



Colorado Evaluation & Action Lab

UNIVERSITY OF DENVER

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September 2023

- ▶ **CCCAP Reduced Co-Payments for Families**
- ▶ **CCCAP Expanded Income Eligibility for Families**

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*with actionable insights,
synthesis, and editorial support
from the Colorado Lab*



This evaluation is being conducted on behalf of CDEC under the coordination of the Colorado Evaluation and Action Lab's Early Childhood Evaluation Hub to build evidence for stimulus-funded early childhood strategies.



Overview



The Colorado Department of Early Childhood (CDEC) used federal and state stimulus funding to support access to child care tuition subsidies for families in the Colorado Child Care Assistance Program (CCCAP) through the following policies:

- **Expanded Income Eligibility:** Increased the maximum income threshold for families to be eligible for CCCAP. Counties with income thresholds at 185% of the federal poverty level (FPL) increased the threshold to 200% FPL; counties with income thresholds at 225% FPL increased the threshold to 235% FPL, and counties at 265% FPL increased the thresholds to 270% FPL. This made it easier for families to qualify for CCCAP.
- **Reduced Family Co-Payments:** Created a new, more graduated formula for assessing family co-pays that is designed to both lower and prevent sharp fluctuations in families' co-payments.

These policies support **CDEC's strategic goal #3** to recognize the crucial role families play in creating supportive and inclusive environments for early childhood development and give them the skills and knowledge they need to raise healthy, happy children despite tough times and challenges that come their way.

Colorado joined 43 states and territories that increased their income thresholds for initial eligibility between October 2020 and October 2021. The national income requirement for subsidized child care eligibility is a maximum of 85% of state median income. Colorado now has one of the lower thresholds, at 57.7% of state median income, allowing more people to qualify. Colorado's average eligibility threshold as a percentage of FPL is 232%, which is lower than the national average of 277% FPL. Colorado's reduced family co-payments policy contrasts with the more sweeping changes made by the 33 states which waived family co-payments entirely between March 1, 2021 and March 2, 2022. In Colorado, parent fees can be waived at the county's discretion. Colorado is one of 14 states not requiring a specific co-payment amount based on fixed income ranges.

CDEC partnered with the Colorado Evaluation and Action Lab (Colorado Lab) to coordinate the evaluation of stimulus-funded activities. The Colorado Lab selected Brodsky Research and Consulting to evaluate the policies described above.

What We Will Learn by the End of the Evaluation



- The relationship between these CCCAP policies and family-reported income and financial stability.
- The relationship between these CCCAP policies and families' decision to participate in CCCAP.
- The change in CCCAP-related costs incurred by the state as a result of these CCCAP policies.
- Stakeholder perceptions and attitudes towards these CCCAP policy changes.

This brief represents early insights from the initial phases of evaluation work. Interim findings will be communicated in Spring 2024 and final findings will be delivered in Fall 2024.





Actionable Insights

- The expanded income eligibility threshold has allowed a number of additional children to participate in CCCAP.
- The reduced co-payments policy helps keep Colorado policy responsive to evolving federal requirements.
- Limited awareness among families that meet new income thresholds may influence participation in CCCAP.
- Counties with provider shortages tend not to invest in outreach to families to publicize new CCCAP policies, even when ample funding is available.

Evidence-Based Decision-Making

Evidence-Based Decision-Making (EBDM) recognizes that research evidence is not the only contributing factor to policy and budget decisions. EBDM is the intersection of the best available research evidence, community needs and implementation context, and decision-makers' expertise. Actionable insights across these domains are highlighted in the box above, with supporting evidence and additional information detailed for each in the sections that follow.



Best Available Research Evidence

Data in this section come from CDEC internal tracking documents and reports.

The expanded income eligibility threshold has allowed a number of additional children to participate in CCCAP.

