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Local Commissioners Memorandum

Transmittal:	08-OCFS-LCM-10
To:	Local District Commissioners
Issuing Division/Office:	Division of Child Care Services
Date:	7/14/2008
Subject:	Child Care Market Rates 2007-2009
Contact Person(s):	Eileen Mahoney (518) 473-0711 Eileen.Mahoney@ocfs.state.ny.us
Attachments:	Yes
Attachment Available Online:	Yes

I. Purpose

The purpose of this release is to advise social services districts of the revised regulations related to the market rates and the maximum reimbursement for expenditures for all child care services funded under the New York State Child Care Block Grant (NYSCCBG) and Social Services Block Grant (Title XX). These changes to Title 18 of the New York Codes, Rules and Regulations (NYCRR) section 415.9 were filed as an emergency rule as well as a notice of proposed rule making and were effective as of October 1, 2007. Districts were previously notified in 07 OCFS-INF-08, issued September 26, 2007, concerning the revisions to the child care market rates. The regulations were adopted as a final rule on February 20, 2008.

II. Background

Federal and State law require the State to establish payment rates for child care subsidies that are sufficient to ensure equal access to child care services for eligible children [42 USC 9858c(a)(4)(A); 45 CFR Part 98.43(a); Section 410-x(4) of the Social Services Law]. Federal regulation requires that payment rates be based on a local market rate survey [45 CFR Part 98.43(b)(2)]. State law requires the Office of Children and Family

Services (OCFS) 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 [Section 410-x(4) of the Social Services Law].

Payment rates must be sufficient to ensure equal access for eligible families to child care services comparable to those provided to children whose parents are not eligible to receive assistance under any federal or State child care 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 as well as the additional cost of providing child care for children with special needs. The federal Administration for Children and Families has indicated in the preamble to the final rule for the Child Care and Development Fund [45 CFR Parts 98 and 99] that it regards rates set at the 75th percentile of the market as sufficient to provide subsidized parents equal access to child care providers.

In accordance with federal regulatory requirements, OCFS contracted with a market research firm to conduct a telephone survey of a sample of regulated providers. Prior to conducting the telephone survey, a letter was sent to all regulated child care providers to inform them that they might be included among the sample of providers called to participate in the market rate survey. A copy of the questions accompanied the letters so that providers could prepare their responses in advance of their possible participation in the market rate survey. The market research firm conducted the telephone survey in English and in Spanish, as needed, and had resources available to assist providers in other languages as well. Market rate data was collected from over 4,800 providers.

The rate data was analyzed to determine the 75th percentile. The resultant rates were then clustered into five distinct groupings of districts based on similarities in the rates among the districts.

The standard market rates for legally-exempt family child care and in-home child care providers reflect a 65 percent differential applied to the market rate established for registered family day care. The enhanced market rates are established at a 75 percent differential applied to the market rates established for registered family day care. Information pertaining to the establishment of the market rates for legally-exempt family child care and legally-exempt in-home child care can be found on page 5.

III. Program Implications

Actual Cost of Care

Effective October 1, 2007, 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 in Attachment A. The actual cost of care is:

- for care provided pursuant to a contract between the social services district and the provider, the payment rate set forth in the contract; or,
- for care provided in instances other than pursuant to a contract between the social services district and the provider, the amount charged to the general public for equal care in that facility or home. However, if the facility or home cares only for subsidized children, then the actual cost of care is the amount the provider currently is receiving from the social services district for such children unless the provider can demonstrate to the social services district that the actual cost of providing care to such children is higher than that amount.

Federal and State reimbursement is available only for child care services for eligible families for which the cost does not exceed the amount charged by the provider to the general public for similar care.

Social services districts may negotiate a contract with individual providers. The negotiated payment rates may be the same as or lower than the rates charged to non-subsidized families. 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.

A contract cannot be made a condition of receiving payment under the NYSCCBG.

Determining Actual Cost of Care for Providers, Without a Contract, Who Care Only for Subsidized Children

If a provider cares only for children receiving child care subsidies, and does not have a contract with the social services district, then the actual cost of care is the rate the provider currently receives from the social services district. However, if such a provider can document that he or she provides similar child care services to a non-subsidized child currently or in the recent past, and that a higher rate was charged and received from the non-subsidized family, then the district can establish that rate as the actual cost of care. Additionally, if a provider can document that the costs, unreimbursed by other sources of funding, related to the provision of child care services have increased in the previous 12 months, then that provider may request a higher payment rate from the district. For this purpose only, the district should consider the increases in costs related to employees' salaries and benefits, occupancy, insurance, equipment, supplies, and food.

