DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

August 26, 1991

ALL COUNTY LETTER NO. 91-85

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF THE AMENDED TRANSITIONAL CHILD CARE PAYMENT COMPUTATION REGULATIONS

REFERENCE: MPP 47-155 - Transitional Child Care Payment Computation ACL 90-29 - Implementation of the Transitional Child Care Program ACL 90-78 - Final Transitional Child Care Program Regulations

The purpose of this letter is to provide implementation information regarding revisions to the Transitional Child Care (TCC) regulations (RDB #0491-13), scheduled to be effective October 1, 1991. This revision adopts a new methodology for calculating TCC payments using monthly regional market rates. The proposed regulation revisions will use monthly rates in conjunction with the 1991 Regional Market Rate Survey.

Attached are:

- A summary of the changes to the regulations, including implementation and forms information,
- A draft copy of the revised regulations.

If you have any questions regarding these changes to the TCC regulations, please call Jim Mullany of the Welfare Policy Implementation Bureau at (916) 445-7884 or ATSS 485-7884. If you have any questions regarding the TCC 30, Transitional Child Care Worksheet, please call LeAnne Torres at (916) 324-2016 or ATSS 454-2016.

Sincerely. RÓBERT A. HOREL

Deputy Director

Attachments

SUMMARY OF REGULATION REVISIONS

The regulations have been amended in order to simplify and standardize the computation of the Regional Market Rate (RMR) in the TCC payment computation. The revised regulations require that a monthly RMR be used when computing the TCC payment. This change to monthly rates is being made in conjunction with the 1991 California Regional Market Rate Survey. One copy of the 1991 Survey will be sent to All County Welfare Directors with an All County Letter by the GAIN and Employment Services Bureau. A second copy of the 1991 Survey will be sent to each county TCC Coordinator via a TCC Coordinators letter by the end of August 1991.

The effective date of the new regulations and the new survey is October 1, 1991. This means that effective with Child Care provided in October 1991 the new survey and methodology should be used.

The revised regulations also require that TCC payments be rounded down to the lower whole dollar amount. (MPP 47-155.2)

Prior to the revision of the regulations and the survey, the parttime rates were expressed in hourly increments and the full-time rates were expressed in weekly increments. In order to determine monthly rates the hourly and weekly rates had to be converted to monthly rates. With the new regulations and the 1991 Survey, all rates are expressed in monthly increments, so that conversions are not necessary.

Counties are reminded that for TCC purposes, the market rate amount in the 75th percentile column marked "Monthly GAIN/TCC" on the 1991 Survey is to be used when computing TCC payments. (See Sample page included at the end of this attachment.)

EXAMPLES

The following are examples of calculating the TCC payment using the revised regulations:

Example #1 - One Child Receiving Child Care in Alameda County

An Alameda county family consists of a mother and her one year old child who attends a day care center while the mother works fulltime. The mother submits a request for a TCC payment. Her actual cost for 152 hours of child care for the calendar month is \$475. Her family fee is \$55 per month. The appropriate rate ceiling on the survey for full time monthly care for a child under two years of age in a child care center is \$599.

Col. A Actual Costs	Col. B Rate Ceiling	Col. C Lesser of Col. A or B
\$475	\$599	\$475
-55 \$420*		\$475

* TCC Payment (the actual monthly costs less the family fee [Column A] or the reimbursement maximum [Column C])

Example #2. - Two Children Receiving Child Care in Ventura County

A Ventura county family consists of a mother and two children. Child #1 is age four and has 160 hours per month of full-time care in a family day care home. Child #2 is age seven and has 75 hours per month of part-time care at a family day care center. The care for both children is provided in the Oxnard/Ventura region. The family requests a TCC payment for the actual costs of \$340 for child #1 and \$225 for child #2 for a total cost of \$565 for the month. The family fee is \$25 per month. The rate ceiling for child #1 is \$346 per month and the rate ceiling for the second child is \$217 per month

	Col. A Actual Costs	Col. B Rate Ceiling	Col. C Lesser of Col A. or Col. B.
Child #1 Child #2	\$340 \$225 \$565	\$346 \$217	\$340 \$217 \$557
	- 25 \$540*		\$557

*TCC Payment (the actual monthly costs less the family fee or the reimbursement maximum, whichever is less)

FORMS DISCUSSION - TCC 30

The following discussion relates to the TCC 30 (10/91), Transitional Child Care Worksheet. It is revised to meet the provisions of regulation changes in the TCC program effective October 1, 1991. A copy of the TCC 30 (10/91) is attached.

