



# Office of Children and Family Services

Kathy Hochul  
Governor

52 WASHINGTON STREET  
RENSSELAER, NY 12144

DaMia Harris-Madden, Ed.D., MBA, M.S.  
Commissioner

## Local Commissioners Memorandum

<b>Transmittal:</b>	24-OCFS-LCM-22
<b>To:</b>	Local Departments of Social Services Commissioners
<b>Issuing Division/Office:</b>	Division of Child Care Services, Bureau of Child Care Assistance
<b>Date:</b>	August 21, 2024
<b>Subject:</b>	<b>Child Care Assistance Market Rates 2024</b>
<b>Contact Person(s):</b>	For the OCFS Bureau of Child Care Assistance: <a href="mailto:ocfs.sm.districtsupport.subsidy@ocfs.ny.gov">ocfs.sm.districtsupport.subsidy@ocfs.ny.gov</a> Merideth Infantino, 518-402-3001, <a href="mailto:Merideth.Infantino@ocfs.ny.gov">Merideth.Infantino@ocfs.ny.gov</a>  For questions about the market rate survey: Melinda Denham, 518-402-6785, <a href="mailto:Melinda.Denham@ocfs.ny.gov">Melinda.Denham@ocfs.ny.gov</a>
<b>Attachments:</b>	Attachment A: <i>Child Care Assistance Market Rates</i> Attachment B: <a href="#">OCFS-6060</a> , <i>Child Care Provider Attestation of Costs Form</i> (Rev. 8/2024) Attachment C: <a href="#">OCFS-7078</a> , <i>Notice of Change in Provider Payments</i> (Rev. 8/2024)

### I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to advise local social services districts (LSSDs) of new child care assistance market-related payment rates (market rates) for child care services funded under the New York State Child Care Block Grant (NYSCCBG) and Social Services Block Grant (Title XX), which will take effect October 1, 2024. This LCM also advises LSSDs of updates to 1) the *Child Care Provider Attestation of Costs Form* (OCFS-6060), and 2) the *Notice of Change in Provider Payments* (OCFS-7078).

### II. Background

Federal and New York State law require the state to establish payment rates for child care assistance that are sufficient to ensure equal access to child care services for eligible children, as compared to children not eligible for assistance [42 USC §9858c(c)(4)(A); New York State Social Services Law (SSL) §410-x(4)]. Federal regulation requires that payment rates be based on the results of the most recent market rate survey or an approved alternative methodology [45 CFR §98.45(f)(2)(i)]. While federal regulations do not require states to set payment rates at the 75th percentile of their most recent market

rate survey, the federal Office of Child Care continues to emphasize the importance of the 75th percentile as a benchmark for ensuring equal access for families with child care assistance, and further states that rates set above the 75th percentile may be necessary to afford access to high quality care for children. The New York State Fiscal Year 2022-2023 Enacted Budget appropriated funds to, among other things, increase the market rates for child care assistance to the 80th percentile of the most recent survey, which New York did, beginning in 2022. Effective June 1, 2022, New York's market rates were set at the 80<sup>th</sup> percentile of the market rate survey conducted in 2021-2022.

The definition of "actual cost of care" per 18 NYCRR 415.1(m) refers to the cost for private pay parents to purchase child care or the cost to the LSSD to pay contracted child care providers for child care services. Per 22-OCFS-LCM-14, the New York State Office of Children and Family Services (OCFS) established a new policy by which a provider could demonstrate their higher costs of care and request to receive a higher payment rate, when the provider does not have a contract with the LSSD and only cares for children in receipt of child care assistance, by using the *Child Care Provider Attestation of Costs Form* (OCFS-6060).

In 2023, OCFS conducted an online survey of licensed and registered child care providers from across the state, as well as group day care programs in New York City (NYC) permitted by the NYC Department of Health and Mental Hygiene. Prior to conducting the survey, a letter was emailed to all such providers to inform them of the upcoming survey and to ask them to consider participating. OCFS periodically sent emails to providers who had not yet completed the survey to encourage participation. Materials were made available on the OCFS website to assist providers in completing the survey, and an email address fielded questions from providers about the survey. The survey and all materials were available in English and Spanish. Data were collected from September 18, 2023, through November 13, 2023. Nearly 6,000 child care providers responded to the survey by reporting at least one price.

State law requires OCFS to establish market-related payment rates for child care services (SSL §410-x(4)). The market rates must consider 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 to children with special needs.