The increases in costs have to be solely related to or clearly attributable to the operation of the child care program. For instance, not all costs of homeowners' insurance can be considered. Only those costs that the insurance carrier has specifically attributed to the existence of the child care program should be considered. Furthermore, costs of home improvement or maintenance to the general residence would not be considered attributable solely to the operation of the child care program.

Also, the costs associated with the child care program to maintain compliance with existing regulatory standards should not be considered. In offering services as a child

care provider, the provider is attesting to the fact that he or she has and will be satisfying the basic regulatory standards. So, by stating that he or she now has to charge more because the program was compelled to meet those standards is not a legitimate expense attributable to the operation of a child care program. However, if new regulatory standards are created, the costs incurred by an existing program to meet the new regulatory standards should be considered. For instance, when Alyssa's Law was enacted, costs for physical modifications to the property that were required to comply with Alyssa's Law, which were amortized by the provider over a reasonable period of time, should have been considered solely attributable to the operation of the child care program. Other potential includable costs are those associated with compliance with the proposed administration of medication requirements. For example, out-of-pocket expenses related to retaining a health care consultant or obtaining the required training that are documented by the provider are to be considered by the district.

In order to determine the amount of increase that is reasonable, the district should annualize the appropriate costs including amortizing any relevant capital expenditures over a reasonable multiple-year period, spread the annualized costs over the capacity of the program, and then convert the costs to a weekly (or daily) increase cost per child. Providers and/or districts can contact the local child care resource and referral agency if they need additional information on how to maintain business records for child care programs.

When considering increased food costs, the district may consider whether the provider has chosen to use other available resources to offset food costs, particularly the Child and Adult Care Food Program (CACFP). If a provider has experienced increased food costs because he or she has voluntarily or involuntarily left the CACFP program, such additional food costs should not be considered. If the provider has never participated in CACFP, the district could deny an increase or that part of the increase that could be offset by the provider through the CACFP program.

Generally, the increase in the provider's own salary or profit drawn from the program would not be considered. However, to the extent that the provider has granted increases in the salaries to his or her employees and the provider also delivers direct child care services on-site to the children in his or her program, then a similar increase in the provider's own salary, if any, can be considered as an increase in costs to the program. Additionally, increased personnel costs for a substitute or alternate provider that are documented by the provider may be considered, so long as it is clear that the enhanced staffing was not offset by additional revenues that the provider was able to generate by serving more children.

Differential Market Rates for Legally-Exempt Family Child Care and Legally-Exempt In-Home Providers

The standard market rates for legally-exempt family child care and legally-exempt in-home child care providers reflect a 65 percent differential applied to the market rate established for registered family day care. The enhanced market rates are established at a 75 percent differential applied to the market rates established for registered family day care. These differential rates provide incentives to encourage legally-exempt family child

care and legally-exempt in-home providers to improve the quality of the care they provide through training. Therefore, the market rates available for legally-exempt child care providers and legally-exempt in-home child care providers were restructured by authorizing a higher rate for providers who annually complete ten or more hours of training and a lower rate for those who do not obtain such training.

The enhanced market rate is available for a provider of legally-exempt family child care and legally-exempt in-home child care that has provided appropriate documentation that he or she has completed ten or more hours of training annually in the areas set forth in section 390-a (3)(b) of the Social Services Law to, and been approved by, the legally-exempt caregiver enrollment agency (enrollment agency).* The enrollment agency must inform the district when it has verified that the provider has completed ten or more hours of training. If the district is notified by the enrollment agency that a legally-exempt family child care or in-home child care provider has completed ten or more hours of training, then the provider is eligible to receive the enhanced market rate for a period of 12 months. The district must apply the enhanced market rate for 12 months, starting no later than the beginning of the first full month following the date the district was notified by the enrollment agency of the approval of the enhanced rate. Furthermore, the district must send the required notice, OCFS/LDSS-4781 Notice of Intent to Change Child Care Benefits, to the parent or caretaker.

In order to receive the enhanced market rate beyond the 12-month period, the provider would have to complete an additional ten or more hours of training annually and submit documentation to the enrollment agency. The enrollment agency must make a determination whether to approve the additional training, document the determination in the Child Care Facility System, and notify the district within ten days of receiving the request from the provider for the enhanced rate.

Selection of the Applicable Market Rate

Whenever child care services are provided, the social services district must consider at least three factors when selecting the applicable market rate. The factors that affect payment are the type of provider, age of the child, and duration of care.

Additional factors affecting rates may apply in certain circumstances. These circumstances include: care provided outside of the family's district of residence; care provided to a child with special needs; programs that are accredited or provide care during non-traditional hours; and care provided in excess of a weekly or daily period.

