

TIERING DETERMINATION
for
FAMILY DAY CARE HOMES

Alabama Department Of Education
Child Nutrition Programs
USDA

What is Area Eligibility

Areas where poor economic conditions exist

Greater than 50% of the children are eligible for free and reduced price meals

185% of poverty based on Income Eligibility Guidelines

Why is this important? CACFP Tiering

Personal Responsibility and Work Opportunity
Reconciliation Act of 1996

**Impacts Reimbursement Rates Per
Meal**

Which data can be used?

SCHOOL DATA

CENSUS DATA

SCHOOL DATA

- Attendance area of a school with more than 50% free and reduced price eligible children
 - CACFP State agencies obtain a list of eligible schools every year
 - CACFP State agencies can use a more recent month if available and would establish eligibility
 - Busing (CACFP 02-2011)
- Valid for 5 years

School Data: CEP

Community Eligibility Provision (CEP)

Alternative to collecting income forms at schools
Area eligibility based on data from schools using CEP
must use INDIVIDUAL school data
Do NOT use district level data

Census Data in CACFP

Can only be used for tiering in day care homes

Can't be used for At-Risk Afterschool

Homes can be re-determined to tier 1 anytime

Valid for 5 years

New data every Fiscal Year (October)

Annual notification to sponsoring organizations required

Determining Tier 1 using Census Data

1. The home is in a census block group that has 50% or more children* eligible for free and reduced price meals.
2. The home is in a census tract that has 50% or more children* eligible for free and reduced price meals.

*Children means those 0-12 years old.

Determining Tier 1 using Census Data

3. If the home is located in an area

- With at least 40% children eligible in the census block group
- In an area immediately adjacent to an eligible area
- Approval of the FNS Regional Office and State agency

Then up to 3 adjacent blocks may be averaged (weighted) to determine eligibility.

TIER II

A Provider located outside low-income areas as determined by school or census data is Tier II, unless determined to be Tier I based on the Providers household Income.

A provider who cannot qualify for Tier I Reimbursement!

Provider Household Income/Categorical_Eligibility Determination

Household Income Eligibility Guidelines

Classification based on Categorical Eligibility

Determination made by completion of Income Eligibility Application (IEF)

Household Income Eligibility Guidelines

The State agency annually provides the Sponsor with guidelines for categorical and household income eligibility. Determination is made by completion of IEF

Classification based on Categorical Eligibility

A provider may demonstrate that they meet the criteria for free or reduced price meals by virtue of their receipt of benefits from food stamps (SNAP), the Food Distribution Program on Indian Reservation (FDPIR) or Temporary Assistance to Needy Families (TANF). However, this information must be verified by the sponsor.

Determination is made by completion of IEF

Provider's Own" Child or Children

The term “provider’s own children” refers to any children who live in the household such as the provider’s own children by birth or adoption, grandchildren, or housemates’ children who are part of the economic unit.

Meals served to the provider’s own children may only be reimbursed if all of the following three conditions exist:

- i) The provider’s children must be enrolled and participating in the child care program during the time of the meal service;**
- ii) Other enrolled nonresident children must be present and participating in the same meal service; and**
- iii) The sponsoring organization must have an income eligibility form (IEF) on file for the provider’s household showing that the provider’s household is income eligible or categorically eligible for Tier I reimbursement rates**

Provider's Own" Child or Children

If the provider has been determined to be eligible for Tier I due to area information – either by school or census data – the provider's own children will be eligible for reimbursement, only if the provider has submitted an IEF and has been determined to qualify for Tier I on the basis of household income or because the household is categorically eligible for public assistance in the form of SNAP, TANF, or FDPIR.

Note: Since a day care home may qualify as a Tier I home on the basis of the provider's household eligibility for free or reduced price meals, by definition, then there will be no meals reimbursed for provider's own children in Tier II homes.

Report Tiering Determinations to DCH Providers & the State Agency

The Sponsor processes all Provider tiering determinations or re-determinations in a timely manner. Any Tier I classification or re-classification signed and submitted by the Provider to the Sponsor during a given month, sets the reimbursement rate from the beginning of that month.