Previously, OCFS established market rates in five LSSD groupings. Based on the similarity of prices reported on the 2023 market rate survey and number of providers in each county, OCFS made one change to the LSSD groupings. The former county groups 2 and 4 (per 22-OCFS-LCM-14) were combined into a single group of LSSDs (now group 2). The former county group 5 was redesignated as county group 4 and market rates were established in four groupings of LSSDs. Market-related payment rates (market rates) were then established at no less than the 80th percentile of prices reported on the survey by licensed, registered and permitted child care providers for each LSSD grouping by modality of care, age group, and rate type (weekly, daily, or part-day). The market rates were set above the 80<sup>th</sup> percentile in some instances to provide a minimum 5% increase from the 2022 market rates to allow providers to better meet health, safety, quality and staffing requirements for high quality child care.

### III. Program Implications

#### **Determining Actual Cost of Care for Child Care Assistance Payments**

Payments for child care services under the NYSCCBG and under Title XX must be only for the actual cost of care, up to the applicable market rate in Attachment A. The actual cost of care is as follows:

- For care provided pursuant to a contract between the LSSD 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 LSSD 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 children in receipt of child care assistance, then the actual cost of care is the amount the provider is currently receiving from the LSSD for such children, unless the provider can demonstrate to the LSSD that the actual cost of providing care to such children is higher than that amount, as detailed below.

LSSDs may negotiate contracts with individual providers. The negotiated payment rates may be the same as or lower than the rates charged to families not in receipt of child care assistance. Even though the negotiated rate may be less than the usual charge to families not in receipt of child care assistance, the negotiated rate is considered the actual cost of care for those child care services provided under a contractual agreement between the LSSD and the provider.

Where the negotiated payment rates are the same as or lower than the market rates, the full payment for child care services is reimbursable from state and federal funds. If the LSSD has a contract with a provider that includes a negotiated payment rate that is *higher* than the market rate, the amount above the market rate is not reimbursable from state and federal funds.

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

LSSDs should be in regular contact with providers, at a minimum of once a year, regarding their payment rates. Providers must be allowed to update their payment rates on record with the LSSD as often as their private pay rates change.

For care provided other than pursuant to a contract, if the provider's private pay rate is greater than the market rate, parents who choose such a provider must make up the difference.

#### **Determining Actual Cost of Care for Providers Without a Contract Who Care Only for Children in Receipt of Child Care Assistance**

If a provider cares only for children receiving child care assistance, and does not have a contract with the LSSD, then the actual cost of care is the rate the provider currently receives from the LSSD. However, if a provider can demonstrate that the actual costs of providing care for such children are higher than the amount the LSSD is currently paying the provider, then that provider may request a higher payment rate from the LSSD. Providers must be allowed to demonstrate their higher costs by completing the *Child Care Provider Attestation of Costs Form* (OCFS-6060).

#### **Determining the Applicable Market Rate**

The LSSD must consider at least the following factors when selecting the applicable market rate for child care services: the location of care, the type of provider, the age of the child, and the duration of care.

Additional factors affecting payments may apply when care is provided to a child with special needs, to a family experiencing homelessness, during nontraditional hours, in excess of a weekly or daily period, or by a program that is accredited.

### **1. Location of Care**

Whenever child care services are provided by a provider located outside the LSSD that authorizes child care assistance, the LSSD must make payments based on the actual cost of care, up to the applicable market rate for the county where care is provided. The same standard applies to care provided in another state. The LSSD must make payments based on the actual cost of care, up to the applicable child care services payment rate for the locality where care is provided, applying New York State rules for calculating payments as necessary. For example, a toddler is in full time care for 40 hours per week in a licensed day care center in New Jersey. The provider charges \$400 per week to care for toddlers, but the weekly maximum rate established by New Jersey for this age and type of care is \$385 per week. The provider is paid \$385 per week.

### **2. Type of Provider**

The applicable market rate is selected based on the type of child care that is provided. The types of care that OCFS sets child care assistance market rates for, pursuant to 18 NYCRR section §415.1(g), are:

- a. Licensed, registered, permitted day care centers** - This includes group day care programs located in New York City that are issued permits by the New York City Department of Health and Mental Hygiene.
- b. Registered family day care homes**
- c. Licensed group family day care homes**
- d. Registered school-age child care programs**
- e. Enrolled legally exempt group child care programs**
- f. Enrolled legally exempt informal child care providers**

Note: All legally exempt child care providers — including legally exempt group child care programs and informal child care providers — must be enrolled by the legally exempt caregiver enrollment agency before payment is made.

