OFFICE OF CHILDREN AND FAMILY SERVICES

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| ADMINISTRATIVE DIRECTIVE | TRANSMITTAL: 00 OCFS ADM-1

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DIVISION: Development &

TO: Commissioners of

Prevention Services

Social Services Executive Directors

DATE: January 28,2000

SUBJECT: Child Care: Revised Market Rates

SUGGESTED

DISTRIBUTION: | Director of Social Services

Director of Income Maintenance

Accounting Coordinators

| Child Care Supervisors and Staff | Staff Development Coordinators | Public Assistance Supervisors

CONTACT

PERSON:

| Eileen Mahoney - (518) 474-9324

USERID: SVC109

ATTACHMENTS: | 18 NYCRR Section 415. Rates

| (Available on line)

FILING REFERENCES

Previous Releases ADMs/INFs Cancelled		Soc. Serv. Law & Other	Manual	Ref. Misc.	Ref.
		Legal Ref.			
91 ADM-34 96 ADM-3	1 18NYCRR	 SSL 410			
93 INF-5	Parts				
96 ADM-3	358 & 415				
			1		

OCFS-4615EL (Rev. 11/98)

I. PURPOSE

The purpose of this directive is to advise social services districts of revised regulations related to market rates and the maximum reimbursement for expenditures for all child care services funded under the New York State Child Care Block Grant and Social Services Block Grant (Title XX).

II. BACKGROUND

Federal statute 42 U.S.C. Section 658E(c)(4)(A) and federal regulation 45 CFR Part 98.43(a) require the State to establish payment rates for federally funded child care subsidies that are sufficient to ensure equal access for eligible children. Federal regulation 45 CFR Part 98.43(b)(2) requires that payment rates be based on a local market rate survey. Federal Child Care and Development Block Grant requirements that specified legally-exempt family child care providers be paid up to the market rate for registered family day care providers have been eliminated.

Section 410-x of the State Social Services Law requires the Office of Children and Family Services to establish, in regulation, the applicable market-related payment rate which will establish a ceiling for State and federal reimbursement for payments for child care services. Payment rates must be sufficient to ensure equal access for eligible children to comparable child care services that are provided to children whose parents are not eligible to receive assistance under any federal or state programs. In addition, market rates must take into account the variations in costs of providing child care in different settings and to children of different age groups and the additional cost of providing child care for children with special needs.

In accordance with federal and State statutory and regulatory requirements, the Office of Children and Family Services conducted the required survey of child care rates. Rate data was collected by mailing a survey form to all regulated child care providers with the exception of those child day care providers in New York City that provide all of their child care services pursuant to contracts with the City's Agency for Child Development (ACD). The rates were analyzed by a consultant with expertise in statistical methodologies to determine the 75th percentile. The federal Administration of Children and Families has indicated in the preamble to its child care subsidy regulations that it regards the rates set at the 75th percentile as sufficient to provide subsidized parents equal access to child care providers.

The resultant rates were then clustered into five distinct groupings of counties based on similarities in the rates among the counties in each group. The rates for each group are differentiated by type of provider, age of child and amount of time in care.

The market rates for legally-exempt family child care, formerly referred to as informal child care, and legally-exempt in-home child care were established based on data obtained on a previous survey of caregivers of informal child care in one social services district. The percent difference in rates between the family day care rate and the legally-exempt family child care rate in this social services district was determined. This differential then was applied to the market rate established for family day care in all other social services districts to derive a rate for legally-exempt family child care and legally-exempt in-home child care.

III. PROGRAM IMPLICATIONS

The adjusted market rates provided in Attachment A are effective October 1, 1999.

Social services districts must review all currently authorized cases to ensure that payment is authorized for the actual cost of care up to the applicable market rate. Social services districts should pay particular attention to those authorizations which are at the pre-October 1, 1999 market rate limit. When the market rate has increased as a result of the update, recipients who are paying child care costs in excess of the previous market rate are eligible for an increased payment from the district (their actual child care charges up to the updated market rate) effective October 1, 1999.