Form Changes

- o Item 6 has been expanded from the prior (1/91) version to collect five weeks of child care paid, the date paid and hours of care. If the provider is paid bi-weekly or monthly, those amounts may be listed in this section as well. Also, spacing for each item has been expanded.
- Item 7 has been reduced to a one line item from the prior version to reflect the total of 6a thru 6e, the actual child care cost per child. Total monthly hours of care have been added to help determine full or part-time monthly care.
- Item 8 has been changed in wording only. It now reads:
 "Monthly RMR at 75th Percentile." (Note that items 9 and 10 from the prior version (1/91) have been eliminated.)
- o Item 9 on the new form was item 11 on the prior form.
- Items 10 thru 16 on the new revision (10/91) remain unchanged from the prior version; only the numbering sequence has changed.
- o TCC 30 form instructions have been modified to reflect the new monthly methodology.

The TCC 30 is a recommended form. It will not be stocked in the DSS Warehouse.

TRANSITIONAL CHILD CARE WORKSHEET

CASE	NAME

CASE NAME

CASE NAME

DATE OF TCC REQUEST DATE OF TCC REQUEST DATE OF TCC REQUEST Reimbursement Computation (when necessary, complete when a request for payment is received) Number of Children Number of Children Payment Month Payment Month 1. Child's Name Child's Name F P 2. Full Time (F) Part Time (P) Ρ F P F Ρ F P F P F Full Time (F) Part Time (P) DCC DCC FDC FDC FDC DCC FDC 3. Day Care Center (DCC) DCC DCC FDC Day Care Center (DCC) DCC FDC 3 Family Day Care (FDC) Family Day Care (FDC) Ε Ε SN Ε £ SN Е SN SN SN SN Ε Exempt Care (E), Special Need (SN) Exempt Care (E), Special Need (SN) 4. Licensed (L) Exempt (E) L Ē L Ε Exempt (E) Е Ε L Ε Ł Е Licensed (L) L L Child's Age 5 Child's Age Actual Weekly Child Care 6. Actual Weekly Child Care Cost per Child Cost per Child a Wook 1 a. Week 1 Date Paid: Date Paid: Hours of Care: + Hours of Care: + b. Week 2 b. Week 2 Date Paid: **Date Paid** Hours of Care: + Hours of Care: ŧ c. Week 3 c. Week 3 Date Paid Date Paid: Hours of Care: + Hours of Care: + d. Week 4 d. Week 4 Date Paid: Date Paid: Hours of Care: + Hours of Care: + e. Week 5 e. Week 5 Date Paid: Date Paid Hours of Care: Hours of Care: 7. Total Actual Monthly Cost per Child Total Actual Monthly Cost per Child (Total 6a thru 6e) \$ (Total 6a thru 6e) ŝ Total hours of Care; Total hours of Care: 8 Monthly RMR at 75th Percentile \$ Monthly RMR at 75th Percentile \$ 9 Maximum Reimbursement per Child Maximum Reimbursement per Child (Lesser of 7 or 8) (Lesser of 7 or 8) Total Allowable Maximum Total Allowable Maximum Reimbursement (Child 1 plus 10 10. Reimbursement (Child 1 plus \$ \$ Child 2, etc., Item 9) Child 2, etc., Item 9) Total Actual Child Care Cost Child 1 plus Child 2 etc., in Item 7) 11 Total Actual Child Care Cost 11. Child 1 plus Child 2 etc., in Item 7) \$ \$ Family Fee 12. 12. Family Fee (From TCC 30A, Item 4) (From TCC 30A, Item 4) 13 **Reimbursement Amount-Actual Reimbursement Amount-Actual** 13. \$ Cost (11 minus 12) \$ Cost (11 minus 12) 14. Reimbursement 14. Reimbursement (Lesser of 10 or 13) (Lesser of 10 or 13) -15. Overpayment Adjustment 15. **Overpayment Adjustment** Net Reimbursement 16. Net Reimbursement 16. \$ \$ Worker Initial/Date: Worker Initial/Date: 1

TCC 30 (10/91) RECOMMENDED FORM

Form Instructions for the Eligibility Worker

Transitional Child Care Worksheet (TCC 30)

Purpose

The TCC 30 is used to compute and document TCC reimbursement amounts on a monthly basis. It can also serve to collect certain data elements needed for monthly statistical reporting purposes.

