



**ANNOUNCEMENT: S-06 #06
CHILD DEVELOPMENT OFFICE
BUREAU OF SUBSIDIZED CHILD CARE SERVICES**

ISSUE DATE: July 17, 2006
EFFECTIVE DATE: August 1, 2006

SUBJECT:	Increase in Maximum Child Care Allowances
TO:	Child Care Information Services Agencies
FROM:	Harriet Dichter Deputy Secretary, Office of Child Development

PURPOSE:

To inform Child Care Information Services (CCIS) agencies of an increase to the Maximum Child Care Allowance (MCCA) for infants, toddlers, and preschoolers participating in full-time services at child care centers. The increased rates will be effective August 1, 2006.

BACKGROUND:

The MCCA represents the daily maximum amount the County Assistance Office (CAO) or CCIS will pay to providers who participate in the subsidized child care program. Payment rates for children participating in subsidized child care afford providers crucial support and core financial resources needed to maintain acceptable levels of quality which are closely linked to school success for children.

The State Budget for Fiscal Year 2006-07 includes additional funding to improve the MCCA for providers who enroll low-income, vulnerable children through the state's subsidized child care program. The MCCA effective August 1, 2006 are based on the most current market rate survey information available at this time, the 2005 Market Rate Survey.

DISCUSSION:

The Office of Child Development (OCD) is increasing the MCCA for infants, toddlers, and preschoolers participating in full-time services at child care centers to at least the 60th percentile statewide. Counties with a concentration of young, low-income children in poverty will be increased to at least the 70th percentile. Those counties currently above the target levels will not see an increase in the MCCA.

This is an increase from last year's rates which were set to at least the 52nd percentile for centers and the 60th percentile for counties with a concentration of young, low-income children in poverty. OCD's goal is to set the MCCA at the 75th percentile of the private market. The new funding for Fiscal Year 2006-07 allows additional progress to be made toward meeting the 75th percentile goal.

Attached to this Announcement are the following:

- Revised MCCA chart (See page one of the Provider Rate Guide; rates that increased are bolded.)
- Revised Provider Rate Guide (Provider Agreement Appendix C-2.)
- Letter advising providers of the increase in the MCCA.
- Excel spreadsheet containing a list of centers, by county, who will see an increase in one or more of their MCCA for infants, toddlers and preschoolers.

The new MCCA have been incorporated into the Client Information System (CIS) and the Child Care Management Information System (CCMIS) with an effective date of August 1, 2006. Please be aware that CCMIS will not recalculate encumbrances based on the new MCCA until the weekend of July 22-23, 2006.

CCIS agencies must notify providers who are affected by the increased MCCA in time to explain the increase in their August rates. CCIS agencies may mail the notification letter and the revised Appendix C-2 to providers separately or along with their July or August Provider Attendance Invoices.

NEXT STEPS:

- 1) Review the attached Excel spreadsheet which identifies providers who have at least one rate affected by the MCCA change. The Excel spreadsheet is a result of a CCMIS query run on July 13, 2006.
- 2) Print and copy the attached provider letter for each provider who will experience a rate increase in at least one care level rate.
- 3) Complete the Appendix C-2 for each provider who will experience a rate increase in at least one care level rate. Print two copies; one to send to the provider and one to include in the provider's file as an attachment to the Provider Agreement.
- 4) Mail both the provider letter and revised Appendix C-2 to all providers who will experience a rate increase in at least one care level. The provider letter and revised Appendix C-2 may be included with the August Provider Attendance Invoice. The provider does not need to sign and return the revised Appendix C-2.
- 5) Retain the revised MCCA chart for future reference.

Attachments