**For those parts of New York City where there is no legally-exempt enrollment agency, the district must perform this function.*

1. Type of Provider

- a. **Licensed or registered day care centers and legally-exempt group child care** - The maximum payment rate for care provided by licensed or registered day care center providers and by 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 homes** - The maximum payment rate for care provided by registered family day care homes is the applicable market rate for family day care.
- c. **Licensed group family day care homes** - The maximum payment rate for care provided by licensed group family day care homes 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. **Legally-exempt family child care and legally-exempt in-home child care providers** - The maximum payment rate for care provided by legally-exempt family child care and legally-exempt in-home child care providers is the applicable market rate for legally-exempt family child care and in-home child care.

Note: All legally-exempt providers including legally-exempt group, legally-exempt family, and legally-exempt in-home providers must meet applicable health and safety standards and must be **temporarily enrolled or enrolled** by the legally exempt caregiver enrollment agency before payment is made.

2. Age of Child

Market rates differ according to the age of the child. The age categories are:

- a. **under** 1 ½ years;
- b. 1 ½ 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 his/her movement from one age category to another, the new market rate limit must be applied at the beginning of the first full month following such a change.

3. Duration of Care

Market rates also differ according to the number of hours of care that are needed.

a. Weekly

The social services district must apply the weekly market rates as the maximum payment limit only 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 must apply the daily market rates as the maximum payment limit only when the child care services are provided for **less than 30 hours over the course of five or fewer days in a single week and for at least six but fewer than twelve hours per day**.

Some providers charge a daily rate for child care services provided for 30 or more hours over the course of five or fewer days in a single week. The daily market rates do not apply in those instances. The district must apply the weekly market rates divided by five as the maximum daily payment limit.

c. Part-day

The social services district must apply the part-day market rates as the maximum payment limit when the child care services are provided for **at least three but fewer than six hours per day**. Part-day market rates also must be applied for children who are provided care before and/or after school for less than three hours per day by day care centers or school-age child care programs that do not charge on an hourly basis.

d. Hourly

With the exception noted in the definition of the part-day rate, the social services district must apply the hourly market rates as the maximum payment limit when the child care services are provided for **fewer than three hours per day**.

Weekly Versus Daily Market Rates

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 market rate as the maximum payment limit for child care services that are provided for 30 or more hours over the course of five or fewer days in a single week. To determine if care is provided for 30 or more hours over the course of five or fewer days in a single week, districts must use Monday as the start of the weekly period.

When a child day care provider routinely charges non-subsidized parents on a daily basis for child care provided for 30 or more hours over the course of five or fewer days in a single week 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 market rate divided by five as the maximum daily payment limit for child care services.

When the child care services are provided for fewer than 30 hours over the course of five or fewer days in a single week, the social services district must apply the daily, part-day or hourly market rates, or a combination thereof, as applicable. The market rate charts reflect daily rates for care that is provided for at least six but less than twelve hours per day, but for less than 30 hours over the course of five or fewer days in a single week.

Care in Excess of a Weekly or Daily Market Rate Period

When child care services are provided by a single provider in excess of one weekly or daily market rate period and the provider routinely charges an additional rate for these additional periods, payment for child care services must be based on the actual cost of care up to the applicable market rates. If care is provided for six or seven days in a week, then an additional market rate would apply for the sixth and/or seventh day. If care is provided for 12 hours or more in a day, then an additional market rate (daily, part-day, or hourly) would be applied. For the purpose of determining the appropriate market rates, districts must use Monday as the start of the weekly period.

An example of care in excess of a daily market rate period is as follows: a provider, whose normal operating hours are 7:00 AM to 5:30 PM, cares for a child from 7:00 AM to 11:00 PM (16 hours) per day, Monday through Friday, and charges an additional amount for care after 5:30 PM. In this example, the maximum payment available is one weekly market rate plus five part-day rates. One weekly market rate applies since care is provided for 30 or more hours over the course of five or fewer days in a single week. Since care is provided for 12 or more hours per day, five part-day market rates also apply for the four additional hours of care above the 12 hours per day provided from 7:00 PM to 11:00 PM, Monday through Friday.

An example of care in excess of a weekly market rate period is as follows: a provider, whose normal operating hours are Monday through Friday 7:00 AM to 5:30 PM, cares for a child from 9:00 AM to 5:00 (8 hours) per day, Monday through Friday, and from 7:00 AM to 11:00 AM (4 hours) on Sunday, and charges an additional amount for care after 5:30 PM and for the weekend. To determine if care is provided for 30 or more hours over the course of five or fewer days in a single week, start on Monday and determine the number of hours, if any, that service was provided for five days. Then, determine if any care is provided for any days beyond the five days and determine if the daily, part-day or hourly market rate applies. In this example, the maximum payment available is one weekly market rate plus one part-day market rate for Sunday. One weekly market rate applies since care is provided for 30 or more hours during Monday through Friday. Since care is provided for a sixth day in the week, one part-day market rate applies for the four hours of care on Sunday.