Preparation

The Eligibility Worker completes this form for each month a TCC reimbursement request is made on the TCC 43, Request for TCC payment form. The TCC 30 provides enough space for three months of TCC computations.

Items 1 thru 5

Enter the Child's Name, indicate whether child care is full or part-time, the type of provider, whether the provider is licensed or exempt and the child's age.

ltem 6a thru 6e

Enter the actual weekly cost of child care for each child listed. It is either the actual cost paid; or, the incurred cost, if payment is made directly to the provider. If the provider is paid bi-weekly or monthly, those figures can be listed in this section as well. Also enter the date(s) child care was paid and the hours of care.

Item 7

Enter the actual monthly cost per child. This is is the total of 6a thru 6e. Also enter the total hours of care per month for each child.

Item 8

Enter the monthly Regional Market Rate (RMR). Using the RMR chart, decide the category of care for each child based on the following information: full or part-time care (determined by hours of care per month from the RMR Survey), the type of provider and the child's age. Enter the RMR amount in each box for the child listed.

Item 9

Enter the Maximum Reimbursement per Child which is the lesser of Item 7 or Item 8. The maximum reimbursement <u>per Child</u> is the lesser of the Actual Monthly Child care cost paid (Item 7) or the allowable RMR at 75th Percentile (Item 8).

Item 10

Enter the combined total of each child's Maximum Reimbursement in Item 9 which is the total of Child 1 plus Child 2, etc. This figure gives the total combined allowable Reimbursement amount per <u>TCC family.</u>

Item 11

Enter the totals for all children (Child 1 plus child 2, etc.), from Item 7. This step is necessary since the Family Fee is deducted <u>only once</u> in a month from the total actual child care cost.

Item 12

Enter the current Family Fee (#4 on the TCC 30A).

Item 13

Enter the reimbursement amount based on actual cost by deducting Item 12 from Item 11.

Item 14

Enter the lesser of Item 10 or 13. This figure is the TCC reimbursement for the Payment Month. If there is an Overpayment Adjustment, continue to Item 15.

Item 15

Enter the overpayment adjustment amount computed per MPP 47-190.

Item 16

Enter the Net Reimbursement amount (Item 16 less Item 17).

Worker Initial/Date

Enter the initials of the TCC worker and the date the computation was completed.

1991 REGIONAL MARKET RATE CEILINGS FOR CALIFORNIA CHILD CARE PROVIDERS 75TH PERCENTILE

*

CHILD CARE CENTERS	HOURLY GAIN ONLY	DAILY GAIN ONLY	WEEKLY GAIN ONLY	MONTHLY GAIN/TCC
FT UNDER 2 YRS.	•	\$30.11	\$105.00	\$395.00
PT UNDER 2 YRS.	\$4.00*	\$20.60	\$71.50	\$296.70*
FT 2-5 YRS.	\$2.50*	\$19.47	\$78.00	\$292.50
PT 2-5 YRS.	\$2.00	\$12.00	\$54.50	\$189.00
FT 6 + YRS.	\$2.00	\$14.14	\$78.00	\$325.00
PT 6 + YRS.	\$3.00	\$8.00	\$50.00	\$199.50

FAMILY DAY CARE HOMES	HOURLY GAIN ONLY	DAILY GAIN ONLY	WEEKLY GAIN ONLY	MONTHLY GAIN/TCC
FT UNDER 2 YRS.	\$2.00	\$15.00	\$75.00	\$324.75
PT UNDER 2 YRS.	\$2.00	\$14,00	\$50.00	\$174.00
FT 2-5 YRS.	\$1.70		\$75.00	\$324.75
PT 2-5 YRS.	\$1.80	4.00	\$50.00	\$156.60
FT 6 + YRS.	\$1.6 6	\$14.00	\$65.00	\$281.45
PT 6 + YRS.		\$7.50	\$42.50	\$174.00
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* LESS THAN THREE PROVIDERS

Attachment 2

Amend Section 47-155 to read:

