

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



November 28, 2005

ALL COUNTY INFORMATION NOTICE NO. I-74-05

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY CHILD CARE COORDINATORS**REASON FOR THIS TRANSMITTAL**

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☒ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: REGIONAL MARKET RATE (RMR) CEILINGS

REFERENCE: ALL COUNTY LETTER (ACL) 03-41

This letter provides information on the suspension of the 2005/06 RMR ceilings for California child care providers.

BACKGROUND

The Budget Act of 2003 [Chapter 157, Statutes of 2003, Item 6110-196-0001, Provisions 7(c)] required the California Department of Education (CDE) in consultation with the California Department of Social Services (CDSS), the Department of Finance and the Legislative Analysts' Office, to develop a new survey methodology to be employed in future market rate surveys. CDE contracted with an outside entity, ORC Macro, to recommend a new survey methodology, develop a sampling plan, conduct the survey, and submit the resulting RMR ceilings to CDE for review.

The new methodology bases the RMR ceilings on groupings of zip codes that have similar socio-economic characteristics (e.g., similar housing costs, population density, and employment rates). As a result, there may be several ceilings per provider-type in a county.

CURRENT

A CDE management bulletin was distributed on September 30, 2005, indicated the new reimbursement ceilings would be available on the internet beginning on October 3, 2005, and would be effective on January 1, 2006. CDE and CDSS received concerns from the field that the new RMR methodology will negatively impact families and child care providers in low-income neighborhoods. On October 22, 2005, CDE sent a notice through email informing that the web site to access the new ceilings was temporarily unavailable due to the concerns which require additional analysis. On November 9, 2005, CDE temporarily suspended the implementation of the 2005 RMR ceilings until further assessment of the survey data could be completed. It is possible that this delay will extend beyond January 2006.

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Please continue to use the current (2002/03) reimbursement ceilings until further notice. Sufficient time will be allowed to implement the 2005 ceilings when made available.

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

Sincerely,

Original Document Signed By

VENUS GARTH
Branch Chief
Child Care and Refugee Programs Branch

c: CWDA
CSAC