



**ANNOUNCEMENT: S-05 #03
CHILD DEVELOPMENT OFFICE
BUREAU OF SUBSIDY SERVICES**

**ISSUE DATE: May 9, 2005
EFFECTIVE DATE: July 1, 2005**

SUBJECT:	Maximum Child Care Allowances and Rate Guides
TO:	Child Care Information Services Agencies
FROM:	Harriet Dichter Deputy Secretary, Office of Child Development

Harriet Dichter

PURPOSE:

This announcement provides the Maximum Child Care Allowances (MCCA) for the subsidized child care program (Attachment A) which are to be implemented July 1, 2005. Implementation is conditioned on the inclusion of these funds in the final state budget, as approved by the legislature and signed by the Governor. This announcement also contains the Rate Guide Spreadsheets (Attachment B), Instructions (Attachment C) to complete Appendix C-2 and Appendix C-3 of the Provider Agreement and a description of the MCCAs.

CCIS agencies must enter provider payment rates into CCMIS by June 3, 2005.

BACKGROUND:

The federal regulatory structure requires that states establish a maximum payment rate for the subsidized child care program to ensure that low-income families have equal access. The federal recommendation is that states set their ceiling rate at the 75th percentile of the private market rate based on the biennial Market Rate Survey required by the Child Care Development Block Grant.

During January 2005, you distributed the 2005 Market Rate Survey to all regulated providers in Pennsylvania. We analyzed the rates you collected and determined the new MCCAs for implementation on July 1, 2005.

DISCUSSION:

All prior versions of the MCCAs are obsolete on July 1, 2005. Attachment A replaces all prior versions including Appendix A in Chapter 620, Maximum Child Care Allowances, of your CCIS Policy and Procedures Manual, and the MCCA chart in your 2005-06 Grant Agreement.

The Rate Guide Instructions explain how to use the Rate Guide Spreadsheets and which set of rates to enter into CCMIS. Please delete previous versions of the Rate Guide Instructions from your computer.

The Rate Guide Spreadsheets resemble last year's version except CAMIS ID has been deleted. When printed, the spreadsheet replaces Appendix C-2 of the Provider Agreement for regulated providers or Appendix C-3 for unregulated providers. A spreadsheet is also available to determine the rate to enter into CCMIS for non-subsidy providers. Please delete previous versions of the Rate Guides from your computer.

Some CCIS agencies noticed penny adjustments in CCMIS for unregulated providers. This was caused by a reference table upgrade required by Headquarters. The Rate Guides have been corrected to match the MCCA in CCMIS. Please authorize all adjustments which previously resulted from this change.

NEXT STEPS:

- 1) Distribute this announcement to all staff.
- 2) Replace MCCA charts in Policy and Procedures Manual and 2005-06 Grant Agreement.
- 3) Enter provider payment rates and closures into CCMIS by June 3, 2005.

Comments and Questions Regarding this Announcement Should be Directed to your Regional Coordinator.