



Office of Child Development
May 2005
Payment Levels for Subsidized Child Care
(“Maximum Child Care Allowances”)

Summary:

The Governor’s budget proposes additional funding to improve the maximum payment levels (rates) for child care programs that enroll low-income, vulnerable children through the state’s subsidized child care program. The expected implementation date is July 1, 2005. Implementation is conditioned on the inclusion of these funds in the final state budget, as approved by the legislature and signed by the Governor.

The Office of Child Development plans to set the maximum payment level (also known as the “Maximum Child Care Allowance” or “MCCA”) for infants, toddlers, and preschoolers participating in full-time services as follows:

- at least the 52nd percentile for centers (the 13 counties with a concentration of young, low-income children in poverty will be set at the 60th percentile).
- at least the 38th percentile for registered family child care and group day care homes

Using this approach, 66 counties will have improved maximum payment levels. The remaining county is already at these new percentiles.

Additional Information.

The Maximum Child Care Allowance represents the daily maximum amount the County Assistance Office (“CAO”) or Child Care Information Services (“CCIS”) will pay to providers who enroll low-income children participating in the subsidized child care program. The proposed MCCAs for July 2005 are based on the January 2005 market rate survey that was sent to all regulated child care providers throughout the state.

The Office of Child Development’s goal is to set the county ceiling (the maximum amount per child that the state will pay) at the 75th percentile of the private market. Payment levels (rates) for children participating in the subsidized child care provide a crucial support and core financial resources needed to maintain acceptable levels of quality which are closely linked to school success for children. The new proposed funding for Fiscal Year 05-06 allows additional progress to be made to meeting the 75th percentile goal, and follows the rate strategy recommendations of the Build Rate Policy Task Force. See http://www.pde.state.pa.us/early_childhood/lib/early_childhood/RatePolicyReport--FINAL_6.17.04.pdf for a copy of the Build Rate Policy Report.