In a few instances, the market rate has decreased and the social services district will need to reduce benefits. Whenever the amount of the authorized payment changes, social services districts must provide recipients with appropriate notice as required by Part 358 of the Department's regulations. See 93 INF-5, "Revised Client Notification Forms," for model notices.

When a child has special needs as defined in 91 ADM-34, social services districts must ensure that payment is authorized for the actual cost of care up to the Statewide limit (see III.C.).

Social services districts must apply the legally-exempt family child care market rate to providers of that care. If districts have applied the Resgistered Family Day Care rate to legally-exempt family child care providers, their payments should be adjusted to reflect the new rate category.

Social services districts are allowed to establish differential payment rates for child care services provided by regulated child care providers that have been accredited by a nationally recognized child care organization and for child care services provided during non-traditional hours.

IV. REQUIRED ACTIONS

A. Actual Cost of Care

Effective October 1, 1999, payments for child care services under the New York State Child Care Block Grant (NYSCCBG) and under Title XX must be for the actual cost of care up to the applicable market rate as updated (see Attachment A). The actual cost of care is the usual rate charged by the provider for non-subsidized care.

Social services districts may negotiate rates with individual providers. A fairly negotiated rate can be advantageous to both the social services district and the provider. Social services districts may offer incentives such as direct payment, insurance, equipment and supplies to the providers with whom it contracts. In return, social services districts frequently receive a discount on the purchase of child care services. Even though the negotiated rate may be less than the usual charge to non-subsidized families, the negotiated rate is considered the actual cost of care for those child care services provided under a contractual agreement between the social services district and the provider. However, a contract may not be made a condition of receiving payment under the NYSCCBG.

B. Selection of the Applicable Market Rate

Whenever child care services are provided, the social services district must consider four factors when selecting the applicable market rate. These factors are:

1. Type of Provider

- a. Licensed or registered day care centers and caregivers of legally-exempt group child care The maximum payment rate for care provided by licensed or registered day care center providers and caregivers of legally-exempt group child care as defined in 18 NYCRR Section 415.1 is the applicable market rate for day care centers.
- b. Registered family day care providers The maximum payment rate for care provided by registered family day care providers is the applicable market rate for family day care.
- c. Licensed group family day care providers The maximum payment rate for care provided by licensed group family day care providers is the applicable market rate for group family day care.
- d. Registered school-age child care programs The maximum payment rate for care provided by registered school-age child care programs is the applicable market rate for School-age child care programs.

e. Caregivers of legally-exempt family child care and legally-exempt in-home child care - The maximum payment rate for care provided by caregivers of legally-exempt family child care and legally-exempt in-home child care, formerly referred to as informal child care, as defined in Section 415.1(c) of the Department's regulations, is the applicable market rate for legally-exempt family child care and legally-exempt in-home child care.

2. Age of Child

Market rates are differentiated by the age of the child. The age categories are:

- a. under 1-1/2 years;
- b. 1-1/2 years through 2 years;
- c. 3 years through 5 years; and
- d. 6 years through 12 years.

When a change in a child's age results in movement from one age category to another, the new market rate limit should be applied at the beginning of the first full month following such a change.

3. Duration of Care

Market rates also are differentiated by the number of hours of care that are needed.

a. Weekly

The social services district may apply the weekly rates as the maximum payment limit when the child care services are provided for 30 or more hours over the course of five or fewer days in a single week.

b. Daily

The social services district may apply the daily rates as the maximum payment limit when the child care services are provided for at least six but fewer than twelve hours per day.

c. Part-day

The social services district must apply the part-day rates as the maximum payment limit when the child care services are provided for at least three but fewer than six hours per day.

d. Hourly

The social services district must apply the hourly rates as the maximum payment limit when the child care services are provided for fewer than three hours per day.

When a child day care provider routinely charges non-subsidized parents on a weekly basis and has not signed a purchase of service contract or other written agreement for payment on a different basis, the social services district must apply the weekly rate as the maximum payment limit for child care services that are provided for 30 or more hours per week for five or fewer days. When the child care services are provided for fewer than 30 hours per week, the social services district must apply the daily, part-day or hourly rates, or a combination thereof, as applicable.

