



**CHILDCARE AND PARENT SERVICES (CAPS)  
Georgia's Subsidy Program**

<b>CAPS Policy – Purchase of Child Care Through Scholarships</b>	<b>No.: CAPS/00-10</b>	Effective Date: 10/01/2016
		Revised: 11/02/2020
		Revision Effective: 11/02/2020

LEGAL AUTHORITY: Federal Register: 45 Code of Federal Regulation (CFR) 98 and 99

Cross Reference/See Also: CAPS Eligibility Requirements Policy (CAPS/00-6), CAPS Family Fee Policy (CAPS/00-9), CAPS Participating Providers Policy (CAPS/00-11),

**Note:** Definitions of words or phrases in bold are located in [Definitions and Acronyms](#). Only the first occurrence of the defined words or phrases are bolded.

**10 PURCHASE OF CHILD CARE THROUGH SCHOLARSHIPS**

**10.1 Purpose**

Although Georgia's subsidized child care program primarily uses scholarships to authorize child care services, the state may use other systems to administer subsidies such as contracts or grants with child care providers, including Early Head Start – Child Care Partnerships. The purpose of this policy is to establish guidelines for authorizing child care subsidy funds through scholarships.

**10.2 Scope**

This policy applies to all employees of the **Department of Early Care and Learning (DECAL)**, all parties responsible for the administration of the **Childcare and Parent Services (CAPS)** program, parents, and child care providers who receive subsidies administered by DECAL on behalf of parents.

**10.3 Changes in Funding or Eligibility**

- 10.3.1 In the event that a program funded through a DECAL grant involving CAPS or other federal funds for the care of children terminates before the last day of any child's approved 12-month **eligibility period**, that child may continue to receive CAPS services through the use of scholarships, for the remainder of that approved eligibility period, so long as CAPS funds are available.
- 10.3.2 In the event that a child becomes ineligible to participate in such a grant funded program due to age restrictions during the approved 12-month eligibility period, that child may continue to receive CAPS services through the use of scholarships, for the remainder of that approved eligibility period, so long as CAPS funds are available.

**10.4 Parental Choice**

- 10.4.1 The parent has the right to choose any eligible child care provider within the limits prescribed in CAPS Participating Provider Policy (CAPS/00-11) and CAPS Provider Rights and Responsibilities Policy (CAPS/00-12).
- 10.4.2 The parent has the right to enroll their school age child in any educational program of their choice. However, CAPS may reimburse a provider only for before and after school care for school age children attending a public or private school while school is in session.
- 10.4.3 When the parent is determined eligible for CAPS subsidies, the following topics are important for a parent to consider when selecting a child care provider:
  - Children's social, emotional and developmental considerations

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- Health and safety standards
- Hours of operation
- Monitoring visits and complaint history
- Out of pocket cost for the parent (additional fees, budgeting)
- Participation in the Child and Adult Care Food and Summer Food Service Programs
- Participation in Georgia's Pre-K Program
- Participation in the Georgia's **Quality Rated** system (where available)
- School readiness
- Transportation

### 10.5 Child Care Scholarships

10.5.1 A CAPS scholarship will be issued for an individual child for a specific child care provider location.

10.5.1.1 The scholarship will not be transferrable to other children or to another facility, even if the facility is owned or operated by the same organization.

10.5.1.2 Scholarships are not transferrable if the provider moves from one location to another. In the cases of address changes, ownership changes, and facility name changes, new scholarships must be issued for the new location or owner.

10.5.2 The scholarship must be created for each child based on the needs of the family and child.

10.5.2.1 A copy of the **child care scholarship** (notification of eligibility determination) will be provided to the parent and provider.

10.5.2.2 A scholarship should be issued for each type of care the family will need. Therefore, a child may have more than one scholarship based on the type of care authorized.

10.5.2.3 The existence of a scholarship does not give an automatic right for a provider to invoice or bill for a specific period. The child must be attending and signed-in and signed-out each day the child is present, at arrival and departure, by a parent or **authorized representative**.

10.5.2.4 If a provider is not selected at determination of eligibility, the family can receive up to an additional 90 calendar days to select a provider as prescribed in [CAPS Application Process Policy \(CAPS/00-4\)](#). If a provider is not selected and reported to CAPS by the end of the 90-day period, the case may close.

