



**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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structured, all slots are subject to the federal guidelines. This includes the federal maximum eligibility requirement, 85% state median income (SMI).

This fiscal impact statement assumes that the “initial eligibility limit” would remain at the federal maximum, 85% SMI, and that additional assistance would be provided in the phased reduction model for families who are no longer eligible for CCSP under current guidelines. Establishing a graduated phaseout model above the federal maximum would require changes to the structure of CCSP and would require all families in the phase out period to be supported by state dollars.

Virginia currently uses Virginia Case Management System (VaCMS) as the technology platform for CCSP. VaCMS is Virginia’s statewide eligibility and case-management platform used by the Department of Social Services to process public assistance programs, which includes CCSP and a variety of other programs. VaCMS is designed to streamline eligibility determination, improve coordination, and support the delivery of services to Virginia residents, but the integrated nature of the platform can make changes more expensive and complex. Expanding CCSP eligibility above the federal level would require extensive IT system updates. DOE estimates a one-time cost of \$600,000 general fund in FY27 to support these costs.

Given the changes required, DOE anticipates that a phased reduction model could not be implemented in FY27. DOE would require at least a year to complete the work needed to successfully develop and implement this program, including determining the parameters for the model; drafting regulations; revising and developing guidance documents, trainings, and technical assistance; communicating with families and child care providers; establishing a monitoring plan to ensure that Virginia is in compliance with federal guidelines; and implementing the required IT updates. Existing early childhood staff would absorb any impact to complete this work and to meet the reporting requirements in the bill.

DOE is able to provide estimated costs for subsidy payments for the phased reduction model based on existing CCSP enrollment and costs per child. Currently only about 4% of families served by CCSP have family incomes in the highest eligible category, between 300% Federal Poverty Level and 85% SMI, and would potentially become eligible for the phased reduction models. Annually, an estimated 1% of cases are ineligible at redetermination due to excess income, equal to 517 children, with 75% just over current maximum income limit of 85% SMI. Based on current average costs per child, and assuming that family copayments would increase as income increased, DOE estimates it would cost about \$3 million general fund per year to implement a phased reduction model. Any actual impact for subsidy payments would depend on the model adopted and the actual income eligibility limits established, and subsidies provided at each level.

**Other:** Senate amendments to HB/SB30 provide funding to support implementation and ongoing costs related to this bill.