When a social services district enters into a purchase of service contract or other written agreement with a provider, the social services district must select either a weekly or daily method of payment for full time child care, and must apply this method consistently to all contracts.

When child care services are provided by a single provider in excess of one weekly or daily period as defined in Section 415.9(a) and (b), payment for the additional child care services will be based on the actual cost of care up to the applicable rate. For example, Mrs. Jones cares for Genny for eight hours per day, Monday through Saturday. The maximum payment available is one weekly market rate plus one daily market rate or six daily rates.

Payment for child care services which are provided by multiple caregivers during the course of a single day or week will be made to each caregiver for the actual cost of such services up to the applicable market rate for each. For example, Kids Choice Day Care Center cares for David from 7:30 AM to 4:30 PM, Monday through Friday. Mr. Johnson, a neighbor, cares for David from 6:00 PM to 9:30 PM on Tuesday and Thursday. The maximum payment available is one weekly market rate for Kids Choice Day Care Center and two part-day market rates for Mr. Johnson.

4. Location of Care

Whenever child care services are provided by a caregiver located outside the social services district which authorizes the subsidy, the social services district must make payments based on the applicable market rates for the county in which the care is provided.

C. Consideration for Children With Special Needs

When child care services are provided to children with special needs, social services districts will receive reimbursement for payments in excess of the applicable market rate up to the statewide limit when the increased payments are the result of increased costs associated with meeting the special care needs of such children. The rate of payment for child care services provided to a child determined to have special needs is the actual cost of care up to the statewide limit of the highest weekly, daily, part-day or hourly market rate for child care services in the State, as applicable, based on the amount of time the child care services are provided per week regardless of the type of child care provider used or the age of the child.

The highest full time market rate in the State is:

Weekly	\$255.00
Daily	\$ 51.00
Part-Day	\$ 34.00
Hourly	\$ 8.00

Detailed policies and procedures relative to the provision of child care services to children with special needs are set forth in 91 ADM-34.

D. Differential Payment Rates

Social services districts are allowed to establish differential payment rates for child care services provided by regulated child care providers that have been accredited by a nationally recognized child care organization. Nationally recognized organizations that provide accreditation to regulated child care providers include the National Association for Education of Young Children (NAEYC), National Association for Family Child Care (NAFCC) and National School Age Child Care Association (NSACCA). Additionally, districts are allowed to establish differential payment rates for child care services that are provided during non-traditional hours, that is during evening, night or weekend hours.

The differential payment rates established by the district may be up to 15 percent higher than the applicable market rates. The differential payment rates the district sets for accredited programs may be different from the rates set for care provided during non-traditional hours. The district must indicate in its Consolidated Services Plan the percentage above the applicable market rate that it opts to allow for accredited programs and/or for care provided during non-traditional hours, as applicable.

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There can only be a total of 15 percent in differential payment to any one provider. For instance, a provider who is nationally accredited and who also provides child care for non-traditional hours is eligible only for a maximum of 15% increase above the market rate for the respective type of care and age of the child.

A district may request a waiver to establish a payment rate that is in excess of 15 percent above the applicable market rate upon showing that the 15 percent maximum is insufficient to provide access within the district to accredited programs and/or care provided during non-traditional hours.

V. SYSTEMS IMPLICATIONS

This ADM has no systems implications.

VI. EFFECTIVE DATE

The effective date of this ADM is October 1, 1999.

