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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 94 LCM-21

Date: February 28, 1994

Division: Services and
Community
Development

TO: Local District Commissioners

SUBJECT: Child Care: Issues Raised by Department of Health and Human
Services (HHS) Program Review

ATTACHMENTS: There are no attachments to this LCM.

The purpose of this memorandum is to reiterate and clarify existing Department policy regarding issues raised by the federal Department of Health and Human Services (HHS) subsequent to its review of the Child Care and Development Block Grant (CCDBG) and the Title IV-A child care programs in New York State.

On July 19-22, 1993, staff from the Administration of Children and Families of the federal Department of Health and Human Services conducted a joint review of the CCDBG, At-Risk Low Income Child Care (ARLICC), Transitional Child Care (TCC), JOBS-related Child Care and Employment-related Child Care programs. The purpose of this review was to ascertain how specific components of the programs are being implemented and to identify best practices, barriers to seamless service delivery, technical assistance and training needs, and potential compliance problems.

The federal review team interviewed State staff and reviewed State records. In addition, they visited two social services districts, one urban and one rural. The district visits included staff interviews and a review of case records as well as meetings with caregivers and parents who are in receipt of child care services. As the result of its review, HHS has made three preliminary suggestions for strengthening the provision of child care services in New York State.

Notification of Potential Eligibility for Transitional Child Care

Issue: The federal review team was concerned regarding the low utilization of Transitional Child Care (TCC) and questioned whether all former recipients of AFDC are being notified of their potential eligibility for TCC services.

Policy Statement: In accordance with Section 415.7(e)(2) of the Department's regulations, a social services district must inform a recipient of ADC, HR or VA of the availability of transitional child care benefits at the time his or her eligibility for ADC, HR or VA benefits is terminated. Such notification must describe the eligibility requirements, how to apply for transitional child care benefits and the types of verification needed. This notification also must state the applicant's option to select a child care provider from a full range of providers, including caregivers of informal child care and the availability of the social services district to assist the applicant in locating available and accessible child care.

In addition, the notification of potential eligibility for TCC must state the applicant's responsibility to:

- o provide accurate, complete and current information regarding income, family composition and any other matters relevant to the determination of the applicant's eligibility for child care services;
- o notify the social services district immediately of any changes in such information; and
- o pay a fee for transitional child care services.

Attachments A and C of 90 ADM-31 are model notification forms which may be used to inform former recipients of public assistance of their potential eligibility for TCC. Attachment A is designed to notify families whose public assistance case has been closed due to employment. Attachment C is designed to notify families whose cases have been closed for reasons other than employment. Social services districts may utilize these models as their own forms, or may develop local equivalents. All local equivalent forms must be approved by the Department prior to use. Local equivalent forms which have not been previously approved may be submitted to:

Ms. Dee Woolley
NYS Department of Social Services
Bureau of Early Childhood Services
40 North Pearl Street - 11B
Albany, New York 12243

CCDBG and Payment Rate Differential for Caregivers of Informal Child Care

Issue: The federal review team found that one social services district, when authorizing CCDBG services, was applying the in-home market rate as the

maximum payment rate for informal child care services regardless of whether the care was provided in the child's home or in the caregiver's home.

Policy Statement: The federal rules for the CCDBG program require that caregivers of informal child care, other than in-home providers, receive payment for the actual cost of care up to the same market rate as regulated family day care providers. A payment differential may be established only if the Department complies with a number of additional conditions. Such conditions make the establishment of a differential payment rate for CCDBG purposes impractical from both a programmatic and a fiscal perspective.

Section 415.9(d) of the Department's regulations provides that for care provided under the federal CCDBG program, the rate of payment for caregivers of informal child care, other than in-home providers, is the actual cost of care up to the applicable market rate for family day care providers. For services provided under any other child care program the rate of payment for caregivers of informal child care, including in-home caregivers, is the actual cost of care up to the applicable market rate for in-home providers.

When CCDBG services are provided by a caregiver of informal child care, other than an in-home provider, a social services district must ensure that payment is for the actual cost of care up to the applicable market rate for family day care. Social services districts may not limit payments for these child care providers based on the in-home market rate.

Attendance Verification Procedures for Caregivers of Informal Child Care

Issue: The federal review team found that one social services district did not have procedures for verifying and maintaining documentation of attendance for services provided by caregivers of informal child care.

Policy Statement: Section 628.3(f)(1)(ii) of the Department's regulations provides that a social services district may claim reimbursement for expenditures for day care services when there are attendance records maintained by the provider for each child receiving care. In addition, Section 415.4(e)(3) and Section 601.2(c) of the Department's regulations requires that social services districts maintain documentation to support claims for reimbursement. Social services districts must ensure that local procedures exist for the purpose of verifying attendance records from all child care providers, including caregivers of informal child care, and for maintaining such records.

Questions regarding this material may be directed to Dee Woolley at (518) 474-9324. Ms. Woolley also may be contacted on-line, Userid #89A800.

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Division of Services and Community
Development