Care Provided for 24 Hours in a Day

A district has the option to pay for child care services that are needed for 24 hours in a single day. Reimbursement is available to the district if the district has selected this option in its Child and Family Services Plan.

When a single provider provides child care services for 24 hours in a day, the district must determine if care is provided for 30 or more hours over the course of five or fewer days in a single week. Then, the district must evaluate if the care provided is in excess of a weekly or daily market rate period. Payment for the child care services must be based on the actual cost of care up to the applicable market rate.

An example of 24-hour care that leads to a total amount of care in excess of 30 or more hours over the course of five or fewer days in a single week is as follows: a provider, whose normal operating hours are Monday through Friday 7:00 AM to 5:30 PM, cares for a child from 12:00 AM on Monday to 12:00 AM on Tuesday (24 hours) and from 9:00 AM to 5:00 (8 hours) per day, Tuesday through Friday. The provider also charges an additional amount for care after 5:30 PM. In this example, the maximum payment available is one weekly market rate plus one daily market rate. One weekly market rate applies since care is provided for 30 or more hours during Monday through Friday. One daily market rate also applies because care is provided for 12 or more hours per day on Monday.

Care Provided by Multiple Providers

Where child care services are provided by multiple providers, reimbursement will be made for the actual cost of such services up to the applicable rate for each child care provider used. However, if the combined reimbursement to the multiple providers would exceed one weekly market rate, in order to receive such reimbursement the parent or caretaker must demonstrate that their schedule of employment, or other approved activity, or the special needs of the child necessitate that child care services be arranged with multiple providers. If the social services district determines that the parent or caretaker has not demonstrated that there is a necessity to use multiple providers, reimbursement is limited to the one weekly market rate that is applicable for the type of provider who provides care for the highest number of hours. The social services district will determine how to distribute the reimbursement for the multiple providers.

If the social services district determines that the parent or caretaker has demonstrated that there is a necessity to use multiple providers when the combined reimbursement to the multiple providers would exceed one weekly market rate, reimbursement will be made to each provider for the actual cost of such services up to the applicable market rate for each provider. For example, a provider cares for a child from 7:30 AM to 4:30 PM, Monday through Friday. Another provider cares for that child from 6:00 PM to 9:30 PM on Tuesday and Thursday. The maximum payment available is one weekly market rate for the first provider and two part-day market rates for second provider.

Market Rate for Prekindergarten Children in School-Age Child Care Programs

The market rate that applies for prekindergarten-aged children attending a school-age child care program, which has received the appropriate waiver for enrolling such children from OCFS or the New York City Department of Health and Mental Hygiene Day Care Bureau, is the rate for children age 6 through 12 years in the same program.

Children with Special Needs

When child care services are provided to a child with special needs, social services districts will receive reimbursement for payments in excess of the applicable market rate up to the statewide limit. Any payments in excess of the market rates must be related to the increased costs associated with meeting the special care needs of the particular child. Detailed requirements relative to the provision of child care services to children with special needs are set forth in 91 ADM-34.

The rate of reimbursement to a provider caring for 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, irrespective of the type of child care provider used or the age of the child.

The highest applicable market rates in the State are as follows. These rates are also the maximum reimbursable rates for special needs children.

Weekly \$378.00

Daily \$ 80.00

Part-Day \$ 53.00

Hourly \$ 17.64

Location of Care

Whenever child care services are provided by a provider located outside the social services district that authorizes the subsidy, the district must make payments based on the cost of care, up to applicable market rates for the county in which the care is provided. The same standard applies to care provided in another state.

Enhanced Market Rate for Legally-Exempt Family Child Care Homes and In-Home Child Care Providers

An enhanced market rate is established for legally-exempt family care child care and in-home child care providers that have completed ten or more hours of training annually and

a standard market rate is established for legally-exempt family care child care and in-home child care providers that have not completed ten or more hours of training annually.

These differential rates provide incentives to encourage legally-exempt family child care and legally-exempt in-home providers to improve the quality of the care they provide through training. Therefore, the market rates available for legally-exempt child care providers and legally-exempt in-home child care providers were restructured by authorizing a higher rate for providers who annually complete ten or more hours of training and a lower rate for those who do not obtain such training.

