

ACF Administration For Children And Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration on Children, Youth and Families	
	1. Log No. ACYF-PI-CC-04-05	2. Issuance Date: May 14, 2004
	3. Originating Office: Child Care Bureau	
	4. Key Words: Child Care and Development Fund; Temporary Assistance for Needy Families (TANF); High Performance Bonus (HPB)	
	TANF High Performance Bonus Awards-Child Care Measure	

To: State Lead Agencies administering child care programs under the Child Care and Development Block Grant (CCDBG) Act of 1990 as amended, and other interested parties.

References: High Performance Bonus (HPB) awards, section 403(a)(4) of the Social Security Act (42 U.S.C. 603); HPB final rule and interim final rule, 45 CFR 270.4(e) (65 FR 52814 and 66 FR 23854). Temporary Assistance for Needy Families (TANF) final rule.

The Child Care and Development Block Grant Act of 1990 as amended (CCDBG Act); section 418 of the Social Security Act; 45 CFR 98 and 99.

Purpose: To provide guidance about the submission of child care market rate information by States choosing to compete for the FY 2004 TANF High Performance Bonus Child Care Award.

Background: The August 30, 2000 final rule for High Performance Bonus awards under TANF provided that \$10 million will be allocated annually for bonus awards under a child care measure. As described in the August 30, 2000 final rule and the May 10, 2001 interim final rule, the measure includes three components:

1. Children Served (Accessibility)—Percent of children eligible under Child Care and Development Fund (CCDF) requirements, who received services, including eligible children served with additional funds as reported on the ACF-801.
2. Family Co-Payments (Affordability)—A comparison of assessed

family co-payment to family income across four income ranges as reported on the ACF-801. The income ranges are as follows: 1) income below the Federal poverty level; 2) income at least 100 percent and below 125 percent of Federal poverty; 3) income at least 125 percent and below 150 percent of Federal poverty; and 4) income at least 150 percent and below 175 percent of Federal poverty. This component also takes into account the number of children eligible for subsidies under the State's defined income limits compared to the number of children eligible under the Federal CCDF eligibility limits.

3. **Provider Reimbursement Rates (Quality)**—A comparison of the actual amounts paid for children receiving subsidies to local market rates in the State.

While we continue to be optimistic that Congress will reauthorize the TANF and CCDF program this year, we believe it is prudent to proceed with the collection of HPB performance measurement data specified in the regulation at 45 CFR 270 in case we find ourselves under another continuing resolution.

Computation of State Scores:

Bonuses will be awarded based on these three components to the top ten qualifying States that have fully:

- Obligated their CCDF Matching Funds for the fiscal year corresponding to the performance year; and
- Expended their CCDF Matching Funds for the fiscal year preceding the performance year.

Child care bonuses in FY 2004 for a State's performance in FY 2003 will be based on a composite ranking of State scores on three components, i.e., children served, family co-payments, and provider reimbursements. Children served and family co-payments will be calculated using case-level data currently reported by States on the ACF-801. Provider reimbursement rates will be calculated based on data reported by States on the ACF-801 and the ACF-900.

Specifically, ACF will compare the actual payment for each child (as provided on the ACF-801) to the reported market rates for children of the same age, in the relevant county or administrative region and for the type of care received (as provided on the ACF-900). We will compare payments for children in center-based care to reported center care rates and payments for children in non-center-based care, i.e., family child care and in-home care, to reported family child care provider rates.

Instructions:

By July 31, 2004, a State choosing to compete for the FY 2004 HPB child care award must submit information from its market rate survey applicable to the performance year (FY 2003) using the ACF-900. The information submitted must include age-specific rates for children 0-13 years of age reported by centers and family child care homes responding to the State's market rate survey. The information must be provided by county or administrative region – defined as a collection of counties.

- The ACF-900 provides four county or administrative region columns. A State should expand the form as needed to provide as many county or administrative regions as may be necessary to correspond to the State's rate structure. To enable ACF to compare the data reported on the ACF-801 with the ACF-900, the State must provide, as an addendum, the Federal Information Processing Standard (FIPS) code or codes corresponding to each county or administrative region. Access to the three digit county codes is available through the Child Care Bureau at: <http://www.acf.dhhs.gov/programs/ccb/report/formhelp/acf801/helpdocs/context.htm>.
- The ACF-900 should be completed using information from the market rate survey required by 45 CFR 98.43 (CCDF July 24 Final Rule) and described in the State's approved CCDF Plan for October 1, 2001 through September 30, 2003.
- Separately for child care centers and family child care homes, the State should complete the ACF-900 by providing full monthly rates at the 75th percentile in the age categories noted for each county or administrative region.
- If the State's market rate survey does not collect information about provider fees on a monthly basis, daily fees should be converted to monthly fees using 22 as the multiplier, e.g., \$20.00 per day times 22 equals a monthly rate of \$440.00.
- If the State differentiates market rates in age categories that vary from those provided in the form, the State should provide the market rate information applicable to the youngest age grouping. For example, if the State collected information about infant rates for children ages 0 – 18 months, use the applicable infant rate in the row labeled "greater than 12 months and less than or equal to 24 months."

