



Julia Hamilton

Child Care Overview

Best Beginnings Program

Provides scholarships to qualified low-income families whose children received care provided by a licensed or registered childcare provider or daycare facility

Parental Eligibility Requirements

Families earning **less than 185% of the Federal Poverty Level**. Co-payments are determined based on the Child Care Sliding Fee Scale.

Low-income working families must meet the following **activity requirements**:

- Two-parent families working at least 120 hours per month
- Single-parent families working 60 hours per month
- Single or two-parent families attending school or training full-time
- Single or two-parent families attending school or training part-time must meet an adjusted work requirement that considers their education/training efforts
- Teen parents attending high school or a high school equivalency program
- Childcare assistance is authorized for the parent(s) to attend work/school/training

HB 648 in the 2023 Session

- **Eligibility thresholds**

Before: 150% of FPL

Now: 185% of FPL

- **Copayment cap**

Before: 13%

Now: 9%

- **Attendance policy**

Before: A child had to attend 85% of the allotted scholarship hours each month in order for a childcare provider to be paid for that child

Now: A child must attend at least one day each month to be paid the monthly authorized amount.

Appropriated \$7 million general fund in each year of the biennium beginning

July 1, 2023

STARS to Quality

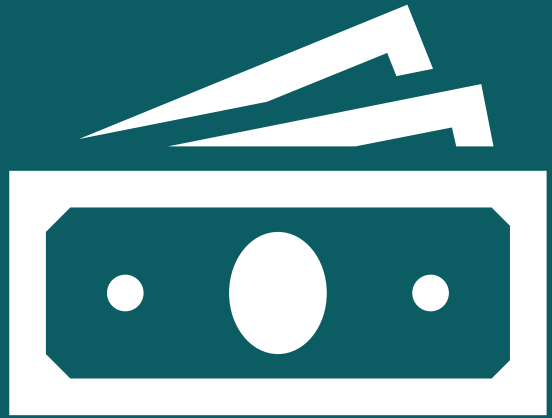
Voluntary provider quality rating and improvement system that aligns quality indicators with support and incentives for childcare providers

STARS COMPONENTS

- Workforce Development
- Quality Rating and Improvement System (QRIS)
- Infrastructure to administer the programs, provide training, coaching and technical assistance, and to validate the STARS system

STARS INCENTIVES

1. Quarterly Improvement awards
2. Tiered reimbursement percent increases (above standard state reimbursement rates) for those facilities choosing to serve Best Beginnings Scholarship Families



Expenditure History

Federal Funding Dynamics

- **Sources of the Childcare Discretionary Fund**
 - Child Care and Development Block Grant
 - Social Security Act's Child Care Entitlement to States
- **Requirements**
 - 12% set aside for quality improvement activities (9% general and 3% for infant and toddler)
 - No more than 5% federal funds on administrative activities
 - 70% of the remaining funds for direct services (certificates here in MT)

Subsidy Expenditures

Childcare Discretionary Fund: Subsidy Expenditures

	<u>Fund Source</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024*</u>
Normal	State	\$ 9,134,511	\$ 5,114,448	\$ 6,698,476	\$ 6,699,681	\$ 7,544,374	\$ 12,726,909
	Federal	14,745,592	18,961,608	15,045,007	19,474,296	20,772,168	18,486,943
	Total	23,880,104	24,076,057	21,743,484	26,173,977	28,316,542	31,213,852
Pandemic	State	-	-	-	-	-	-
	Federal	-	1,419,479	8,263,039	4,492,471	491,622	1,400,323
	Total						
Total	State	9,134,511	5,114,448	6,698,476	6,699,681	7,544,374	12,726,909
	Federal	14,745,592	20,381,088	23,308,046	23,966,766	21,263,790	19,887,267
	Total	\$ 23,880,104	\$ 25,495,536	\$ 30,006,523	\$ 30,666,448	\$ 28,808,164	\$ 32,614,176