The Sponsor generates a Facility Application which indicates the providers tiering status and submits the application to the State Office for approval. Once approved then the Sponsor will notify the provider that they are approved to operate, their tiering status and the term of their determination.

The Sponsor prepares and distributes written notification to each Provider of their tier status, reimbursement rates, duration of their tier determination, qualifying factor(s) that determined the tier status, and options for tier re-determination.

Change of Status

A Provider may request re-determination by the Sponsor for significant changes, such as Provider relocation, changes in household membership, and changes in household income. Tier II area Providers can request means testing to change from all Tier II Low reimbursement rates to parent household income data collection, upon request to the Sponsor.

Any tier re-determination resets the reimbursement rate from the beginning of the month for which the re-determination is finalized. A tier re-determination may be finalized when the Sponsor has received and reviewed the required information from the Provider and approval has been granted by the State Office.

Tier II Provider Options

All Tier II Providers are paid at Tier II “Low” rates unless and until the Sponsor verifies the Provider’s qualification for Tier II “Hi” reimbursement rates. Upon determination of Tier II status, the Sponsor informs the affected Providers of the three options available for determining the tier status for claim reimbursement.

Request for Means Testing

Providers may ask the Sponsor to determine their tier reimbursement based on the actual meal counts for Tier II “Hi” and Tier II “Low” status of enrolled and participating children in their care. The Provider may choose to have the Sponsor:

- 1. Send IEFs to means test all children**
- 2. Identify Categorically Eligible children only**
- 3. Send no IEF’s**

Send IEFs to means test all Children

The Sponsor provides and collects IEFs from the parents/guardians of all enrolled children; OR

The Sponsor identifies only those children whom the Sponsor knows (on the basis of documented proof) to be categorically eligible for Tier II “Hi” benefits, and has on file copies of vouchers or other proof of participation in an eligible program other than an IEF; OR

Send no IEF’s: This choice indicates that the provider declines any opportunity to do means testing for any children. The Sponsor neither provides nor collects IEF’s from the parents/guardians of any enrolled children. The Provider receives all reimbursement at the Tier II reimbursement rate.

Parent/Guardian Household IEF Data Collection

Upon request, the Sponsor will supply a Provider with Income Eligibility Forms (IEF's) for parents/guardians of all enrolled children and include return envelopes with the Sponsor's address.

The Provider may distribute the IEFs to Parent/Guardian of households of enrolled children in care.

Completed IEF materials are confidential.

Completed IEF materials may be returned either to the Provider or to the Sponsor.

If completed IEF materials are returned to the Provider, then the Provider must provide it to the Sponsor within 3 days.' time.

IEF materials provided to the Provider or to the Sponsor, may not be returned to the parent/guardian of the household. Copies of including copies of state-assisted child care invoices or vouchers may be used as satisfactory documentation of eligibility for the CACFP in Tier I and with IEF form attached, allowing for the Sponsor to classify the information in a consistent way with other participants.

Actual Count Determinations

The Sponsor determines actual count reimbursement rates for each child in the care of Tier II Providers.

1. Categorical Eligibility

Children being cared for in a Tier II home are eligible for Tier II “Hi” reimbursement rates if they take part in any of the categorically eligible programs as listed on the Tier II Income Eligibility Form.

2. Expirations

The Sponsor ensures that each month that the Providers needing to have tier re-determination or pending expiration of tier status for Tier II “Hi” rate children in Tier II Provider homes is up to date, available and used.

3. Timely Reporting

The Sponsor collects IEF tier status documentation no earlier than one month before an income-based Tier II “Hi” determination is made for a particular child enrolled with a Provider. The prior month's income information is used in accordance with the eligibility guidance for the CACFP.

FINAL NOTE: All Tiering determinations (Tier I, Tier II, Tier II higher, lower or mixed) for all Providers must be approved by the Alabama State Department of Education, Child Nutrition Programs through the On-Line Application process.

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Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

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