47-155 PAYMENT DETERMINATION

47-155

- .1 (Continued)
- .2 Payments <u>Counties</u> shall be rounded <u>payments</u> to the nearest <u>lower whole</u> dollar. WILN appoints of 30 cents of pote founded to the next Nighet dollar fighted (Continued)
- .7 Rate Ceiling
 - .71 (Continued)
 - .72 The fate ceiling shall be converted to a monthly fate ceiling by following the process:
 - .721 Før ésék véék thát ékild ésré is provided / <u>t</u>he county <u>shall</u> determines whether care før thát véék is provided on a part-time or full-time basis <u>for each calendar month that child care is</u> <u>provided</u>.
 - (a) (Continued)

HANDBOOK BEGINS HERE

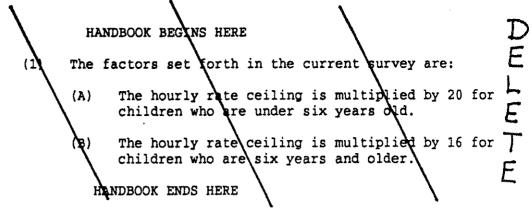
- (1) (Continued)
 - (A) "Part-time care" is under 35 Nouts a week 147 hours or less per calendar month.
 - (B) <u>"Full-time care"</u> is 35 of mote hours a week more than 147 hours per calendar month.

HANDBOOK ENDS HERE

- .722 For each week calendar month of part/time care:
 - (a) The county <u>shall</u> locates the Møstily <u>monthly</u> rate ceiling on the survey that corresponds to the age and category of care in the region in which the care is provided, and
 - (b) The country converts the hourly fate celling to a weekly fate celling by using the factors set forth in the regional market fate suffey Shall locate the appropriate monthly rate celling for either part-time or full-time care based on the total number of hours of care for the calendar month.



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- 1723 Fot each week of IVII+Line cate/ the county Iocates the appropriate weekly take celling based on the child/s age and calegory of cate/
- 1724 The county determines the monthly fate celling by!
 - (a) Adding the weekly take cellings lot each week that payment was made/ when payment is made on a houtly/ daily of weekly basis/ of
 - (b) Multiplying the deekly take celling by 4/3 when payment is made on a monthly basis/ (Continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10613, <u>11017</u>, 11209, 11501(c), 11508, 11509, 11510, and 11511(a), Welfare and Institutions Code; 45 CFR 255.4(a) and (a)(2)(iii); 45 CFR 255.4(i)(3); 45 CFR 256.3(a); and 45 CFR 256.4(b).



Amend Section 47-160 to read:

47-160 PAYMENT COMPUTATIONS*

HANDBOOK BEGINS HERE

.1 Example of Determining Rate Ceiling

(a)

.11 A Kern County family consists of a mother and three children. Mary is one and a half years old and needs ten hours of care per day for a total of 50 hours of care a week. John is ten years old and needs 2.5 hours of care per day for a total of 12.5 hours of care per week. Sally is five years old and needs seven hours of care per day for a total of 35 hours of care per week. All children receive care in a family day care setting.

.111 Step One: Find rate ceiling on chart.

- (a) Mary needs 35 or more hours of care per week. She is full time. Her family day care rate ceiling is \$70 per week.
- (b) John needs under 35 hours of care per week. He is parttime. His family day care rate ceiling is \$2 per hour.
- (c) Sally needs 35 or more hours of care per week. She is fulltime. Her family day care rate ceiling is \$65 per week.
- .112 Step Two: Convert to Weekly Rate Ceilings
 - (a) As Mary is full-time, her rate ceiling is stated in weekly terms; no conversion is necessary. Her rate ceiling is \$70 per week.
 - (b) John's rate ceiling is stated in hourly terms and requires conversion to weekly. As John is age six or over the hourly rate ceiling is multiplied by 16. \$2 x 16 = \$3 per week.
 - (c) As Sally is full-time, her rate ceiling is stated in weekly terms; no conversion is necessary. Her rate ceiling is \$65 per week.

13 Step Three: Convert to a Monthly Rate Ceiling

Mother makes payment at the beginning of each week. In September she made four weekly payments. The weekly rate ceilings are multiplied by four.

(1) Mary \$70 x 4 = \$280(2) John \$32 x 4 = <u>\$128</u> (3) Sally \$65 x 4 = \$260

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47-160

(b) Mother makes five weekly payments in October.

