

Position Statement on House Bill 1108, Printer's Number 1940

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Position

The Pennsylvania Association for the Education of Young Children (PennAEYC), Trying Together and First Up support House Bill 1108, PN 1940 to amend the Human Services Code allowing families to remain eligible for child care subsidy up to 300% Federal Poverty Income Guidelines (FPIG) (\$96,450 for a family of four) or 85% of the state median income (SMI), whichever is lower, at redetermination, to the extent that money is appropriated. Beginning fiscal year 2023-2024 and each fiscal year thereafter, no less than \$25 million from the Child Care Services line item must be used for this purpose.

Bill Summary

House Bill 1108 would amend the Human Services Code to allow [copayments](#) under the child care subsidy program to also be based on considerations to support economic self-sufficiency in addition to the family's annual income.

The bill amends eligibility at redetermination for subsidized child care, to the extent that money is appropriated to 300% of FPIG or 85% of the SMI, whichever is lower. Beginning fiscal year 2023-2024 and each fiscal year thereafter, no less than \$25 million from the child care services line item must be used for this purpose.

As amended, the bill removes language around minimum copayment amounts and replaces it with language that requires that copayments be in accordance with federal and state law. Copayments are to be rounded to the nearest whole number and do not apply to special populations determined by the Department of Human Services. As amended, a family's annual copayment must not be less than 3 percent and not more than 7 percent of the family's annual income, if they are at or below 235 percent of FPIG. If the family's income exceeds 235 percent of FPIG but not more than 300 percent of FPIG, the copayment must not be less than 7 percent and not more than 12 percent of the family's income. The bill would also remove language related to redetermination focused upon copayment deductions. It also repeals language in the Fiscal Code related to the \$25 million dedicated in the Child Care Services line item to increase exit eligibility to remove duplication in statute.

The act would take effect immediately.

Background

Pennsylvania provides [child care subsidies](#) for those receiving TANF, former-TANF families and families receiving SNAP benefits. In addition, subsidies are available for low-income, working families whose incomes are at or below 200 percent of poverty (\$64,300 for a family of four) when they apply. As a result of the continuation of the \$25 million earmarked in the Child Care Services line item in the 2023-24 budget, families can continue receiving a subsidy until their incomes reach 300 percent of the federal poverty level or 85 percent of the state median income, whichever is lower. In addition to financial eligibility criteria, these families must meet other rules including, but not limited to:

- Living in Pennsylvania and the child who needs care must be a US citizen or an alien lawfully admitted for permanent residency.
- Each adult family member must be working 20 or more hours a week or working 10 hours and going to school or training for 10 hours a week. Teen parents must attend an education program.

- The hours a child receives subsidized care must coincide with hours of work, education or training.
- Children are eligible for care from birth until the day prior to the date of the child's 13th birthday. Children with disabilities may be eligible through age 18.

Recommendations and Rationale

PennAEYC, Trying Together and First Up support House Bill 1108, PN 1940 which would amend the Human Services Code to allow copayments under the child care subsidy program to also be based on considerations to support economic self-sufficiency in addition to the family's annual income.

The bill allows families to remain eligible for child care subsidy up to 300% FPIG (\$96,450 for a family of four) or 85% of the SMI, whichever is lower, at redetermination, to the extent that money is appropriated. Beginning fiscal year 2023-2024 and each fiscal year thereafter, no less than \$25 million from the Child Care Services line item shall be used for this purpose.

As amended, the bill would limit copayments to families between 3 percent and 7 percent (<\$99 for a family of four), if their family income is at or below 235 percent of FPIG and between 7 percent and 12 percent (<\$220 for a family of four), if their family income is above 235 percent but not more than 300 percent of FPIG.

We support this further codification of these policies, which are intended to make child care more affordable for working families.

Fiscal Impact to Child Care Provider Community

As amended, there is no fiscal impact to the broader child care provider community. This bill would allow families to remain eligible for child care subsidy up to 300% FPIG (\$96,450 for a family of four) or 85% of the SMI, whichever is lower, at redetermination. Funds have already been provided for this purpose in the past and current fiscal years and this bill would continue the same level of funding.