time of care eligible for a program benefit, as specified in the child care authorization issued under 7 AAC 41.340, is based on the schedule of eligible activities of each parent, the care need of the child, and the child care provider's hours of operation.

#### (a) Eligible activities are as follows:

(1) working;

(2) attending school;

(3) doing library or laboratory activities, attending workshops or tutoring sessions, or participating in a similar activity required for satisfactory completion of a school course or class; time eligible for a program benefit under this paragraph is limited to one hour for each credit hour per week;

(4) sleeping up to eight hours before or after the parent works a night shift. For purposes of this paragraph, "night shift" means employment requiring a minimum of six work and travel hours between 8:00 p.m. and 6:00 a.m.;

(5) traveling between an eligible activity and the participating provider, up to a maximum travel time of:

(A) one hour before and one hour after the eligible activity, in increments of not less than one-half hour; or

(B) one and one-half hours before and one and one-half hours after the eligible activity, in increments of not less than one-half hour, if the parent travels more than 30 miles from the provider or uses public transportation.

(b) During the family's eligibility period, if a parent experiences a non-temporary job loss or ends participation in a job training or educational program, the family will receive up to three months of program benefits for the parent to engage in job search activities. The family's program benefits will end after the three month period of job search activities, unless the parent has resumed work or attendance in a job training or

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*educational program. Time eligible for a program benefit under this paragraph is limited to a part month for each month of the three month job search period.*

c. Amending the financial eligibility requirements - To what? What will the new requirements be?

**Answer:** *7 AAC 41.300 Eligible family and 7 AAC 41.355 Family income and contribution schedule, are proposed to amend the financial eligibility requirements 7 AAC 41.300(a) is proposed to be amended to read "at the time of application...a family is eligible to participate in the child care assistance program if...the family's monthly income is at or below the maximum allowed under 7 AAC 41.335(b).*

*7 AAC 41.335(b) is proposed to state the maximum family monthly income allowed for participation in the program appears in the Family Income and Contributions Schedule, adopted by reference. "The maximum family monthly income cannot exceed 85 percent of the state's median income..." Additionally, under 7 AAC 41.335(d) families renewing participation, whose income exceeds the maximum family monthly income of this section, and who are otherwise eligible, will be determined eligible for program benefits for a period of 12 months, if their maximum family monthly income does not exceed the amount listed in (b)(1) of this section at the time of renewal.*

d. Amending time allowances for travel and job searching; amending the reporting requirements for families – Specify.

**Answer:** *Under 7 AAC 41.310(a)(5) Eligible activities, proposed changes for traveling between an eligible activity and the participating provider, will increase the maximum travel time of: one hour before and one hour after the eligible activity, in increments of not less than one-half hour; or one and one-half hours before and one and one-half hours after the eligible activity, in increments of not less than one-half hour, if the parent travels more than 30 miles from the provider or uses public transportation.*

**Under 7 AAC 41.310 Eligible activities, proposed changes for job searching are:**  
*During the family's eligibility period, if a parent experiences a non-temporary job loss or ends participation in a job training or educational program, the family will receive up to three months of program benefits for the parent to engage in job search activities. The family's program benefits will end after the three month period of job search activities, unless the parent has resumed work or attendance in a job training or educational program. Time eligible for a program benefit under this paragraph is limited to a part month for each month of the three month job search period.*

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***Under 7 AAC 41.320 Family responsibilities, proposed changes for reporting changes during the family's eligibility period are to notify the department or designee with 10 days (increased from seven days) of the following: changing providers; after a change affecting the level of child care; after a non-temporary loss of employment, or ending attendance at a job training or educational program' or after an increase in income to a level that exceeds 85 percent of the state median income.***

**e.** Adding asset limit requirements for families to be eligible - To what? Someone can no longer own a house or a car to be eligible? Please give specifics.

***Answer:*** Under 7 AAC 41.315(c)(13) Family application, a change is proposed to add a certification from the family that their assets do not exceed one million dollars (\$1,000,000). This change is to come into compliance with federal law under the Child Care and Development Block Grant Act of November 19, 2014.

**f.** Amending how families pay providers - How?

***Answer:*** Under 7 AAC 41.320(c)(3) a change is proposed to require a family to pay the portion of the family's eligible cost of care that is not paid on the family's behalf under this chapter (7 AAC 41).