The standard market rates for legally-exempt family child care and in-home child care providers are based on a 65 percent differential applied to the market rates established for registered family day care. The enhanced market rates for legally-exempt family child care providers and legally-exempt in-home child care providers are established at a 75 percent differential applied to the market rates established for registered family day care. The enhanced market rate is available for providers of legally-exempt family child care and in-home child care who have been approved by the enrollment agency as the result of having demonstrated to the enrollment agency that the provider has completed ten or more hours of training annually in the areas set forth in section 390-a(3)(b) of the Social Services Law.* The enrollment agency will inform the district of the providers who they have verified to have completed ten or more hours of training. The standard and enhanced market rates are included in Attachment A.

When a district is notified by the enrollment agency that a legally-exempt family child care or legally-exempt family in-home child care provider has completed ten or more hours of training, the district must increase the payment amount to the enhanced market rate and send the required notice, OCFS/LDSS-4781, Notice of Intent to Change Child Care Benefits, to the parent/caretaker. The provider is eligible to receive the enhanced market rate for a period of 12 months. In order to receive the enhanced market rate beyond the 12-month period, the provider must complete an additional ten or more hours of training and submit documentation to the enrollment agency. The enrollment agency will notify the district if the provider has completed an additional ten or more hours of training.

**For those parts of New York City where there is no legally-exempt enrollment agency, the district must perform this function.*

Differential Payment Rates

Nationally Accredited Programs

Districts are allowed to establish differential payment rates for child care services provided by licensed or registered child care providers or programs 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).

Legally-exempt group child care, legally-exempt family child care and legally-exempt in-home child care providers are **not** eligible for the differential payment rate for nationally accredited programs.

Non-traditional Hours

Districts are allowed to establish differential payment rates for child care services that are provided during non-traditional hours: evening, night or weekend hours. Social services districts may establish a differential rate for non-traditional hours provided by legally-exempt group, legally-exempt family, and legally-exempt in-home child care providers as well as by regulated providers.

Conditions Pertaining to Differential Payments

If a district chooses to offer a differential payment, the district must indicate this in its Child and Family Services Plan. The information in the plan must include the percentage above the applicable market rate that the district opts to allow for accredited programs and/or for care provided during non-traditional hours, as applicable. The district must also indicate in its Child and Family Services Plan if any restrictions or limitations are placed on providers that may be eligible for any differential payment.

The differential payment rates established by the district may be up to 15 percent higher than the applicable market rates. For example, if the market rate is \$200, a differential of 15 percent would raise the market rate up to \$230 for eligible programs. Districts must pay a provider who qualifies for a differential payment rate the lower of the rate charged by that provider to the general public for equal care or the differential payment rate.

The differential payment rates the district sets for accredited programs may be different than the rates it sets for care provided during non-traditional hours. 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 during non-traditional hours is eligible only for a maximum rate of 15 percent increase above the market rate for the respective type of care and age of the child.

Waivers to Exceed 15 Percent

A district may request a waiver from OCFS to establish differential payment rates that are in excess of 15 percent above the applicable market rate. The district request must show that the 15 percent maximum is insufficient to provide access within the district to accredited programs and/or care provided during non-traditional hours.

IV. System Implications

This LCM has no Welfare Management System implications.

V. Required Actions

As districts were notified in 07 OCFS-INF-08, the adjusted market rates provided in Attachment A were effective October 1, 2007. All previous market rates were superseded by those published in 07 OCFS-INF-08 and included in this issuance.

Once new market rates are adopted by OCFS, social services districts are required to use the new market rates when determining the payment amounts for all cases that are opened on or after the effective date of the rates and must review all currently authorized cases to determine that payment is authorized for the actual cost of care up to the applicable market rate. Reviews must take place as soon as possible, but no later than the next case action or redetermination, whichever comes first.

Recipients of child care subsidies that have paid for 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). For example, a parent who has been paying an amount (in excess of the previous market rates) as of August 1, 2007, would only be eligible for the increased amount as of October 1, 2007. Parents that have documented out-of-pocket payments for the increased cost must be reimbursed for the out-of-pocket payment up to the market rate effective October 1, 2007.

Where the new market rates have increased from the previous market rates, providers that can provide documentation of this increase in the cost of care to the private pay families for child care costs in excess of the previous market rate are eligible for an increased payment from the district (their actual child care charges for private pay families up to the updated market rate). The increased payment is effective the date the provider began charging the increased rate or the date of any case action or redetermination on or after October 1, 2007, whichever is more recent. For example, a provider that has been charging private pay families an amount (in excess of the previous market rates) as of August 1, 2007, would only be eligible for the increased amount as of October 1, 2007. However, if the provider increased the rate for the private pay families on or after October 1, 2007, the provider is eligible for the cost of care up to the market rate from the date the provider increased the rate or October 1, 2007, whichever is later, upon proper documentation of this increase.

