

Regulatory Flexibility Analysis

1. Effect on small businesses and local governments:

The exclusion of the one-time payment of \$250 under the federal American Recovery and Reinvestment Act of 2009 (ARRA) to certain recipients for the determination of eligibility for social services programs, which receive federal funds, will not impact small businesses or local governments.

The expansion of categories of families that can be provided with child care subsidies would benefit employers including small businesses, as more families would be able to seek and accept employment. Also, local governments would benefit in the decreased dependence on temporary assistance as more families become or remain employed.

Legally-exempt family and in-home providers that have obtained ten hours of training and currently are receiving the enhanced rate of 75 percent of the registered family rate represent only a small fraction of legally-exempt providers caring for children whose families receive child care subsidies. These providers would be minimally impacted to the extent that a social services district does not select to continue to provide them with the enhanced rate of 75 percent of the registered family rate.

2. Compliance requirements:

All social services districts must not consider the one-time federal AARA payment when considering whether a family is eligible for services. In addition, a social services district that chooses to provide child care services to dislocated workers and/or to pay an enhanced market rate for legally-exempt providers of family child care or in-home child care above 70 percent of the registered family child care rate will have to

amend the child care portion of its Child and Family Services Plan. The Office has developed a template that a district may use if it chooses to amend its Plan. If a district does not choose to pay 75 percent of the registered family child care rate for legally-exempt providers that are currently receiving the enhanced market rate, the district will need to send notice of the change in the payment rate to the families receiving services from such providers.

3. Professional Services:

Neither social services districts nor legally-exempt family or in-home child care providers should have to hire additional professional staff in order to implement these regulations.

4. Compliance costs:

It is not anticipated that these regulations will result in any additional costs to the State or social services districts. All the social services districts received their allocations for federal and State funds under the New York State Child Care Block Grant for State fiscal year 2009-10. These funds are available to each district and the district may choose to serve optional categories of eligible individuals with the funds allocated to them. Social services districts are required to provide child care services to the optional categories of low-income families only to the extent that they have funds available to provide such services. Some social services districts also received preliminary estimates of their allocations of the additional federal child care subsidy funds made available under AARA.

5. Economic and technological feasibility:

The social services districts affected by the regulations have the economic and technological ability to comply with the regulations.

6. Minimizing adverse impact:

The regulations recognize that there may be differences in the needs among social services districts. To the extent allowed by statute, the regulations provide districts with flexibility in designing their child care subsidy programs in a manner that will best meet the needs of their communities.

7. Small business and local government participation:

The regulatory changes were discussed with a workgroup of local social services districts, including rural districts, for advice on potential impact.