(1) Mary \$70 x 5 = \$350
(2) John \$32 x 5 = \$160
(3) Sally \$65 x 5 = \$325

.12 The same family as above has different child care needs in December because it is a vacation month. The child care provider charges for the holiday. The mother pays for five weeks of care in December. There is no change for Mary. John and Sally have no change for the first three weeks in the month. John and Sally both need 50 hours of care for the last two weeks for which payment is made. (Payment is nade on December 24 for care given December 24 through 28 and payment is made on December 31 for care given December 31 through January 4.)

.12 Step One: Find Rate Cailing on Chart

(a) Mary needs 35 or more hours per week. She is full-time. Her rate ceiling is 670 per week.

- (b) John needs under 35 hours per week for the first three weeks. He needs 35 or more hours per week for the last two weeks. His rate ceiling is \$2 per hour for the first three weeks and \$67.50 per week for the last two weeks.
- (c) Sally needs 35 or more hours per week. She is full time. Her rate ceiling is \$65 per week.

.122 Step Two: Convert to a Weekly Rate Ceiling

- (a) Mary's rate ceiling is stated in weekly terms; no conversion is necessary. Her rate ceiling is \$70 per week.
- (b) John's rate ceiling for the first three weeks is stated in hourly terms. A conversion of 16 hours per week is used. \$2 x 16 = \$32 per week for the first three weeks. For the last two weeks, his rate ceiling is stated in weekly terms and no conversion is necessary. It is \$67.50 per week for the last two weeks.
- (c) Sally's rate ceiling is stated in weekly terms; no conversion is necessary. Her rate ceiling is \$65 per week.

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.123 Step Three: Convert to a Monthly Rate Ceiling

- (a) Mary $30 \times 5 = 350$
- (b) John $(\$32 \times 3) + (\$67.50 \times 2) = \$231$
- (c) Sally \$65 x 5 = \$325

Example of Determining the TCC Payment .2 The mother in example in Section 47-160.1 uses one family day care provider for Mary and a second family day care provider for John and .21 Sally. The mother provides the county the following information on the request for payment for September. Hr/ Hrs/ Balis Weekly Name Day Week Charge Monthly \$70 10 50 Charged and \$70 \$280 Mary Pays Reekly 12.5 John 2.8 Charged \$ 2.20 \$27.50 \$110 Hourly and Pays Weekly Sally 35 Charged \$ 2.20 \$77 \$308 7 \$698 Total The mother requests reimbursement for \$698 less the family fee. .211 Step One: Determine the Family Fee At the time of requesting TCC program benefits, the mother's income had been verified to be \$1725 per month. (a) Based on the Family Fee Schedule, the family fee is \$48 per month. .212 Step Two: Determine the TCC Payment Compare the actual cost less the family fee: compare to the reimbursement maximum, the TCC payment is the lesser amount. 2 3 Lesser TCC Payment (Col 1 (Col 1 or 3 Total) Name Actual Ceiling or 2) Mary \$280 \$280 \$280 NA John \$110 \$128 \$110 NA Sally \$308 \$260 \$\$60 NA Subtatal \$698 NA NA NA Less Family Fee - 48 Totàl \$650 \$650 \$650 THE PART OF 19-2

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In December the mother in Section 47-160.2 submits a request for .22 payment with the following information: Hr/ Hrs/ Name Day Week Basis Charge Charged and 10 50 \$70 Mary Pays Weekly 2.5 12.5 Charged \$ 2.20 John (For first Hourly; and Pays Weekly three weeks John 10 50 Charged and \$80 (For last Pays Weakly two weeks) Subtotal John 35 Charged \$ 2.20 Sally 7 (For first Hourly; and three weeks) Pays Weekly 10 50 Charged and \$80 Pays Weekly Subtotal Sally The nother requests reimbursement for \$983.50 less the family fee. .221 Step One: Determine the Family Fee. There is no change in the fee from Section 47-160.21. (a) fee is \$48 per month.

> .222 Step Two: Determine the TCC Payment

> > (a) Compare the actual cost less the family fee; compare to the heimbursement maximum the TCC payment is the lesser anount.

