

September 21, 2018

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 18-119

This letter is intended for County Welfare Directors, County Child Care Coordinators, Welfare to Work Coordinators, and Consortia Representatives. This letter provides an update to the Regional Market Rate ceilings for California's subsidized child care programs as previously described in All County Letter 17-99 that were to become effective January 1, 2019.



STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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EDMUND G. BROWN JR.
GOVERNOR

September 21, 2018

ALL COUNTY LETTER (ACL) NO. 18-119

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY CHILD CARE COORDINATORS
ALL WELFARE TO WORK COORDINATORS
ALL CONSORTIA REPRESENTATIVES

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND
RESPONSIBILITY TO KIDS (CalWORKs) CHILD CARE
PROGRAMS - REGIONAL MARKET RATE (RMR)
CEILINGS

REFERENCE: [ASSEMBLY BILL \(AB\) 1808](#); [ALL COUNTY LETTER 17-99](#); [CALIFORNIA CODE OF REGULATIONS](#);
[MANAGEMENT BULLETIN 17-17](#)

This letter provides an update to the RMR ceilings for California's subsidized child care programs as previously described in All County Letter 17-99 that were to become effective January 1, 2019.

Background

The RMR ceilings are the maximum amount child care providers can be reimbursed from the state for subsidized child care. The RMR ceilings apply to the CalWORKs Stage One child care program administered by the California Department of Social Services (CDSS), and the CalWORKs Stages Two, Three and other voucher based child care programs administered by the California Department of Education (CDE). The CDE is responsible for the contract awarded on a competitive basis to conduct the biennial RMR survey of child care providers. The survey is based on a methodology of zip code groupings that have similar socio-economic

characteristics (e.g., housing costs, population density, and employment rates). The survey results are utilized to create the RMR ceilings based on an aggregate of the survey data for each county.

The California Code of Regulations, Title 5, Division 1, Chapter 19, Subchapter 2.5 Sections 18074 to 18076.3 provides guidance regarding the use of the RMR ceilings.

Change in Law

Effective January 1, 2018 the RMR ceiling was established at the greater of the 75th percentile of the 2016 RMR survey for that region or the RMR ceiling as it existed in that region on December 31, 2017. Beginning January 1, 2019, all RMR ceilings were to be established at the 75th percentile of the 2016 RMR survey. The AB 1808 (Chapter 32, Statutes of 2018) instead requires that the RMR ceilings continue to be established indefinitely at the 75th percentile of the 2016 regional market rate survey for that region or at the RMR ceiling that existed in that region on December 31, 2017, whichever is greater. There are no changes to license-exempt child care provider's rates, which shall not exceed 70 percent of the RMR ceiling established for family child care homes.

The change should already be automated into the consortia systems. However, counties must have a manual process in place to meet the requirements if the automation changes are not completed by January 1, 2019.

The RMR ceilings are available at:

[Regional Market Rate Ceilings](#)

If you have any questions regarding this letter, please contact the Child Care Programs Bureau at (916) 657-2144.

Sincerely,

Original Document Signed By:

KIM JOHNSON
Deputy Director
Family Engagement and Empowerment Division

c: CWDA