In instances in which the market rates have decreased from the previous market rates, the district will need to reduce benefits. Please note that when a benefit is reduced due to changes in the market rates, the effective date for the reduction is not retroactive to October 1, 2007. Benefit reductions are to be made prospectively. For those cases where a district did not make the necessary reductions at the next case action that occurred on or after October 1, 2007, the amount the district paid above the market rate is not reimbursable from State and federal funds.

Whenever the amount of child care benefits changes, social services districts must provide recipients with appropriate notice as required by 18 NYCRR Part 358.

If the provider's rate is in excess of the market rate and the district does not have a contract with the provider, the parent who chooses to continue care with the provider must make up the difference. If the district has a contract to pay a rate that is higher than the market rate, the amount above the market rate is not reimbursable from State and federal funds.

VII. Effective Date

The effective date of this release is October 1, 2007.

/s/ Janice M. Molnar, Ph. D.

Janice M. Molnar, Ph. D.
Deputy Commissioner
Division of Child Care Services

ATTACHMENT A

CHILD CARE MARKET RATES

Market rates are established in five groupings of social services districts as follows:

- Group A: Nassau, Putnam, Rockland, Suffolk, Westchester
- Group B: Columbia, Erie, Monroe, Onondaga, Ontario, Rensselaer, Saratoga, Schenectady, Tompkins, 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, Washington, Wayne, Wyoming, Yates
- Group D: Albany, Dutchess, Orange, Ulster
- Group E: Bronx, Kings, New York, Queens, Richmond

MARKET RATES

Except for districts noted with an exception in the following market rate schedules, the rates established for a group apply to all districts in the designated group. Districts with an exception have a different rate indicated in bold. Some districts have an exception only for a particular rate(s). Where no exception appears under a rate column, the designated group rate applies.

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

DAY CARE CENTER

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$314	\$280	\$250	\$262
Exceptions:				
Westchester	\$378	\$331	\$274	--
DAILY	\$70	\$62	\$55	\$54
Exceptions:				
Nassau	\$75	\$77	--	--
Suffolk	\$80	\$70	--	--
Westchester	\$75	\$70	\$58	--
PART-DAY	\$47	\$41	\$37	\$36
Exceptions:				
Nassau	\$50	\$51	--	--
Suffolk	\$53	\$47		
Westchester	\$50	\$47	\$39	--
HOURLY	\$8.88	\$9.48	\$8.81	\$9.17

REGISTERED FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$250	\$250	\$250	\$250
Exceptions:				
Putnam	\$300	\$275	\$278	--
Suffolk	\$260	\$263	--	--
Westchester	\$300	--	\$331	--
DAILY	\$56	\$56	\$55	\$50
PART-DAY	\$37	\$37	\$37	\$33
HOURLY	\$8.00	\$8.89	\$7.75	\$8.00

(Group A Counties)

GROUP FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$260	\$255	\$250	\$250
Exceptions:				
Rockland	--	--	\$261	--
Westchester	\$275	\$275	\$266	\$276
DAILY	\$58	\$56	\$55	\$56
Exceptions:				
Westchester	--	\$60	\$60	\$60
PART-DAY	\$39	\$37	\$37	\$37
Exceptions:				
Westchester	--	\$40	\$40	\$40
HOURLY	\$8.00	\$8.00	\$8.00	\$8.00

SCHOOL AGE CHILD CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$0	\$0	\$0	\$262
DAILY	\$0	\$0	\$0	\$54
PART-DAY	\$0	\$0	\$0	\$36
HOURLY	\$0	\$0	\$0	\$9.17

LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
STANDARD RATE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$163	\$163	\$163	\$163
DAILY	\$36	\$36	\$36	\$33
PART-DAY	\$24	\$24	\$24	\$22
HOURLY	\$5.20	\$5.78	\$5.04	\$5.20

(Group A Counties)
 LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
ENHANCED RATE

	<u>AGE OF CHILD</u>			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$188	\$188	\$188	\$188
DAILY	\$42	\$42	\$41	\$38
PART-DAY	\$28	\$28	\$27	\$25
HOURLY	\$6.00	\$6.67	\$5.81	\$6.00

