



New York State
Office of
Children & Family
Services

George E. Pataki
Governor

John A. Johnson
Commissioner

OFFICE OF CHILDREN AND FAMILY SERVICES

ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 00 OCFS ADM-1

DIVISION: Development &
Prevention Services

TO: Commissioners of
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:

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ATTACHMENTS:

18 NYCRR Section 415. Rates
(Available on line)

FILING REFERENCES

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

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 Registered 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.

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.

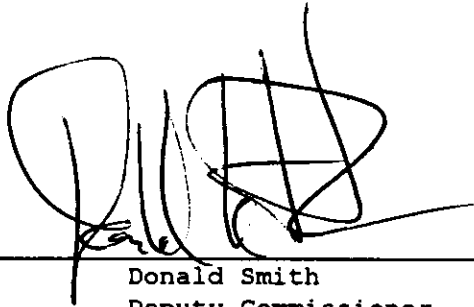
A district may request a waiver to establish a payment rate that is in excess of 15 percent above the applicable market rate upon showing that the 15 percent maximum is insufficient to provide access within the district to accredited programs and/or care provided during non-traditional hours.

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

Section 415.9. Rates.

GROUP A COUNTIES: Nassau, Putnam, Suffolk, and Westchester

Age of Child:	<u>Under 1 1/2</u>	<u>1 1/2 - 2</u>	<u>3 - 5</u>	<u>6 - 12</u>
DAY CARE 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
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REGISTERED FAMILY DAY CARE				
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
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GROUP FAMILY DAY CARE				
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
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SCHOOL AGE CHILD CARE				
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
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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

Section 415.9. Rates.

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

Age of Child:	<u>Under 1 1/2</u>	<u>1 1/2 - 2</u>	<u>3 - 5</u>	<u>6 - 12</u>
DAY CARE CENTER				
Weekly	\$150.00*	\$139.00*	\$130.00	\$125.00*
*Albany:	\$166.00	\$149.00		\$132.00
Daily	\$30.00*	\$27.00*	\$26.00	\$25.00*
*Albany:	\$33.00	\$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
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REGISTERED FAMILY DAY CARE				
Weekly	\$125.00	\$120.00	\$110.00	\$100.00
Daily	\$25.00	\$24.00	\$22.00	\$20.00
Part-Day	\$17.00	\$16.00	\$15.00	\$13.00
Hourly	\$4.00	\$3.50	\$3.50	\$3.50
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GROUP FAMILY DAY CARE				
Weekly	\$125.00	\$125.00	\$115.00	\$110.00
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
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SCHOOL AGE CHILD CARE				
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
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LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE				
Weekly	\$94.00	\$90.00	\$83.00	\$75.00
Daily	\$18.00	\$18.00	\$16.00	\$15.00
Part-Day	\$12.00	\$12.00	\$11.00	\$10.00
Hourly	\$3.00	\$2.63	\$2.63	\$2.63

Section 415.9. Rates.

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>	<u>1 1/2 - 2</u>	<u>3 - 5</u>	<u>6 - 12</u>
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
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REGISTERED FAMILY DAY 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
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GROUP FAMILY DAY CARE				
Weekly	\$105.00*	\$100.00*	\$100.00	\$95.00
*Chemung, Genesee Livingston, Madison, Niagara:	\$111.00	\$109.00		
Daily	\$21.00*	\$20.00*	\$20.00	\$19.00
*Chemung, Genesee Livingston, Madison, Niagara:	\$22.00	\$21.00		
Part-Day	\$14.00*	\$13.00*	\$13.00	\$13.00
*Chemung, Genesee Livingston, Madison, Niagara:	\$15.00	\$14.00		
Hourly	\$3.00	\$3.00	\$3.00	\$3.00
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SCHOOL 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 AND 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

Section 415.9. Rates.

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

Age of Child:	<u>Under 1 1/2</u>	<u>1 1/2 - 2</u>	<u>3 - 5</u>	<u>6 - 12</u>
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
REGISTERED 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
GROUP FAMILY 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 AGE 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
LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE				
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

Section 415.9. Rates.

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

Age of Child:	<u>Under 1 1/2</u>	<u>1 1/2 - 2</u>	<u>3 - 5</u>	<u>6 - 12</u>
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 DAY 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 CARE				
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 CARE				
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 FAMILY CHILD CARE AND IN-HOME CHILD CARE				
Weekly	\$95.00	\$95.00	\$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

Section 415.9. Rates.

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