10.5.3 The child care scholarship:

- Authorizes subsidies for eligible children
- Covers basic information about the child care provider
- Identifies the amount of subsidy paid to the child care provider by the CAPS program
- Identifies the amount that the parent is required to contribute to the cost of care (including the weekly **family assessed fee** and amount in excess of the state reimbursement rate based on the child care provider's charges)
- Identifies the type of child care authorized based on the child's need for care
- Identifies the parent and the child authorized to receive services
- Includes beginning and ending dates of care for which payment is authorized
- Outlines terms and conditions of the child care arrangement

10.5.4 When a family is determined **eligible** for the CAPS program, a 12-month eligibility period begins. The **child care scholarship** authorizes the use of subsidies during the eligibility period. At the end of the 12-month eligibility period, CAPS staff will re-determine eligibility and issue new scholarships for ongoing services to eligible children.

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**Note:** When a parent begins receiving services or initiates a change in providers and there is not a child care scholarship that authorizes subsidies with the new provider, the parent is responsible for the full cost of the child care. CAPS will not pay for services retroactively for any period prior to authorization.

#### 10.6 Types of Scholarships Authorized by CAPS

Type	Description
<b>Full Time Scholarship</b>	<p>A. Scholarships authorized for child care services needed for three or more days within a <b>service week</b>, from Monday to Sunday.</p> <p>B. Full time scholarships can be authorized for day or night child care, depending on the needs of the family.</p> <p>C. Full time scholarships are typically authorized and paid to cover a full week of service.</p>
<b>Before and After School Scholarship</b>	<p>A. Scholarships authorized for child care services needed for <b>school age</b> children for before and/or after the customary school day.</p> <p>B. Before and after school scholarships are authorized for school age eligible children (including children in Georgia Pre-K Program and Head Start) and based on rates for providing care for a full week of services before and/or after the customary school day.</p> <p>C. Before and after school scholarships are authorized for school age children who are at least five years old by the first of September of the current school year and who are eligible to attend public school and who are no more than 12 years old (or up to age 18 years for children with qualifying disabilities or part of court-ordered supervision).</p>
<b>Variable Schedule Scholarship (VSS)</b>	<p>A. VSSs are authorized for school age children who attend the same child care provider throughout the school year including school holidays and summer breaks.</p> <p>B. A VSS allows for payments to fluctuate between the before and after school rate while the child is in school, the full-time rate while the child is out of school for full-time service weeks, and part-time rates when care is needed for a full day, up to two days per week, during the school year to cover occasional days out of school such as teacher work days, inclement weather school closings, or holidays.</p>
<b>Part Time Scholarship</b>	<p>A. Scholarships authorized for children who need child care for one or two days within a service week, from Monday to Sunday.</p> <p>B. Part-time scholarships can be authorized when child care is needed sporadically throughout the eligibility period.</p> <ul style="list-style-type: none"> <li>• For example, a school age child may not need routine before and after school care, but needs care for a full day (part time care) or a full week (full time care) for school holidays, winter/spring breaks, or teacher work days.</li> </ul> <p>C. A part-time care scholarship can be issued in instances where child care is needed (based on a parent's work schedule) one or two weekends per month.</p> <p>D. Part-time care is not expected to be the traditionally scheduled care a child needs but as needed based on the child's or parent's need for services. If care is needed for more than 2 days in a service week, then a full time scholarship must be authorized.</p>

#### 10.7 State Maximum Reimbursement Rates and Payment Rates

10.7.1 CAPS has established a state maximum rate to reimburse providers based upon the location where care is provided, the type of child care provider selected, the age of the child, and the type of care being provided. For current reimbursement rates, please refer to CAPS Reimbursement Rates (Appendix C).

10.7.2 When multiple types of care are provided for the same child within the same service week (i.e., full time, part time, before and/or after), the maximum rate CAPS will reimburse to the provider is the state maximum rate for full time care.