Donald Smith
Deputy Commissioner

ATTACHMENT

The market rates are established in five groupings of social services districts. Except for districts noted with an asterisk (*) in the market rate schedule, the rates established for a group apply to all districts in the designated group. The district groupings are as follows:

GROUP A: Nassau, Putnam, Suffolk, and Westchester

GROUP B: Albany, Columbia, Erie, Monroe, Onondaga, Ontario,

Rensselaer, Saratoga, Schenectady, Warren

GROUP C: Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,

Chenango, Clinton, Cortland, Delaware, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Montgomery, Niagara, Oneida, Orleans, Oswego, Otsego, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins,

Washington, Wayne, Wyoming, Yates

GROUP D: Dutchess, Orange, Rockland, Ulster

GROUP E: Bronx, Kings, Manhattan, Queens, Richmond

GROUP A	COUNTIES:	Nassau, Putr	nam, Suffolk,	and Westch	ester
Age	of Child:	<u>Under 1 1/2</u>	1 1/2 - 2	3 - 5	6 - 12
DAY CAR	E CENTER Weekly	\$231.00	\$210.00	\$195.00	\$181.00
	Daily	\$46.00	\$42.00	\$39.00	\$36.00
	Part-Day	\$31.00	\$28.00	\$26.00	\$24.00
	Hourly	\$7.70	\$7.00	\$6.00	\$5.38
REGISTE	RED FAMILY DAY	/ CARE			
11201012	Weekly	\$185.00	\$175.00	\$170.00	\$153.00
	Daily	\$37.00	\$35.00	\$34.00	\$30.00
	Part-Day	\$25.00	\$23.00	\$23.00	\$20.00
	Hourly	\$6.00	\$6.00	\$5.00	\$5.00
GROUP F	AMILY DAY CARI	Σ			
	Weekly	\$200.00*	\$185.00*	\$175.00	\$175.00
	*Westchester	\$209.00	\$200.00		
	Daily	\$40.00*	\$37.00*	\$35.00	\$35.00
	*Westchester	\$41.00	\$40.00		
	Part-Day	\$27.00	\$25.00*	\$23.00	\$23.00
	*Westchester	:	\$27.00		
	Hourly	\$6.50	\$6.13	\$6.00	\$6.00
SCHOOL	AGE CHILD CAR	<u> </u>			
	Weekly	\$0.00	\$0.00	\$0.00	\$181.00
	Daily	\$0.00	\$0.00	\$0.00	\$36.00
	Part-Day	\$0.00	\$0.00	\$0.00	\$24.00
	Hourly	\$0.00	\$0.00	\$0.00	\$5.38
LEGALLY	-EXEMPT FAMILY	CHILD CARE	AND IN-HOME	CHILD CARE	
	Weekly	\$139.00	\$131.00	\$128.00	\$115.00
	Daily	\$27.00	\$26.00	\$25.00	\$23.00
	Part-Day	\$18.00	\$17.00	\$17.00	\$15.00
	Hourly	\$4.50	\$4.50	\$3.75	\$3.75

GROUP B COUNTIES: Albany, Columbia, Erie, Monroe, Onondaga, Ontario, Rensselaer, Saratoga, Schenectady, and Warren

	200	ciibberaer, bar	acoga, bone	incocaa,, and	Marron
Age	e of Child:	<u>Under 1 1/2</u>	1 1/2 - 2	3 - 5	6 - 12
DAV CAE	RE CENTER				
DAI CAI	Weekly	\$150.00*	\$139 00*	\$130.00	\$125.00*
	*Albany:	\$166.00	•	Ψ130.00	\$132.00
	11120117	γ100.00	γ113.00		φ±3 2. 00
	Daily	\$30.00*	\$27.00*	\$26.00	\$25.00*
	*Albany:		\$29.00		\$26.00
	-				
	Part-Day	\$20.00*	\$18.00*	\$17.00	\$17.00
	*Albany:	\$22.00	\$19.00		
	_				
	Hourly	\$5.00	\$5.00	\$4.50	\$5.00
PECISTE	ERED FAMILY DA	V CARF			
REGIDII	Weekly	\$125.00	\$120.00	\$110.00	\$100.00
	Weenly	Ψ123.00	Ψ120.00	Ψ110.00	γ100.00
	Daily	\$25.00	\$24.00	\$22.00	\$20.00
		*15 00	*16.00	415 00	412 00
	Part-Day	\$17.00	\$16.00	\$15.00	\$13.00
	Hourly	\$4.00	\$3.50	\$3.50	\$3.50
GROTIP H	FAMILY DAY CAR	F:			
OROOT 1	Weekly	\$125.00	\$125.00	\$115.00	\$110.00
	Weenly	Ψ123.00	Ψ123.00	Ψ113.00	Ψ110.00
	Daily	\$25.00	\$25.00	\$23.00	\$22.00
	Part-Day	\$17.00	\$17.00	\$15.00	\$15.00
	Hourly	\$4.42	\$4.00	\$4.00	\$4.00
SCHOOL	AGE CHILD CAR				
	Weekly	\$0.00	\$0.00	\$0.00	\$125.00
	*Albany				\$132.00
	Daily	\$0.00	\$0.00	\$0.00	\$25.00
	*Albany				\$26.00
	Part-Day	\$0.00	\$0.00	\$0.00	\$17.00
	Hourly	\$0.00	\$0.00	\$0.00	\$5.00
TECATI		V CUITID CADE A	AND THE HOME		
песапп і	Y-EXEMPT FAMIL		\$90.00		¢75 00
	Weekly	\$94.00	φ 90.00	\$83.00	\$75.00
	Daily	\$18.00	\$18.00	\$16.00	\$15.00
	Darry	ٱ0.00	γ±0.00	γ10.00	ψ±5.00
	Part-Day	\$12.00	\$12.00	\$11.00	\$10.00
	2	,			,
	Hourly	\$3.00	\$2.63	\$2.63	\$2.63