### **3. Age of Child**

Market rates differ according to the age of the child. The age categories differ for center-based child care (licensed, registered or permitted day care centers, registered school-age child care programs, and legally exempt group child care programs) and home-based child care (registered family day care, licensed group family day care, and informal child care). The age categories are the following:

- a. Under 1 ½ years (center-based) or under 2 years (home-based)**
- b. 1 ½ years through 2 years (center-based) or 2 years (home-based)**

- c. 3 years through 5 years
- d. 6 years through 12 years (or over 12 years of age, but still meeting the definition of eligible child per 18 NYCRR 415.1(b))

When a change in a child's age results in their movement from one age category to another, the new market rate must be applied at the beginning of the first full month following such a change.

For legally exempt group child care programs, a 2-year-old child is considered to be in the 3 years through 5 years market rate age category if the child is at least 2 years of age at the beginning of the school year but will turn 3 years of age on or before the applicable calendar date for which a child must be at least 5 years of age to be eligible for admission to school.

In certain circumstances, children who are over 12 years of age may be eligible to receive child care assistance. For example, a child who is under 13 years of age at the time of eligibility determination is eligible to receive a full 12-month eligibility period and may turn 13 during the eligibility period. When a child meets the definition of eligible child per 18 NYCRR 415.1(b), but is over the age of 12 years, the market rate for 6-12 years applies.

#### 4. Duration of Care

Market rates also differ according to the number of hours of care needed. The LSSD must apply the appropriate market rate as defined below unless a child care provider has signed a purchase of service contract or other written agreement with the LSSD for payment on a different basis. To determine if care is provided for 30 or more hours over the course of five or fewer days in a single week, LSSDs must use Monday as the start of the weekly period.

- a. **Weekly** – The LSSD must apply the weekly market rate when child care services are provided for **30 or more hours over the course of five or fewer days in a single week**. Note — The weekly rate is meant to apply to a full-time child care slot, using a minimum threshold of six hours per day up to a maximum of 12 hours per day, for five days in a week. When care exceeds five days in a week or 12 hours in a day, additional rates are applicable, as described below.
- b. **Daily** – The LSSD must apply the daily market rate when 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 less than 12 hours per day**.

Some providers routinely charge private pay parents 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 for children receiving child care assistance in those instances. The LSSD must apply the weekly market rates divided by five.

- c. **Part-day** – The LSSD must apply the part-day market rate when child care services are provided for **less than six hours per day**.

**Care in Excess of a Weekly or Daily Market Rate Period**

When child care services provided by a single provider exceed 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 rate. 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 or part-day) would be applied for the amount of time over 12 hours. When determining the appropriate market rate, LSSDs 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 a.m. to 5:30 p.m., cares for a child from 7 a.m. to 11 p.m. (16 hours) per day, Monday through Friday, and charges an additional amount for care after 5:30 p.m. In this example, the 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 p.m. to 11 p.m., Monday through Friday.

Another 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 a.m. to 5:30 p.m., cares for a child from 9 a.m. to 5 p.m. (8 hours) per day, Monday through Friday, and from 7 a.m. to 11 a.m. (4 hours) on Sunday and charges an additional amount for care on the weekend. In this example, the payment available is one weekly market rate plus one part-day market rate. One weekly market rate applies because care is provided for 30 or more hours for the five-day period Monday through Friday. Because 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**

LSSDs have the option to pay for child care services that are needed for 24 hours in a single day. Reimbursement is available to the LSSD if the LSSD 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 LSSD 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 LSSD must evaluate whether 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 a.m. to 5:30 p.m., cares for a child from 12 a.m. on Monday to 12 a.m. on Tuesday (24 hours) and from 9 a.m. to 5 p.m. (8 hours) per day, Tuesday through Friday. The provider also charges an additional amount for care after 5:30 p.m. In this example, the 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 market rate for each provider used. However, if the combined

reimbursement to the multiple providers would exceed one weekly market rate, then 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 LSSD 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 LSSD will determine how to distribute the reimbursement for the multiple providers.

If the LSSD determines that the parent or caretaker has demonstrated that there is a need 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 a.m. to 4:30 p.m., Monday through Friday. Another provider cares for that child from 6 p.m. to 9:30 p.m. on Tuesday and Thursday. The payment available is one weekly market rate for the first provider and two part-day market rates for the second provider.