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

DAY CARE CENTER

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$210	\$200	\$183	\$177
Exceptions:				
Saratoga	--	\$211	\$196	--
DAILY	\$50	\$48	\$43	\$38
Exceptions:				
Erie	--	--	\$44	--
Monroe	\$55	\$52	\$48	--
PART-DAY	\$33	\$32	\$29	\$25
Exceptions:				
Monroe	\$37	\$35	\$32	--
HOURLY	\$7.74	\$7.78	\$6.89	\$7.74

REGISTERED FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$150	\$150	\$145	\$136
Exceptions:				
Erie	--	\$161	--	--
Ontario	\$164	\$169	--	--
Saratoga	\$169	\$165	\$160	\$143
Schenectady	\$170	\$160	\$150	\$150
DAILY	\$34	\$35	\$31	\$31
Exceptions:				
Columbia	\$35	--	--	--
Erie	\$38	\$38	\$34	\$34
Saratoga	\$35	--	--	\$33
Warren				\$33
PART-DAY	\$23	\$23	\$21	\$21
Exceptions:				
Erie	\$25	\$25	\$23	\$23
Saratoga	--	--	--	\$22
Warren	--	--	--	\$22
HOURLY	\$5.00	\$5.17	\$5.00	\$4.45

(Group B Counties)

GROUP FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$170	\$165	\$160	\$160
Exceptions:				
Erie	--	\$175	\$165	--
Schenectady	\$195	\$188	\$186	--
DAILY	\$38	\$35	\$35	\$33
Exceptions:				
Erie	--	--	--	\$34
PART-DAY	\$25	\$23	\$23	\$22
Exceptions:				
Erie	--	--	--	\$23
HOURLY	\$5.00	\$5.14	\$5.14	\$5.00

SCHOOL AGE CHILD CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$0	\$0	\$0	\$177
DAILY	\$0	\$0	\$0	\$38
PART-DAY	\$0	\$0	\$0	\$25
HOURLY	\$0	\$0	\$0	\$7.74

LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
STANDARD RATE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$98	\$98	\$94	\$88
DAILY	\$22	\$23	\$20	\$20
PART-DAY	\$15	\$15	\$13	\$13
HOURLY	\$3.25	\$3.36	\$3.25	\$2.89

(Group B Counties)
 LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
ENHANCED RATE

	<u>AGE OF CHILD</u>			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$113	\$113	\$109	\$102
DAILY	\$26	\$26	\$23	\$23
PART-DAY	\$17	\$17	\$15	\$15
HOURLY	\$3.75	\$3.88	\$3.75	\$3.34

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, Washington, Wayne, Wyoming, and Yates

DAY CARE CENTER

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$171	\$165	\$155	\$136
Exceptions:				
Niagara	--	--	--	\$138
DAILY	\$40	\$37	\$34	\$31
Exceptions:				
Broome	--	\$40	\$38	--
PART-DAY	\$27	\$25	\$23	\$21
Exceptions:				
Broome	--	\$27	\$25	--
HOURLY	\$5.44	\$5.06	\$5.25	\$5.23

REGISTERED FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$135	\$130	\$125	\$125
Exceptions:				
Clinton	--	--	--	\$135
Oneida	--	--	\$130	--
DAILY	\$31	\$31	\$30	\$30
Exceptions:				
Clinton	--	--	--	\$34
Sullivan	--	--	--	\$31
PART-DAY	\$21	\$21	\$20	\$20
Exceptions:				
Clinton	--	--	--	\$23
Sullivan	--	--	--	\$21
HOURLY	\$3.18	\$3.00	\$3.00	\$3.00

(Group C Counties)

GROUP FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$140	\$130	\$126	\$125
Exceptions:				
Oneida	\$150	\$150	\$135	--
Steuben	--	--	\$135	\$138
Washington	--	--	\$145	\$130
DAILY	\$34	\$33	\$31	\$30
PART-DAY	\$23	\$22	\$21	\$20
HOURLY	\$4.00	\$4.00	\$4.00	\$4.00

SCHOOL AGE CHILD CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$0	\$0	\$0	\$136
Exceptions:				
Niagara	--	--	--	\$138
DAILY	\$0	\$0	\$0	\$31
PART-DAY	\$0	\$0	\$0	\$21
HOURLY	\$0	\$0	\$0	\$5.23

LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
STANDARD RATE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$88	\$85	\$81	\$81
DAILY	\$20	\$20	\$20	\$20
PART-DAY	\$13	\$13	\$13	\$13
HOURLY	\$2.07	\$1.95	\$1.95	\$1.95

(Group C Counties)

LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
ENHANCED RATE

	<u>AGE OF CHILD</u>			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$101	\$98	\$94	\$94
DAILY	\$23	\$23	\$23	\$23
PART-DAY	\$15	\$15	\$15	\$15
HOURLY	\$2.39	\$2.25	\$2.25	\$2.25