* FY 2024 is to-date expenses as of 6/13/2024

Non-subsidy Expenditures

Childcare Discretionary Fund: Non-Subsidy Expenditures

	<u>Fund Source</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024*</u>
Non-pandemic	State	\$ 4,699,364	\$ 3,882,237	\$ 1,780,453	\$ 972,992	\$ 667,639	\$ 181,066
	Federal	10,518,171	9,461,745	12,721,478	15,814,786	12,931,500	12,954,041
	Total	15,217,534	13,343,982	14,501,931	16,787,778	13,599,138	13,135,107
Pandemic	State	-	-	-	-	-	-
	Federal	-	5,241,261	3,157,707	44,713,981	45,364,492	12,702,818
	Total	-	5,241,261	3,157,707	44,713,981	45,364,492	12,702,818
Total	State	4,699,364	3,882,237	1,780,453	972,992	667,639	181,066
	Federal	10,518,171	14,703,006	15,879,186	60,528,767	58,295,992	25,656,859
	Total	\$ 15,217,534	\$ 18,585,243	\$ 17,659,639	\$ 61,501,759	\$ 58,963,630	\$ 25,837,925

* FY 2024 is to-date expenses as of 6/13/2024

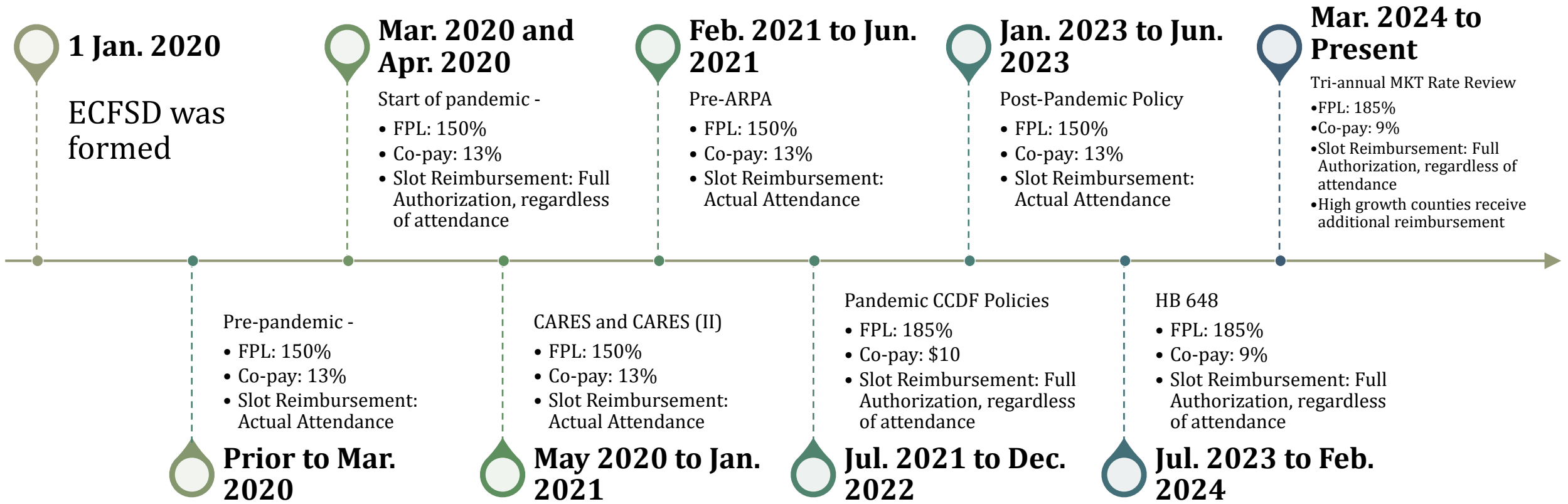
All Expenditures

Childcare Discretionary Fund: All Expenditures

	<u>Fund Type</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024*</u>
Total expenses	General	\$ 13,249,168	\$ 8,477,386	\$ 7,966,263	\$ 7,168,306	\$ 7,582,176	\$ 12,632,659
	State Special	584,707	519,299	512,666	504,367	629,836	275,316
	Federal	25,263,763	35,084,094	39,187,232	84,495,533	79,559,782	45,544,126
	Total	\$ 39,097,638	\$ 44,080,779	\$ 47,666,161	\$ 92,168,207	\$ 87,771,794	\$ 58,452,101

* FY 2024 is to-date expenses as of 6/13/2024

Appendix



*Adapted from communications from the DPHHS

Policy Timeline

Other Resources

[HB 648 Bill Text](#)

[Child Care Capacity and Subsidy Authorization Dashboard](#) (DPHHS)

[Best Beginnings Scholarship Sliding Fee Scale](#) (DPHHS, Effective March 1, 2024)

[STARS to Quality Incentives](#) (DPHHS)