### **Market Rates for Qualifying Children With Special Needs**

The market rate for a child determined to have special needs is 115% of the market rate that would otherwise apply to such a child based on the child's age, location of care, type of care, and rate type (in other words, the applicable market rate plus 15% is the market rate for a child with special needs that meets the qualifying criteria). To qualify for the special needs market rate, the parent or caretaker must demonstrate to the LSSD that the special needs of the child require additional child care related services beyond that which is generally required by children of a similar age and the total cost of providing child care services exceeds the market rate that would otherwise apply. The special needs market rate is not a differential like the non-traditional hours, homelessness, or accredited differentials. Rather, if a child qualifies for a special needs rate, that is the market rate for that child. If that child also qualifies for one or more differentials, then the total differential percentage is applied to the special needs market rate.

The special needs market rate is established when the parent or caretaker provides the LSSD with documentation of qualifying diagnoses by a physician, licensed, or certified psychologist or other professional with the appropriate credentials to make such diagnosis and documentation that the child is incapable of caring for himself or herself and requires child care services beyond that which is generally required by children of similar age within the child care setting. Examples of acceptable documentation include, but are not limited to, documents from appropriate professionals such as documentation from early intervention as measured by appropriate diagnostic instruments and procedures in one or more of the areas of cognitive development, physical development, communication development, social or emotional development and adaptive development, or a diagnosed physical or mental condition that has a high probability of resulting in developmental delays. An Individualized Education Plan (IEP) from the child's school may provide acceptable documentation of special needs when it is based on the opinions of appropriate professionals. The caretaker may work in conjunction with the provider to receive documentation that their child requires more intensive child care services than other children in care.

For a child with special needs, receiving child care services located in another state, the LSSD must apply an additional 15% to the payment rates that apply to the location of care, i.e. the other state's child care payment rates for that location.

### **Standard and Enhanced Market Rates for Informal Child Care Providers**

The standard market rates for informal child care providers are 65% of the market rate established for registered family day care. The enhanced market rate for informal child care providers is 70% of the market rates established for registered family day care.

The enhanced market rate is available for providers of informal child care who have demonstrated to the enrollment agency that they have 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 LSSD of the providers who have been verified to have completed 10 or more hours of training. When the LSSD is notified by the enrollment agency that an informal child care provider has completed 10 or more hours of training, then the provider is eligible to receive the enhanced market rate for a period of 12 consecutive months. The LSSD must increase the payment amount to the enhanced market rate no later than the beginning of the first full month after the LSSD has been notified that the provider completed the 10 hours of training. The LSSD must send the required notice, OCFS-LDSS-4781, *Notice of Intent to Change Child Care Benefits and Family Share Payments*, to the parent/caretaker. The provider remains eligible to receive the enhanced market rate for a period of 12 consecutive months, even if there is a gap in the family's child care assistance or if the child care assistance ends and the provider begins providing care for a different child in receipt of assistance during the 12-month period. In order to continue to receive the enhanced market rate beyond the 12-month enhanced rate eligibility period, the provider must complete an additional 10 or more hours of training and submit documentation to the enrollment agency. The enrollment agency will notify the LSSD if the provider has completed an additional 10 or more hours of training.

An LSSD has the option, if it so chooses in the child care portion of its Child and Family Services Plan, to increase the enhanced market rate for eligible informal child care providers up to 75% of the applicable registered family day care market rate.

The standard and enhanced market rates for informal child care providers are included in Attachment A. Only the enhanced market rate calculated at 70% of the registered family day care market rate is shown in Attachment A, not the LSSD option to set the enhanced market rate at a higher level, up to 75% of the registered family day care market rate.

OCFS calculates the legally exempt informal child care standard and enhanced market rates by applying the relevant percentage and rounding to the nearest whole dollar using standard rounding rules. When the number immediately to the right of the decimal point is 5, 6, 7, 8, or 9, round up, but when the number immediately to the right of the decimal point is 0, 1, 2, 3, or 4, round down. For example, the legally exempt informal care standard weekly market rate for preschoolers in county group 2 is calculated as 65% of \$285, which comes to \$185.25 and is rounded down to \$185; while the enhanced rate for the same situation is calculated as 70% of \$285, which comes to \$199.50 and is rounded up to \$200.

### **Standard and Enhanced Market Rates for Legally Exempt Group Child Care Programs**

The standard market rates for legally exempt group child care programs are 75% of the market rates established for licensed or registered day care centers.

LSSDs may establish one or two enhanced market rates for eligible legally exempt group child care programs for meeting enhanced requirements: *enhanced market rate-health* and *enhanced market rate-training* (see 18-OCFS-ADM-10 for further details on the enhanced requirements). If the LSSD chooses to establish an enhanced market rate for eligible legally exempt group child care programs, then the



LSSD must indicate the rate and percentage in its Child and Family Services Plan. Each enhanced market rate may be established up to 81% of the applicable market rate for day care centers. When an LSSD establishes both enhanced market rates, the LSSD must apply the appropriate market rate or rates when calculating payments for each legally exempt group child care program.

