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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 91 LCM-151

Date: August 23, 1991

Division: Family and Children
Services

TO: Local District Commissioners

SUBJECT: Market Rate Questionnaire

ATTACHMENTS: Attachment A - Market Rate Questionnaire (available on-line)
Attachment B - Child Care Rate Chart (available on-line)
Attachment C - Market Rate Survey (not available on-line)

In order to implement the child day care provisions of the federal Family Support Act of 1988, the New York State Department of Social Services (Department) conducted a survey in 1990 of child day care providers to determine child day care market rates. The federal statute provides that federal financial participation is available for payment for the actual cost of care (the negotiated rate charged by the provider) up to the statewide limit determined by a state, but not for more than the local market rate.

The Job Opportunity and Basic Skills Training Act of 1990 required the use of the local market rate as the maximum reimbursable rate for Employment-Related, JOBS-Related, and Transitional Child Care programs. The use of local market rates is also now required for the Low Income Day Care program. Reimbursement is available to social services districts for the actual cost of care (rate charged by the provider) up to the applicable local market rate for other child day care funding sources (i.e., Title XX). This enables social services districts to pay rates reflective of their local market without going through the rate waiver process that was in effect prior to the establishment of local market rates. In addition, payment for the cost of care up to the local market rate provides low income families greater opportunity to access available child day care slots.

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Federal regulation requires the Department to update local market rates at least every two years. We are currently planning for collection of data to update the local market rates. Prior to conducting the market rate survey, we are requesting your input on several issues related to local market rates.

Enclosed is a questionnaire that provides you with an opportunity to offer recommendations prior to our calculation of new rates, and a chart to indicate rates you are currently paying for child day care providers with whom you have a written contract, letter of intent, or other written agreement. Also provided is the original market rate survey to assist you in completion of this questionnaire.

This fall we will revise our market rate survey form which will then be submitted to all regulated child day care providers. Therefore, we would appreciate your response to the enclosed by September 13, 1991. Please send the completed questionnaire and chart to:

Ms. Susan Duchnycz
NYS Department of Social Services
Bureau of Child Care
40 North Pearl Street-11B
Albany, New York 12243-0001

On-line districts may send their response by electronic mail to User ID SVC101.

If you have any questions, please contact Susan Duchnycz, Bureau of Child Care at 1-800-342-3715, extension 4-9324, or dial direct 1-518-474-9324.

Joseph Semidei
Deputy Commissioner
Family and Children Services

MARKET RATE QUESTIONNAIRE

1. What effect has market rate had on the following:

a. The supply of child care?

b. The quality of child care?

c. Continuity of care? (i.e. the ability of families to continue to use the same provider regardless of the subsidy funding stream)

d. Ability to contract with providers?

2. How has the implementation of local market rates affected the administration of child care services in your district?

3. Indicate the number of child care providers with whom you have written contracts, letters of intent or other written agreements.

Day Care Center	_____
Family Day Care	_____
Group Family	_____
School-Age Child Care	_____
School Districts	_____
Informal Child Care	_____

4. What difficulties have you had with any of the following and what recommendations do you have for change?

a. Definition of full-time and part-time child care

RECOMMENDATION

b. Age groupings on the market rate payment schedule

RECOMMENDATION

c. The time period on which rates are based (i.e. weekly, hourly)

RECOMMENDATION

d. Other

RECOMMENDATION

5. Do the rates you pay child care providers vary by funding category (i.e. Employment-Related, JOBS, Transitional, Title XX, Low Income Day Care)? _____.

If YES, what barriers exist that prevent you from paying consistent rates across funding categories?

6. If your contracted rates are less than the actual cost of care, please answer the following questions.

a. What plans do you have to increase your contracted rates to the actual cost of care?

b. Estimate the cost of increasing your contracted rates to the actual cost of care. _____

7. Nearly every county received an increase in their Low Income Day Care allocation for State Fiscal Year 90-91 which was intended to permit an increase in their day care rates. Have you increased the rates you are paying for low income families? _____ Are you currently paying the actual cost of care for Low Income Day Care services? _____

8. Many day care centers charge day care rates on a sliding scale based on the parent's income. Department regulation Part 415.6(e)(2) provides that payments for eligible families do not exceed the amount charged to the general public. Has this created a disincentive for providers to serve your population? _____ What recommendations do you have related to this issue?

9. Are there programs other than those included in our definition of child care (day care center, family and group family, informal care, school age) from which you would like to be able to purchase services?

10. Currently there is a single service type code in the WMS Services Eligibility System to authorize school-age child care. Do you need the ability to distinguish between full-time and part-time care?

11. We will be surveying all providers in the state regarding the rates they charge the general public. What are your suggestions regarding the process for the collection of information for the next market rate survey?

12. When did you last raise the rate paid providers with whom you have a formal written agreement?

- Day Care Center _____
- Family Day Care _____
- Group Family _____
- School-Age Child Care _____
- School Districts _____

13. Additional Comments

Please send the completed questionnaire and chart to:

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NYS Department of Social Services
Bureau of Child Care
40 North Pearl Street 11B
Albany, New York 12243-0001

On-line districts may send their response by electronic mail to User ID
SVC101.

Contact Person _____

Phone #-(_____)_____

ATTACHMENT B
Instructions for Child Care Rates Chart

The attached chart will be used to collect information on child care rates social services districts are paying for child care providers who have a written contract, letter of intent or other written agreement. Include rates for informal child care providers if you have a written contract, letter of intent, or other written agreement with such providers. Indicate the payment amount (or range of payment) for EACH subsidy program and EACH type of care. If payment occurs other than on a weekly, daily, or hourly basis, (i.e. monthly) please indicate the period upon which the rate is based. If a separate rate is provided for part-time, please indicate the rate.

Subsidy Programs:

Employment-Related Child Care (Employed-PA) is guaranteed to public assistance recipients in order for them to begin or maintain employment.

JOBS-Related Child Care (JOBS) is guaranteed to public assistance recipients who are participating in approved JOBS activities, including orientation and assessment.

Transitional Child Care (Transitional) is guaranteed to former public assistance recipients who become ineligible for ADC, HR, or VA benefits due to earned income reasons.

Title XX (Inc. Elig.and Prev/Prot) is a program available to parents who are employed, participating in approved education/training, ill or incapacitated, seeking employment, or necessarily absent from the home. Preventive/protective day care services are offered as part of an approved services case plan.

Low Income Day Care (Low Income) is a program available to parents who are employed, participating in approved education/training, or seeking employment.