GROUP C COUNTIES: Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Cortland, Delaware, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Montgomery, Niagara, Oneida, Orleans, Oswego, Otsego, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Washington, Wayne, Wyoming, and Yates

Age of Child:	<u>Under 1 1/2</u>	1 1/2 - 2	3 - 5	6 - 12
DAY CARE CENTER				
Weekly	\$124.00	\$115.00	\$106.00	\$100.00
Daily	\$24.00	\$23.00	\$21.00	\$20.00
Part-Day	\$16.00	\$15.00	\$14.00	\$13.00
Hourly	\$4.41	\$4.00	\$3.80	\$4.00
REGISTERED FAMILY DA	Y CARE			
Weekly	\$100.00	\$ 95.00	\$90.00	\$90.00
Daily	\$20.00	\$19.00	\$18.00	\$18.00
Part-Day	\$13.00	\$13.00	\$12.00	\$12.00
Hourly	\$3.00	\$3.00	\$3.00	\$3.00
GROUP FAMILY DAY CAR	F.			
Weekly	\$105.00*	\$100.00*	\$100.00	\$95.00
*Chemung,Genesee				
Livingston,				
Madison,Niagara	: \$111.00	\$109.00		
Daily *Chemung,Genesee	\$21.00*	\$20.00*	\$20.00	\$19.00
Livingston, Madison,Niagara	: \$22.00	\$21.00		
Part-Day *Chemung,Genesee	\$14.00*	\$13.00*	\$13.00	\$13.00
Livingston, Madison,Niagara	: \$15.00	\$14.00		
Hourly	\$3.00	\$3.00	\$3.00	\$3.00

SCHOOL 2	AGE CHILD CARE				
	Weekly	\$0.00	\$0.00	\$0.00	\$100.00
	Daily	\$0.00	\$0.00	\$0.00	\$20.00
	Part-Day	\$0.00	\$0.00	\$0.00	\$13.00
	Hourly	\$0.00	\$0.00	\$0.00	\$4.00
					_
LEGALLY.	-EXEMPT FAMILY	CHILD CARE ANI	O IN-HOME	CHILD CARE	
	Weekly	\$75.00	\$71.00	\$68.00	\$68.00
	Daily	\$15.00	\$14.00	\$13.00	\$13.00
	Part-Day	\$10.00	\$9.00	\$9.00	\$9.00
	Hourly	\$2.25	\$2.25	\$2.25	\$2.25