When a legally exempt group child care program is eligible for both enhanced market rates, then the enhanced market rate that the LSSD applies when calculating payments must be based on the percentages selected for each individual enhanced market rate, up to a maximum of 87% of the applicable market rate for day care centers.

Payments to enrolled legally exempt group child care programs must be only for the actual cost of care, up to the applicable market rate, whichever is less. When a legally exempt group child care program is eligible for an enhanced market rate or rates that the LSSD has specified in its Child and Family Services Plan, those rates are the applicable market rates.

Legally exempt group child care programs may be eligible for an enhanced market rate or rates and at the same time be eligible for one or more differential payment rates set forth below. In such instances, the differential is applied to the provider's actual cost of care or the applicable enhanced market rate(s), whichever is less. Payment made to legally exempt group child care programs must not exceed 100% of the applicable market rate for day care centers.

Only the standard market rates for legally exempt group child care providers, which are calculated at 75% of the corresponding day care center rates, are included in Attachment A. OCFS calculates the legally exempt group child care standard market rates by applying the relevant percentage and rounding to the nearest whole dollar using standard rounding rules; when the number immediately to the right of the decimal point is 5, 6, 7, 8, or 9, round up, but when the number immediately to the right of the decimal point is 0, 1, 2, 3, or 4, round down. For example, the standard weekly market rate for legally exempt group programs for preschoolers in county group 4 is calculated as 75% of \$439, which comes to \$329.25 and is rounded down to \$329; while the rate for legally exempt group programs for school age children in county group 4 is calculated as 75% of \$325, which comes to \$243.75, and is rounded up to \$244.

### **Differential Payment Rates**

There are three possible differential payment rates: care during nontraditional hours, care for children experiencing homelessness, and nationally accredited programs (see below and 17-OCFS-LCM-05 for further details). Differential payment rates apply to the actual cost of care or the applicable market rate, whichever is less.

#### **1. Nontraditional Hours**

LSSDs must pay eligible child care providers a differential payment rate of at least 5% above the actual cost of care or the applicable market rate, whichever is less, for child care during non-traditional hours: evening, night, or weekend hours. Non-traditional hours are defined as child care provided before 6 a.m. or after 7 p.m. during Monday through Friday, any hour during Saturday and Sunday, and any hour during the following federal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

LSSDs may choose to establish differential payment rates that are greater than 5% and not to exceed 15% above the actual cost of care or the applicable market rate, whichever is less, for eligible child care providers for child care services that are provided during non-traditional hours. LSSDs

may establish a differential rate for non-traditional hours provided by legally exempt child care providers as well as by licensed/registered providers.

If the LSSD chooses to set a differential payment rate for care during non-traditional hours that exceeds the 5% minimum differential, then the LSSD must indicate that rate in its Child and Family Services Plan.

## **2. Children Experiencing Homelessness**

LSSDs must pay validly licensed or registered child care providers a differential payment rate of at least 5% above the actual cost of care or the applicable market rate, whichever is less for child care provided to a child experiencing homelessness. LSSDs may choose to establish differential payment rates that are greater than 5% and not to exceed 15% above the actual cost of care or the applicable market rate, whichever is less, for licensed or registered child care providers for child care services that are provided to a child experiencing homelessness.

LSSDs may establish differential payment rates for child care services provided to a child experiencing homelessness by legally exempt child care providers, up to 15% above the actual cost of care or the applicable market rate, whichever is less. There is no required minimum amount for legally exempt providers.

If the LSSD chooses to set a differential payment rate for care provided to a child experiencing homelessness that exceeds the 5% minimum differential for licensed or registered providers or any differential payment rate for legally exempt child care providers, then the LSSD must indicate those rates in its Child and Family Services Plan.

## **3. Nationally Accredited Programs**

LSSDs may establish differential payment rates for child care services provided by validly licensed or registered child care providers that have been accredited by a nationally recognized child care organization. Nationally recognized organizations that provide accreditation to licensed/registered 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 child care providers are **not** eligible for the differential payment rate for nationally accredited programs.

If the LSSD chooses to set a differential payment rate for licensed or registered child care providers for accreditation, then the LSSD must indicate that rate in its Child and Family Services Plan and that rate must be at least 5% and no more than 15% above the actual cost of care or the applicable market rate, whichever is less.

