



Child Care Services – Parent Share of Cost Methodology FY-2021

The child care services program subsidizes child care for low-income families, promoting long-term self-sufficiency by enabling parents to work or attend workforce training or education activities. It also educates parents about the availability of quality child care, which enhances children’s early learning.

Federal Child Care Development Fund regulations at 45 CFR §98.42 require that parents receiving child care assistance be assessed a parent share of cost. Parent share of cost must be on a sliding fee scale based on family size and income and may be based on other factors as appropriate but may not be based on the cost of care or amount of subsidy payment. Workforce Development Boards (Boards) must ensure that the sliding fee scale is based on family size and gross family income expressed as a percent of the U.S. Department of Health and Human Services Poverty Guidelines (aka federal poverty guidelines) or state median income for the appropriate fiscal year.

Subsidized childcare facilitates parental employment and education by reducing the cost of quality care. Workforce Solutions identified the need to develop a standardized and applicable methodology for determining the parent share of cost because we could not find a standardized calculation method. When creating the methodology, we wanted to ensure there is a fair and consistent approach across the parents receiving child care services.

We applied the following methodology based on an analysis of the following information and data set tools.

1. Persons per Household in El Paso, County, Texas. Source: United States Census Bureau
2. Living Wage Calculator for El Paso County, Texas. Source: The Massachusetts Institute of Technology (MIT)
3. Income Ranges for Parent Share of Cost Assessment. Source: Texas Workforce Commission

Persons per Household for El Paso, County TX was 3.1 (Year 2019). The living wage annual salary for a family of 3 was \$51,196 from which 10.77% were childcare expenses. The number of days in a year receiving childcare services for the year 2020-2021 is 261 and average number of days in a month receiving childcare services is 22.

The following outlines the steps taken to create the Parent share of cost methodology:

1. The annual childcare expenses were determined by multiplying the lowest annual income amount in each bracket by 10.77%. Example: $4,308 * 10.77\% = 464$

Income Ranges as % of FPG/SMI	0 - 50%	51% - 75%	76% -100%	101% - 125%	126% - 150%	151% - 175%	176% - 185%	186% - 200%	201 FPG% - 85% SMI
Monthly Income Ranges (FPG/SMI)	\$359 - \$718	\$719 - \$1,077	\$1,078 - \$1,437	\$1,438 - \$1,796	\$1,797 - \$2,155	\$2,156 - \$2,514	\$2,515 - \$2,658	\$2,659 - \$2,873	\$2,874 - \$3,954
Lowest Annual Income (FPG/SMI)	\$ 359	\$ 719	\$ 1,078	\$ 1,438	\$ 1,797	\$ 2,156	\$ 2,515	\$ 2,659	\$ 2,874
Annual Child Care Expenses (10.77% from the Lowest Annual Income)	\$ 4,308	\$ 8,628	\$ 12,936	\$ 17,256	\$ 21,564	\$ 25,872	\$ 30,180	\$ 31,908	\$ 34,488
	\$ 464	\$ 929	\$ 1,393	\$ 1,858	\$ 2,322	\$ 2,786	\$ 3,249	\$ 3,435	\$ 3,713

2. The Daily and Monthly parent share of cost was calculated with the following formulas:

- Daily Parent Share of Cost Formula = Annual Child Care Expense divided by 261 days in a year.
Example: $464/261 = 1.78$
- Monthly Parent Share of Cost Formula = Daily Parent Share of Cost multiplied by 22 days in a month
Example: $1.78*22= 39$

Income Ranges as % of FPG/SMI	0 - 50%	51% - 75%	76% -100%	101% - 125%	126% - 150%	151% - 175%	176% - 185%	186% - 200%	201 FPG% - 85% SMI
Annual Child Care Expenses	\$ 464	\$ 929	\$ 1,393	\$ 1,858	\$ 2,322	\$ 2,786	\$ 3,249	\$ 3,435	\$ 3,713
Daily Parent Share of Cost	$\$464/261 = \1.78	$929/261 = \$3.56$	$1393/261 = \$5.34$	$1858/261 = \$7.12$	$2322/261 = \$8.90$	$2786/261 = \$10.67$	$3249/261 = \$12.45$	$3435/261= \$13.16$	$3713/261 = \$14.23$
Monthly Parent Share of Cost	$\$1.78*22 = \39	$\$3.56*22 = \78	$\$5.34*22 = \117	$\$7.12*22 = \157	$\$8.90*22 = \196	$\$10.67*22= \235	$\$12.45*22 = \274	$\$13.16*22 = \290	$\$14.23*22= \313

3. After the parent share of cost was calculated for each income bracket for the first child, the parent share of cost for every additional child was 50% of the first child in care. Example: $39 * 50\% = 20$

Parent Share of Cost	0 - 50%	51% - 75%	76% -100%	101% - 125%	126% - 150%	151% - 175%	176% - 185%	186% - 200%	201 FPG% - 85% SMI
First Child in Care	\$ 39	\$ 78	\$ 117	\$ 157	\$ 196	\$ 235	\$ 274	\$ 290	\$ 313
Each Additional Child (50% from the First Child)	\$ 20	\$ 39	\$ 59	\$ 78	\$ 98	\$ 117	\$ 137	\$ 145	\$ 156