2.7

Weekly

\$27.30

\$80

\$77

\$80

Total

\$70

Monthly

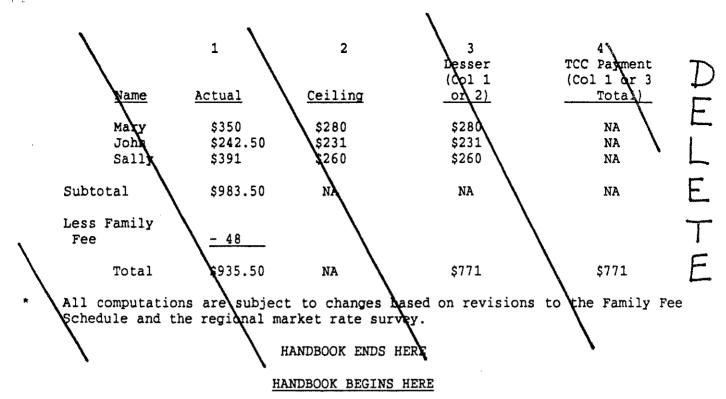
\$242.50

\$391

\$983.50

The

\$350



- .1 Example of Determining TCC Payment: One Child
 - .11 An Alameda county family consists of a mother and her one year old child who attends a day care center while the mother works full-time. The mother submits a request for a TCC payment. Her actual cost for 152 hours of care for the calendar month is \$475. Her family fee is \$55/month. The appropriate rate ceiling in the survey for full-time monthly care for a child under two years of age in a day care center is \$571.90.

	<u>Col. A</u> Actual costs	<u>Col. B</u> Rate ceiling	<u>Col. C</u> Lesser of Col. A or Col. B
Child #1	<u>\$475/mo</u> -55 FF	<u>\$571.90/mo</u>	<u>\$475</u>
	\$420*		<u>\$475 (reimbursement maximum)</u>

*TCC payment (the actual monthly costs less the family fee or the reimbursement maximum, whichever is less).

- <u>.2</u> Example of Determining TCC Payment: Two Children
 - .21 A Ventura County family consists of a mother and two children. Child #1 is age four and has 160/hours a month full-time family day care. Child #2 is age seven and has 75/hours a month part-time family day care. The family requests a TCC payment for actual costs of \$340 for Child #1 and \$225 for Child #2 totaling \$565 for the month. The family fee is \$25/month. The rate ceiling for the first child for full-time care is \$350 and the rate ceiling for the second child for part-time care is \$220.



	<u>Col. A</u> Actual costs	<u>Col. B</u> Rate ceiling	<u>Col. C</u> Lesser of Col. A or Col. B
Child #1 Child #2	<u>\$340/mo</u> <u>225</u> <u>\$565</u> -25 FF	<u>\$350/mo</u> <u>\$220</u>	<u>\$340</u> <u>220</u> <u>560</u>
	\$540*		<u> \$560 (reimbursement maximum)</u>

*TCC payment (the actual monthly costs less the family fee or the reimbursement maximum, whichever is less).

- .3 Example of Determining TCC Payment: Reimbursement Maximum Is Payment Level
 - .31 A Fresno County family consists of a mother and two children aged 10 and 12. The 10-year-old child receives 84 hours of after-school care a month in a family day care setting at a cost of \$3.04 per hour. The total cost in the month of March was \$255. The 12-year-old child has special needs and attends a special child care center after school for 100 hours per month at a cost of \$450/month. The family fee is \$30/month. The part-time monthly rate ceiling for the 10-year-old is \$240. The part-time special needs rate ceiling for the 12-year-old is \$400 per month.

	<u>Col. A</u> Actual costs	<u>Col. B</u> Rate ceiling	<u>Col. C</u> Lesser of Col. A or Col. B
<u>Child #1</u> Child #2	<u>\$255/mo</u> <u>450</u> <u>\$705</u> _30 FF	<u>\$240/mo</u> 400	<u>\$240</u> <u>400</u> <u>640</u>
	\$675		\$640*(reimbursement maximum)

*TCC payment (the actual monthly costs less the family fee or the reimbursement maximum, whichever is less).

HANDBOOK ENDS HERE

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference:

Sections 10613, 11209, 11320.3(f) and 11508, Welfare and Institutions Code; 45 CFR 255.4(a)/<u>;</u> 45 CFR 256.3(a); and 45 CFR 256.4(b).