**g.** Amending how income is determined for eligibility - How so?

***Answer:*** 7 AAC 41.325. Family income determination, the proposed changes are:  
**7 AAC 41.325(a) is repealed and readopted to read:**

(a) For the purposes of this chapter, the department will or a designee shall determine a family's monthly income by

(1) totaling

(A) the monthly gross earned income of each parent including wages, salary, tips, bonuses, or commissions;

(B) the greater of

(i) the self-employment income of each parent, determined in accordance with 7 AAC 45.445 and 7 AAC 45.450; or

(ii) the number of hours in the parent's proposed monthly work schedule attributable to self-employment activity, multiplied by the minimum wage established under AS 23.10.065;

(C) the monthly unearned income of the family, unless that income is excluded under

(2) of this subsection; for purposes of this subsection, "unearned income" includes

(i) unemployment benefits;

(ii) alimony;

(iii) child support payments;

(iv) child support arrearage payments;

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- (v) foster care payments;
- (vi) retirement benefits;
- (vii) regular insurance or annuity payments;
- (viii) veteran's payments;
- (ix) pensions;
- (x) workers' compensation cash benefits;
- (xi) Social Security payments;
- (xii) investment income;
- (xiii) public assistance;
- (xiv) military cash allowances;
- (xv) federal cost-of-living allowances (COLA);
- (xvi) scholarships for other than tuition and books;
- (xvii) education grants for other than tuition and books;
- (xviii) fellowships and assistantships;
- (xix) capital gains;
- (xx) employer contributions for child care costs;
- (xxi) strike benefits from a union fund;
- (xxii) housing allowances or fair market value of employer-provided housing;
- (xxiii) stipends;
- (xxiv) room and board paid by others in the household;
- (xxv) dividends;
- (xxvi) interest;
- (xxvii) net rental income;
- (xxviii) net royalties;
- (xxix) periodic receipts from an estate or trust;
- (xxx) the portion of Native corporation dividend payments distributed under 43 U.S.C. 1601 - 1629h (Alaska Native Claims Settlement Act) that exceeds \$2,000 annually for each shareholder; and
- (xxxi) one-time, lump-sum payments in excess of \$500, such as insurance proceeds, disability and death benefits, awards and cash gifts, inheritance, terminal leave and severance pay, and net gambling or lottery winnings;
- (2) excluding
  - (A) income that is a documented loan evidenced by an executed contract or a document signed by the lender and establishing a timeframe for repayment of the loan;
  - (B) payments under AS 43.23 (Alaska Permanent Fund Dividends);
  - (C) federal income tax refunds;
  - (D) earned income tax credits under 26 U.S.C. 32 (Internal Revenue Code);and
  - (E) federal noncash benefits, including Medicare, Medicaid, Supplemental Nutrition Assistance Program (SNAP), and supplements under 42 U.S.C. 1786 (Special Supplemental Food Program for Women, Infants, and Children (WIC)); and
  - (F) any federal major disaster and emergency assistance or any comparable disaster assistance provided by states, local governments, or disaster assistance organizations.
- (3) deducting payments made for
  - (A) child support and
  - (B) catastrophic medical or dental costs.

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### **7 AAC 41.325(b) is repealed and readopted to read:**

(b) The department will or a designee shall determine a family's eligibility by using the family's monthly income, calculated under (a) of this section. The department will or the designee shall make a best estimate of the average monthly income a family receives or is expected to receive for the period their eligibility is being determined. Either or both of the following methods may be used to calculate prospective average monthly income:

(1) projecting the monthly income a family receives or is expected to receive during each month for which eligibility is being determined on the basis of employer verification or income information provided by the family; or

(2) averaging seasonal, commission, or other irregular income and irregular deductions, such as catastrophic medical or dental payments, for a period not to exceed 12 months.

### **7 AAC 41.325(c) is amended to read:**

(c) In this section, catastrophic medical or dental payments may be considered only for that portion of the medical or dental payments that exceed 10 percent of the family's monthly income, if the payments are made for more than 60 days, and are projected to be an ongoing expense for more than six months. **The following medical [MEDICAL] and dental payments [TO BE] considered under this section are for services provided to parents and children in the child care assistance family:**

(1) procedures and treatments allowable for payment under AS 47.07, regardless of the family member's eligibility for Medicaid coverage under AS 47.07;

(2) adult dental care and treatment for

(A) preventative dental care;

(B) treatment of cavities, pain, and infection; and

(C) dentures and orthodontia in extreme cases of malformation meeting criteria under AS 47.07 for payment for care and treatment for children under the Medicaid program; and

(3) medical and dental insurance premiums for services described in (1) or (2) of this subsection.