**GROUP D COUNTIES:
Albany, Dutchess, Orange, and Ulster**

DAY CARE CENTER

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$227	\$210	\$195	\$185
Exceptions:				
Dutchess	\$250	\$225	\$197	\$223
Orange	--	\$220	--	--
DAILY	\$51	\$47	\$44	\$44
Exceptions:				
Albany	--	\$50	\$45	--
PART-DAY	\$34	\$31	\$29	\$29
Exceptions:				
Albany	--	\$33	\$30	--
HOURLY	\$7.75	\$7.46	\$7.24	\$7.34

REGISTERED FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$191	\$185	\$175	\$175
Exceptions:				
Dutchess	--	--	--	\$180
Orange	\$200	\$200	\$200	\$200
DAILY	\$44	\$41	\$38	\$38
Exceptions:				
Dutchess	--	\$45	\$44	\$45
Orange	--	--	\$40	\$44
PART-DAY	\$29	\$27	\$25	\$25
Exceptions:				
Dutchess	--	\$30	\$29	\$30
Orange	--	--	\$27	\$29
HOURLY	\$7.00	\$6.00	\$6.00	\$6.10

(Group D Counties)

GROUP FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$200	\$194	\$180	\$178
Exceptions:				
Orange	\$225	--	--	\$189
DAILY	\$45	\$45	\$43	\$40
Exceptions:				
Orange	\$54	--	\$45	\$44
PART-DAY	\$30	\$30	\$29	\$27
Exceptions:				
Orange	\$36	--	\$30	\$29
HOURLY	\$7.50	\$7.00	\$7.00	\$7.00

SCHOOL AGE CHILD CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$0	\$0	\$0	\$185
Exceptions:				
Dutchess	--	--	--	\$223
DAILY	\$0	\$0	\$0	\$44
PART-DAY	\$0	\$0	\$0	\$29
HOURLY	\$0	\$0	\$0	\$7.34

LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
STANDARD RATE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$124	\$120	\$114	\$114
DAILY	\$29	\$27	\$25	\$25
PART-DAY	\$19	\$18	\$17	\$17
HOURLY	\$4.55	\$3.90	\$3.90	\$3.98

(Group D Counties)

LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
ENHANCED RATE

	<u>AGE OF CHILD</u>			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$143	\$139	\$131	\$131
DAILY	\$33	\$31	\$29	\$29
PART-DAY	\$22	\$21	\$19	\$19
HOURLY	\$5.25	\$4.50	\$4.50	\$4.59

**GROUP E COUNTIES:
Bronx, Kings, New York, Queens, and Richmond**

DAY CARE CENTER

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$370	\$255	\$224	\$185
DAILY	\$67	\$67	\$50	\$50
PART-DAY	\$45	\$45	\$33	\$33
HOURLY	\$17.64	\$17.00	\$16.21	\$12.18

REGISTERED FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$160	\$150	\$150	\$141
DAILY	\$36	\$39	\$35	\$31
PART-DAY	\$24	\$26	\$23	\$21
HOURLY	\$16.00	\$11.11	\$13.20	\$13.06

GROUP FAMILY DAY CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$175	\$175	\$160	\$150
DAILY	\$38	\$38	\$36	\$35
PART-DAY	\$25	\$25	\$24	\$23
HOURLY	\$16.41	\$15.17	\$11.73	\$17.14

(Group E Counties)
SCHOOL AGE CHILD CARE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$0	\$0	\$0	\$185
DAILY	\$0	\$0	\$0	\$50
PART-DAY	\$0	\$0	\$0	\$33
HOURLY	\$0	\$0	\$0	\$12.18

LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
STANDARD RATE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$104	\$98	\$98	\$92
DAILY	\$23	\$25	\$23	\$20
PART-DAY	\$15	\$17	\$15	\$13
HOURLY	\$10.40	\$7.22	\$8.58	\$8.49

LEGALLY-EXEMPT FAMILY CHILD CARE AND IN-HOME CHILD CARE
ENHANCED RATE

	AGE OF CHILD			
	<u>Under 1 ½</u>	<u>1 ½ - 2</u>	<u>3 - 5</u>	<u>6-12</u>
WEEKLY	\$120	\$113	\$113	\$106
DAILY	\$27	\$29	\$26	\$23
PART-DAY	\$18	\$19	\$17	\$15
HOURLY	\$12.00	\$8.33	\$9.90	\$9.80

SPECIAL NEEDS CHILD CARE

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	\$ 378
DAILY	\$ 80
PART-DAY	\$ 53
HOURLY	\$ 17.64