### **Providers Qualifying for More Than One Differential Payment Rate**

A child care provider may qualify for multiple differential payment rates for the care of a particular child. To calculate the payment, all differential payment rates for which the provider qualifies are added to calculate a total differential payment rate, up to a maximum of 25% of the actual cost of care or the applicable market rate, whichever is less.

LSSDs may request a waiver from OCFS to establish a total differential payment rate that is above the 25% maximum. The LSSD waiver request must show that the 25% maximum is insufficient to provide access within the LSSD to child care providers who are eligible for multiple differential payment rates.

#### IV. System Implications

##### **Welfare Management System (WMS)**

This LCM has no Welfare Management System (WMS) implications.

##### **Child Care Time and Attendance (CCTA)**

This LCM has implications for users of the Child Care Time and Attendance (CCTA) system. CCTA is currently used by LSSDs outside of New York City only. The new child care assistance market rates will be updated automatically in CCTA with an effective date of October 1, 2024. When calculating payments on or after October 1, 2024, CCTA will automatically compare the calculated payments to the appropriate market rates based on the date upon which child care services were provided, not the date when the payment is being calculated. Special needs rates are specific to the provider and must be updated on an individual basis by the LSSD.

Providers' rates are not automatically updated in CCTA. When an LSSD is notified that a provider's rate(s) have changed (whether it is a contracted rate with the LSSD, private pay rate, or the rate reported on the *Child Care Provider Attestation of Costs Form* (OCFS-6060), the LSSD must update the provider's rate table in CCTA for all age groups and rate periods that have changed. Such changes may be made independently of the timing of the change in the market rates. The CCTA payment calculation uses the provider's rates and the market rates in effect on the dates when child care services were provided. If the LSSD enters new, higher provider rates prior to the 10/1/2024 effective date of the market rate change, payments for care that occurs prior to October 2024 will be calculated using the provider's new rates but will be capped at the previous market rates that became effective on 6/1/2022.

If an informal child care provider becomes eligible for an enhanced market rate and the LSSD uses CCTA to calculate payments, the LSSD must update the provider's type of care to include the suffix ENH for Enhanced in the provider type of care window, provider profile window, and any authorizations. Choosing the Enhanced type of care tells CCTA to compare payment calculations based on the provider's rates to the enhanced market rates, instead of the standard market rates. However, the system will not apply the new rate automatically; LSSDs must also change the provider's rates to the enhanced market rates for the provider's payment to change.

If the LSSD chooses to offer an enhanced market rate for eligible informal child care categories that is greater than the 70% enhanced market rate and an informal child care provider becomes eligible for an enhanced market rate, the LSSD must calculate payments using the enhanced rate as indicated in its Child and Family Services Plan. CCTA will not automatically calculate an enhanced market rate for informal child care providers above the 70% enhanced market rate. The LSSD must take appropriate steps to accurately calculate and/or adjust such payments outside of CCTA.

If the LSSD establishes one or both optional enhanced market rates for legally exempt group child care programs, CCTA will not automatically calculate an enhanced market rate for these programs. The LSSD must take appropriate steps to accurately calculate and/or adjust such payments outside of CCTA, until such time as system changes are made to support the enhanced legally exempt group market rates.

## V. Required Actions

All previous child care assistance market rates are superseded by those published in this issuance, effective October 1, 2024.

LSSDs are required to use these market rates when determining the payment amounts for services provided on or after October 1, 2024. LSSDs 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.

Where the new market rates have increased from the previous market rates, providers who can provide documentation of the cost of care to private pay families in excess of the previous market rates are eligible for an increased payment from the LSSD (their actual child care prices for private pay families, up to the new market rates). The LSSD must pay the higher rate effective the date the provider begins charging the increased rate, but no earlier than October 1, 2024. For example, a provider who has been charging private pay families an amount in excess of the previous market rates as of January 1, 2024, would only be eligible for the increased payment amount as of October 1, 2024. However, if the provider increased the rate for private pay families on or after October 1, 2024, the provider is eligible for the cost of care up to the new market rate from the date the provider increased the rate or October 1, 2024, whichever is later, upon proper documentation of this increase.