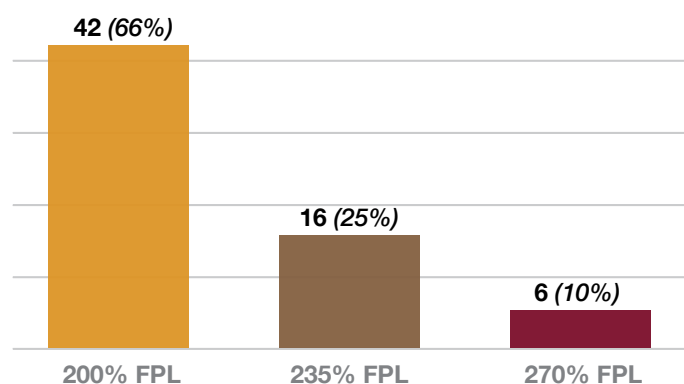
- From July 2022 - July 2023, 306 families and 586 children were added to CCCAP under the expanded income eligibility thresholds, accounting for about 2% of total CCCAP children.
- CDEC spent over \$1.3 million on the expanded income eligibility policy through June 2023.

Community Needs & Implementation Context

Data in this section come from interviews with county CCCAP administrators and review of county CCCAP plans.

County CCCAP plans show how counties fall into one of three eligibility threshold categories, with the majority (66%) of counties at 200% FPL (Figure 1). Overall, the family income eligibility threshold in each county reflects the Cost of Living Index (COLI) in that county, which makes sense as the Self-Sufficiency Standard (SSS) (excluding child care expenses) was used to

Figure 1. Number of counties by eligibility threshold



determine the eligibility income levels for CCCAP that went into effect October 2019 and served as the base rate before these increases were made. Counties with a higher COLI tend to fall into the highest eligibility threshold, while lower COLI counties fall into the lowest threshold. This reflects a higher financial burden on lower-middle-income families in high-COLI counties, who otherwise would not qualify for CCCAP. The exception to this trend is Adams County, which has a higher-than-average COLI but is in the medium FPL eligibility threshold. This means that families in Adams County may struggle to pay for the cost of child care but fail to qualify for CCCAP even with the increased threshold.

County-level administrators did not report an increase in their administrative burden due to these policies. Automation within the Child Care Automated Tracking System (CHATS) and related systems was essential for minimizing administrative burden and errors.

Decision-Maker Expertise

Data in this section come from interviews and meetings with the state CCCAP team and interviews with county CCCAP administrators.

The reduced co-payments policy helps keep Colorado policy responsive to evolving federal requirements. Colorado complies with the federal requirement to have a co-pay structure in place to help with access, currently capping co-payments at 10% of family income. A recent federal [Notice of Proposed Rulemaking](#) would cap co-payments at 7% of family income, positioning Colorado to comply with pending potential federal requirements.

Limited awareness among families that meet new income thresholds may influence participation in CCCAP. State administrators expressed an expectation to see more families and children participating in CCCAP with the expanded income thresholds. One factor may be a lack of awareness about the new policy, including families that were previously denied due to exceeding income thresholds not reapplying after the policy change. Evaluation efforts will continue to focus on family awareness and participation to better understand why newly-eligible families are not participating in CCCAP.

Counties with provider shortages tend not to invest in outreach to families to publicize new CCCAP policies even when ample funding is available. Generally, county CCCAP administrators are not using these policies as an intentional recruitment tool for new CCCAP families. Funding plays a significant, but not the only, role in this. Counties which used all of their allocated funding did not put effort into recruiting new families because they could not pay for additional slots. However, even counties with ample funding available did not invest in outreach to families when they had a provider shortage. The perception seems to be that making families aware of a benefit that they cannot get—because they end up on a waitlist—is worse than telling them nothing at all. Although county administrators did not undertake advertising specific to these policies, a statewide public awareness campaign targeted at families was executed by state CCCAP staff. Upcoming evaluation activities will include an exploration of family awareness of these policies, which will potentially address the effects of this campaign.