

**ANNOUNCEMENT: S-07 #05**  
**OFFICE OF CHILD DEVELOPMENT AND EARLY LEARNING**  
**BUREAU OF SUBSIDIZED CHILD CARE SERVICES**

Issue Date: July 31, 2007  
Effective Date: August 1, 2007

<b>SUBJECT:</b>	<b>Increase in Maximum Child Care Allowance</b>
<b>TO:</b>	<b>Child Care Information Services Agencies</b>
<b>FROM:</b>	<b>Harriet Dichter</b> <b>Deputy Secretary, Office of Child Development and Early Learning</b>



**PURPOSE:**

To inform Child Care Information Services (CCIS) agencies of an increase in the Maximum Child Care Allowance (MCCA) for all care levels of children enrolled at regulated child care providers. The increased rates will be effective August 1, 2007.

**BACKGROUND:**

The MCCA represents the daily maximum amount the CCIS will pay to providers who participate in the subsidized child care program. Payment rates for children participating in subsidized child care afford providers crucial support and core financial resources needed to maintain acceptable levels of quality which are closely linked to school success for children.

The State Budget for Fiscal Year 2007-08 includes additional funding to improve the MCCA for providers who enroll low-income, vulnerable children through the state's subsidized child care program. The Office of Child Development and Early Learning (OCDEL) raised the MCCA for all care levels as a way to help providers address the impact of the increase in the state's minimum wage. As in the past, OCDEL continues to put additional resources into communities with children living in higher poverty. The MCCA effective August 1, 2007 are based on the 2007 market rate survey information.

**DISCUSSION:**

OCDEL is increasing the MCCA statewide for infants, toddlers and preschoolers enrolled at child care centers to at least the 62<sup>nd</sup> percentile for full-time care and to at least the 58<sup>th</sup> percentile for part-time care. The MCCA in counties that have a concentration of young, low-income children in poverty will be increased to at least the 72<sup>nd</sup> percentile for full-time care and to at least the 60<sup>th</sup> percentile for part-time care for infants, toddlers and preschoolers.

The MCCA will also increase for group and family child care providers. The MCCA for infants, toddlers and preschoolers enrolled in group or family child care will be increased to at least the 55<sup>th</sup> percentile for full-time care and to at least the 50<sup>th</sup> percentile for part-time care.

In addition, for the first time in several years, the MCCA for school age children will increase. OCDEL is pleased to be able to increase the school age MCCA with few exceptions to at least the 40<sup>th</sup> percentile for centers, group and family child care providers.

The additional funding for Fiscal Year 2007-08 enables OCDEL to move closer to the goal of setting the MCCA at the 75<sup>th</sup> percentile of the private market.

The State Budget for Fiscal Year 2007-08 also includes funds to provide an additional tiered “add on” amount per child for Keystone STARS facilities with two or more stars. Implementation is targeted for September 1, 2007. We will provide further details regarding this initiative in the near future.

Attached to this Announcement is an Excel spreadsheet which includes the revised MCCA chart. We have bolded the rates that increased for easy identification.

The MCCA increases have been incorporated into the Child Care Management Information System (CCMIS) with an effective date of August 1, 2007. Please note that CCMIS recalculated encumbrance over the weekend of July 21, 2007 for the 2007-08 fiscal year.

**NEXT STEPS:**

- 1) Retain the revised MCCA chart for future reference.

Questions Regarding this Announcement Should be Directed to Your Regional Subsidy Coordinator.

OBSOLETE