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- 10.7.3 CAPS will subsidize care based on the amount authorized on the scholarship. Any amount, other than a **registration fee**, in excess of what CAPS authorizes is the financial responsibility of the parent.
- 10.7.4 The following guidelines will be used for CAPS reimbursements:
- 10.7.4.1 CAPS will only pay up to the state’s maximum reimbursement rate for children authorized in informal provider settings, except for children with disabilities and children in DFCS custody.
  - 10.7.4.2 For children in Georgia’s Division of Family and Children Services (DFCS) custody who have been determined eligible for CAPS, CAPS will reimburse up to the provider’s published rate. When multiple types of care are provided for the same child within the same service week (i.e., full time, part time, before and/or after), the maximum rate CAPS will reimburse to the provider is the provider’s published rate for full time care.
  - 10.7.4.3 For children with qualifying disabilities, CAPS will reimburse up to the provider’s published rate. When multiple types of care are provided for the same child within the same service week (i.e., full time, part time, before and/or after), the maximum rate CAPS will reimburse to the provider is the provider’s published rate for full time care. The family may be assessed a fee based on the family’s gross income. Refer to [CAPS Family Fee Policy \(CAPS/00-9\)](#) regarding when CAPS will assess family fees.
  - 10.7.4.4 Changes to reimbursement rates related to a child’s age (e.g., rate changes at child’s first and third birthday) for the same type of care will occur at redetermination.
- 10.8 Provider Billing and Payments**
- 10.8.1 CAPS will not pay if the child did not attend at least one day during the service week as listed on the child care scholarship, except in instances where the provider is requesting payment to hold a slot as prescribed in the CAPS Provider Rights and Responsibilities policy, section 12.4.8.
- 10.8.2 A child care scholarship must be used within 30 calendar days of the begin date of the scholarship. If the child is not enrolled and attending in accordance to the child care scholarship, the CAPS case may be closed as prescribed in [CAPS Case Changes and Documentation Policy \(CAPS/00-13\)](#). The provider should report non-attendance and excessive unexplained absences to the State Provider Management Agent (SPMA).
- 10.8.3 Any amount charged by the child care provider above what is authorized to be paid on the child care scholarship will be the responsibility of the parent.
- 10.8.4 Invoices containing unpaid service weeks 60 calendar days or older, from the date the invoice is submitted to the SPMA, must be approved by DECAL before the invoice is paid.
- 10.8.4.1 DECAL has 14 calendar days to respond to the request to process any invoices that are 60 days or older.
- 10.8.5 Providers who submit invoices containing unpaid services weeks older than 60 calendar days risk forfeiture of payment.
- 10.8.6 All child care providers must receive child care payments from CAPS through direct deposit. Any child care provider that does not participate in direct deposit will not receive its reimbursement and may not participate in the CAPS program.
- 10.8.7 The child care provider will complete and submit a direct deposit form during the enrollment process. The direct deposit form will be sent to the child care provider from the SPMA along with other compliance documents.
- 10.8.8 When DECAL receives a tax levy and/or lien for a child care provider from the federal Internal Revenue Service (IRS), the State Department of Revenue, or other entities as allowed by law, the CAPS program will forward all monies from the child care provider’s reimbursements directly to the appropriate entity until the levy and/or lien has been satisfied or closed.

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**POLICY REVISION HISTORY**

<b>Date</b>	<b>Description of Change</b>
07/02/2018	Replaced all instances of the word certificate with scholarship in this section and throughout the Policy Manual.
02/01/2019	Revised section 10.8.3 to reference the provider’s published rate instead of the cost of care.
05/15/2020	Clarified that when multiple types of care are provided within the same service week (i.e., full time, part time, before and/or after), the maximum rate CAPS will reimburse to the provider is the state maximum rate for full time care or the provider’s published rate for full time care for children in DFCS custody and children with qualifying disabilities.
11/02/2020	Clarified that parents have the right to choose any eligible provider within the limits prescribed in CAPS Participating Providers Policy (CAPS/00-11) and CAPS Provider Rights and Responsibilities Policy (CAPS/00-12). Clarified that parents can enroll their school age child in any educational program of their choice; however, CAPS may reimburse a provider only for before and after school care for school age children attending a public or private school while school is in session. Added language to include, if provider is unknown at eligibility determination, the family can receive up to an additional 90 calendar days to select a provider as prescribed in <a href="#">CAPS Application Process Policy (CAPS/00-4)</a> . Revised language for types of care authorized and types of scholarships authorized to minimize duplication. Changed occasional care to part-time scholarship to align with part-time definition. Condensed content relating to provider billing and payments into one section. Clarified language noting that a provider should report non-attendance and excessive unexplained absences to the State Provider Management Agent (SPMA).