WEST VIRGINIA CODE: §49-2-1101

Part XI. Child Care Subsidies

§49-2-1101. Mitigation of child care subsidy cliff effect.

(a) The Legislature finds that abrupt loss of child care assistance due to modest increases in family income creates a benefits cliff that discourages wage growth, limits workforce participation, and destabilizes child care arrangements for children and families.

(b) The Department of Human Services may adopt policies that reduce the child care subsidy cliff effect by gradually phasing out assistance as family income increases. To implement the provisions of this section, the department may propose rules, consistent with state and federal law and with available funding, for legislative approval consistent with the provisions of §29A-3-1 *et seq.*

(c) In carrying out this section, the department may:

(1) Expand the sliding fee scale for family copayments so that contributions increase progressively with income;

(2) Establish higher exit eligibility thresholds that allow families to maintain access to assistance while transitioning toward self-sufficiency;

(3) Implement graduated phase-out structures that prevent sudden loss of benefits;

(4) Adjust copayment amounts based on household income as a percentage of income; and

(5) Establish transitional eligibility periods or other mechanisms to support continuity of care.

(d) Policies adopted pursuant to this section shall be designed to encourage employment, wage growth, and career advancement while promoting stability for children and child care providers.

(e) The department shall implement cliff mitigation policies pursuant to this section no later than January 1, 2027.

(f) The department shall submit an annual written report, in electronic format, to the Joint Committee on Government and Finance on or before the first day of each regular session of the Legislature regarding the implementation and impact of cliff mitigation strategies implemented under the provisions of this statute.