Where the new market rates have increased from the previous market rates, providers who do not have a contract with the LSSD and only care for children in receipt of child care assistance must be allowed to submit the *Child Care Provider Attestation of Costs Form* (OCFS-6060) in order to request a payment rate increase from the LSSD. The OCFS-6060 has been revised to reflect the new market rates. LSSDs may begin using the revised OCFS-6060 (8/2024) immediately. Beginning October 1, 2024, LSSDs must accept the 8/2024 version of the OCFS-6060 and can no longer accept the 6/2022 version. LSSDs must apply payment rate increases, including retroactively when applicable, for child care services provided on or after October 1, 2024, for completed OCFS-6060 forms received through December 31, 2024. For completed OCFS-6060 forms received January 1, 2025, or later, LSSDs must apply payment rate increases as of the first day of the month in which the form was received.

Whenever the amount of child care benefits changes, LSSDs must provide recipients with adequate notice as required by 18 NYCRR 358-2.2. The *Notice of Change in Provider Payments* (OCFS-7078) is the appropriate notice to use when the amount of payments has changed due to the issuance of new market rates (see 23-OCFS-ADM-04), absent any other changes in the family's eligibility or family share copayment. The OCFS-7078 has also been revised. LSSDs may begin using the revised version of the OCFS-7078 (8/2024) immediately. Beginning October 1, 2024, LSSDs must use the 8/2024 version of the OCFS-7078 and can no longer use the 2/2023 version of the form; however, LSSDs must continue to accept the Attachment A dated 2/2023 that accompanied the 2/2023 version of the OCFS-7078, even after October 1, 2024.

**VI. Access to Forms**

Updated versions of the *Notice of Change in Provider Payments* (OCFS-7078) and the *Child Care Provider Attestation of Costs Form* (OCFS-6060) are available on the OCFS intranet and the internet websites at the following links:

- <http://ocfs.state.nyenet/admin/forms/BECS/> and
- <http://ocfs.ny.gov/main/documents/docsChildCare.asp> or <https://ocfs.ny.gov/forms/>

These forms will be made available at the links provided above in other required languages as soon as those translations are completed.

To order hard copies of forms, complete the *Request for Forms and Publications* (OCFS-4627) and mail it to:

**OCFS Forms and Publications Unit**  
52 Washington Street, Room 134 North Bldg.  
Rensselaer, NY 12144-2834

OR

**Call the Forms Hotline: 518-473-0971**

**VII. Effective Date**

The effective date of this policy, including the market rates in Attachment A, is October 1, 2024. However, LSSDs may begin to distribute the *Child Care Provider Attestation of Costs Form* (OCFS-6060) and the *Notice of Change in Provider Payments* (OCFS-7078) immediately.

**/s/ Nora K. Yates**

**Issued by:**

Name: Nora K. Yates

Title: Deputy Commissioner

Division/Office: Division of Child Care Services

**ATTACHMENT A****CHILD CARE ASSISTANCE MARKET RATES****Effective October 1, 2024**

Market-related payment rates are established in four groupings of counties. The rates established for each group apply to all counties in the designated group and are based on the location of the child care provider, not the local social services district issuing payments.

The county groups are as follows:

- Group 1: Nassau, Putnam, Rockland, Suffolk, Westchester
- Group 2: Albany, Columbia, Dutchess, Erie, Monroe, Onondaga, Ontario, Orange, Rensselaer, Saratoga, Schenectady, Tompkins, Ulster, Warren
- Group 3: 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 4: Bronx, Kings, New York, Queens, Richmond

**GROUP 1 COUNTIES: Nassau, Putnam, Rockland, Suffolk, Westchester**

<b>DAY CARE CENTER</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$484	\$444	\$411	\$340
Daily	\$97	\$90	\$85	\$75
Part-Day	\$65	\$60	\$57	\$50

<b>SCHOOL-AGE CHILD CARE</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$0	\$0	\$411	\$340
Daily	\$0	\$0	\$85	\$75
Part-Day	\$0	\$0	\$57	\$50

<b>LEGALLY EXEMPT GROUP CHILD CARE</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$0	\$0	\$308	\$255
Daily	\$0	\$0	\$64	\$56
Part-Day	\$0	\$0	\$43	\$38

<b>FAMILY DAY CARE HOME AND GROUP FAMILY DAY CARE HOME</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$404	\$400	\$380	\$350
Daily	\$85	\$80	\$78	\$75
Part-Day	\$57	\$53	\$52	\$50

<b>INFORMAL CHILD CARE – STANDARD RATE</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$263	\$260	\$247	\$228
Daily	\$55	\$52	\$51	\$49
Part-Day	\$37	\$34	\$34	\$33

<b>INFORMAL CHILD CARE – ENHANCED RATE</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$283	\$280	\$266	\$245
Daily	\$60	\$56	\$55	\$53
Part-Day	\$40	\$37	\$36	\$35