GROUP D COUNTIES: Dutchess, Orange, Rockland, and Ulster

Age	of Child: I	Under 1 1/2	1 1/2 - 2	2 3 - 5	6 - 12
DAY CARE	CENTER				
	Weekly	\$170.00	\$161.00	\$140.00	\$140.00
	Daily	\$34.00	\$32.00	\$28.00	\$28.00
	Part-Day	\$23.00	\$21.00	\$19.00	\$19.00
:	Hourly	\$5.81	\$5.88	\$5.63	\$6.00
REGISTER	ED FAMILY DAY	CARE			
	Weekly	\$150.00	\$150.00	\$135.00	\$125.00
	Daily	\$30.00	\$30.00	\$27.00	\$25.00
	Part-Day	\$20.00	\$20.00	\$18.00	\$17.00
:	Hourly	\$5.00	\$5.00	\$5.00	\$4.88
					·
	MILY DAY CARE Weekly	\$165.00	\$155.00	\$150.00	\$140.00
	Daily	\$33.00	\$31.00	\$30.00	\$28.00
	Part-Day	\$22.00	\$21.00	\$20.00	\$19.00
:	Hourly	\$5.25	\$5.00	\$5.00	\$5.00
SCHOOL A	GE CHILD CARE				
	Weekly	\$0.00	\$0.00	\$0.00	\$140.00
	Daily	\$0.00	\$0.00	\$0.00	\$28.00
	Part-Day	\$0.00	\$0.00	\$0.00	\$19.00
:	Hourly	\$0.00	\$0.00	\$0.00	\$6.00
		G			
	EXEMPT FAMILY Weekly	\$113.00	\$113.00	\$101.00	\$94.00
	Daily	\$22.00	\$22.00	\$20.00	\$18.00
	Part-Day	\$15.00	\$15.00	\$13.00	\$12.00
:	Hourly	\$3.75	\$3.75	\$3.75	\$3.66

GROUP E COUNTIES: Bronx, Kings, Manhattan, Queens, and Richmond

Age of Child:	<u>Under 1 1/2</u>	1 1/2 - 2	2 3 - 5	6 - 12
DAY CARE CENTER Weekly	\$255.00	\$252.00	\$170.00	\$170.00
Daily	\$51.00	\$50.00	\$34.00	\$34.00
Part-Day	\$34.00	\$33.00	\$23.00	\$23.00
Hourly	\$5.00	\$5.00	\$5.00	\$5.00
REGISTERED FAMILY D	AV CARE			
Weekly	\$127.00	\$127.00	\$103.00	\$102.00
Daily	\$25.00	\$25.00	\$20.00	\$20.00
Part-Day	\$17.00	\$17.00	\$13.00	\$13.00
Hourly	\$8.00	\$8.00	\$8.00	\$8.00
GROUP FAMILY DAY CA	RE			
Weekly	\$145.00	\$140.00	\$135.00	\$117.00
Daily	\$29.00	\$28.00	\$27.00	\$23.00
Part-Day	\$19.00	\$19.00	\$18.00	\$15.00
Hourly	\$5.25	\$5.25	\$5.13	\$5.63
SCHOOL AGE CHILD CA	RE			
Weekly	\$0.00	\$0.00	\$0.00	\$170.00
Daily	\$0.00	\$0.00	\$0.00	\$34.00
Part-Day	\$0.00	\$0.00	\$0.00	\$23.00
Hourly	\$0.00	\$0.00	\$0.00	\$5.00
LEGALLY-EXEMPT FAMI	LY CHILD CARE \$95.00	AND IN-HOME \$95.00	CHILD CARE \$77.00	\$77.00
Daily	\$19.00	\$19.00	\$15.00	\$15.00
Part-Day	\$13.00	\$13.00	\$10.00	\$10.00
Hourly	\$6.00	\$6.00	\$6.00	\$6.00

SPECIAL NEEDS MAXIMUM RATES:

The rate of payment for child care services provided to a child determined to have special needs is the actual cost of care up to the statewide limit of the highest weekly, daily, part-day or hourly market rate for child care services in the State, as applicable, based on the amount of time the child care services are provided per week regardless of the type of child care provider used or the age of the child.

The highest full time market rate in the State is:

Weekly	\$255.00
Daily	\$ 51.00
Part-Day	\$ 34.00
Hourly	\$ 8.00