**GROUP 2 COUNTIES:** Albany, Columbia, Dutchess, Erie, Monroe, Onondaga, Ontario, Orange, Rensselaer, Saratoga, Schenectady, Tompkins, Ulster, Warren

<b>DAY CARE CENTER</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$385	\$365	\$340	\$286
Daily	\$80	\$75	\$70	\$60
Part-Day	\$53	\$50	\$47	\$40

<b>SCHOOL-AGE CHILD CARE</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$0	\$0	\$340	\$286
Daily	\$0	\$0	\$70	\$60
Part-Day	\$0	\$0	\$47	\$40

<b>LEGALLY EXEMPT GROUP CHILD CARE</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$0	\$0	\$255	\$215
Daily	\$0	\$0	\$53	\$45
Part-Day	\$0	\$0	\$35	\$30

<b>FAMILY DAY CARE HOME AND GROUP FAMILY DAY CARE HOME</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$315	\$300	\$285	\$270
Daily	\$65	\$63	\$60	\$55
Part-Day	\$43	\$42	\$40	\$37

<b>INFORMAL CHILD CARE – STANDARD RATE</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$205	\$195	\$185	\$176
Daily	\$42	\$41	\$39	\$36
Part-Day	\$28	\$27	\$26	\$24

<b>INFORMAL CHILD CARE – ENHANCED RATE</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$221	\$210	\$200	\$189
Daily	\$46	\$44	\$42	\$39
Part-Day	\$30	\$29	\$28	\$26



**GROUP 3 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, Yates

<b>DAY CARE CENTER</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$320	\$300	\$277	\$257
Daily	\$67	\$63	\$58	\$58
Part-Day	\$45	\$42	\$39	\$39

<b>SCHOOL-AGE CHILD CARE</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$0	\$0	\$277	\$257
Daily	\$0	\$0	\$58	\$58
Part-Day	\$0	\$0	\$39	\$39

<b>LEGALLY EXEMPT GROUP CHILD CARE</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$0	\$0	\$208	\$193
Daily	\$0	\$0	\$44	\$44
Part-Day	\$0	\$0	\$29	\$29

<b>FAMILY DAY CARE HOME AND GROUP FAMILY DAY CARE HOME</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$279	\$265	\$263	\$236
Daily	\$58	\$56	\$53	\$53
Part-Day	\$39	\$37	\$35	\$35

<b>INFORMAL CHILD CARE – STANDARD RATE</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$181	\$172	\$171	\$153
Daily	\$38	\$36	\$34	\$34
Part-Day	\$25	\$24	\$23	\$23

<b>INFORMAL CHILD CARE – ENHANCED RATE</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$195	\$186	\$184	\$165
Daily	\$41	\$39	\$37	\$37
Part-Day	\$27	\$26	\$25	\$25

**GROUP 4 COUNTIES: Bronx, Kings, New York, Queens, Richmond**

<b>DAY CARE CENTER</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$500	\$450	\$439	\$325
Daily	\$102	\$92	\$90	\$69
Part-Day	\$68	\$61	\$60	\$46

<b>SCHOOL-AGE CHILD CARE</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$0	\$0	\$439	\$325
Daily	\$0	\$0	\$90	\$69
Part-Day	\$0	\$0	\$60	\$46

<b>LEGALLY EXEMPT GROUP CHILD CARE</b>				
	<b>Age of Child</b>			
	<b>Under 1 ½ yrs</b>	<b>1 ½ - 2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$0	\$0	\$329	\$244
Daily	\$0	\$0	\$68	\$52
Part-Day	\$0	\$0	\$45	\$35

<b>FAMILY DAY CARE HOME AND GROUP FAMILY DAY CARE HOME</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$400	\$350	\$325	\$289
Daily	\$80	\$70	\$65	\$60
Part-Day	\$53	\$47	\$43	\$40

<b>INFORMAL CHILD CARE – STANDARD RATE</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$260	\$228	\$211	\$188
Daily	\$52	\$46	\$42	\$39
Part-Day	\$34	\$31	\$28	\$26

<b>INFORMAL CHILD CARE – ENHANCED RATE</b>				
	<b>Age of Child</b>			
	<b>Under 2 yrs</b>	<b>2 yrs</b>	<b>3 – 5 yrs</b>	<b>6 – 12 yrs</b>
Weekly	\$280	\$245	\$228	\$202
Daily	\$56	\$49	\$46	\$42
Part-Day	\$37	\$33	\$30	\$28