Additional Information:

States choosing to compete on the FY 2004 TANF HPB child care

measure must **electronically** submit the completed ACF-900 no later than July 31, 2004 to: Child Care Automation Resource Center (CCARC) at ccarc@childcaredata.org. Please remember to include “ACF-900 form” in the subject line.

An electronic version of the ACF-900 is available through the Child Care Bureau at <http://www.acf.dhhs.gov/programs/ccb/report/index.htm>.

Additional information about market rate surveys and establishing provider reimbursement rates is available at: <http://nccic.acf.hhs.gov/poptopics/mrsmethods.html>.

/s/_____

Joan Ohl
Commissioner, ACYF

Instructions for Completing ACF-900 Child Care Report

For States wishing to compete for the Temporary Assistance for Needy Families (TANF) High Performance Bonus (HPB) on the Child Care Measure, the following information will be required:

- 1) All age-specific rates for children 0 - 13 years of age reported by the child day care centers and family day care homes responding to the State's market rate survey; and
- 2) The provider's county or, if the State uses multi-county regions to measure market rates or set maximum payment rates, the administrative region.

To enable ACF to compare the data reported on the ACF-801 with the ACF-900, the State must provide, as an addendum, the Federal Information Processing Standard (FIPS) code or codes corresponding to each county or administrative region. Access to the three digit county codes is available through the Child Care Bureau at:

<http://www.acf.dhhs.gov/programs/ccb/report/formhelp/acf801/helpdocs/context.htm> .

The ACF-900 should be completed using information from the market rate survey required by 45 CFR 98.43 (CCDF final rule) and described in the State's approved CCDF Plan for October 1, 2001 through September 30, 2003.

Separately for child care centers and family child care homes, the State should complete the ACF-900 by providing full monthly rates at the 75th percentile in the age categories noted for each county or administrative region.

If the State's market rate survey does not collect information about provider fees on a monthly basis, daily fees should be converted to monthly fees using 22 as the multiplier, e.g., \$20.00 per day times 22 equals a monthly rate of \$440.00.

If the State differentiates market rates in age categories that vary from those provided in the form, the State should provide the market rate information applicable to the youngest age grouping. For example, if the State collected information about infant rates for children ages 0 – 18 months and for preschoolers using 19 – 72 months, use the applicable infant rate in the row labeled 13 – 24 months.

Hard copy of the ACF-900 is for display purposes only. The data submitted must be provided electronically, i.e., as a Microsoft Excel file or equivalent.

"The Paperwork Reduction Act of 1995"

Public reporting burden for this collection of information is estimated to average 40 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES-ADMINISTRATION FOR CHILDREN AND FAMILIES TANF HIGH PERFORMANCE BONUS (HPB) AWARDS CHILD CARE MEASURE LOCAL MARKET RATE SUMMARY (ACF-900) 75 th percentile of the market rate by age and county or administrative region*													
State: FFY:		Age of Child											
		Less than or equal to 12 Months		Greater than 12-months & less than or equal to 24-months		Greater than 24-months & less than or equal to 36-months		Greater than 36-months & less than or equal to 48-months		Greater than 48-months & less than or equal to 60-months		Greater than 60-months & less than or equal to 72-months	
County or Admin Region	FIPS Code (Include county FIPS Code or more than one county FIPS Code corresponding to an Admin Region.)	Centers	FCC-Homes	Centers	FCC-Homes	Centers	FCC-Homes	Centers	FCC-Homes	Centers	FCC-Homes	Centers	FCC-Homes
County or Admin Region 1													
County or Admin Region 2													
County or Admin Region 3													
County or Admin Region 4													
County or Admin Region 5													
County or Admin Region 6													
County or Admin Region 7													
County or Admin Region 8													
County or Admin Region 9													
County or Admin Region 10													
County or Admin Region 11													
County or Admin Region N**													

*Please ensure that the FIPS codes entered above are equivalent to those given on the following web page.

<http://www.acf.dhhs.gov/programs/ccb/report/formhelp/acf801/helpdocs/context.htm>

**This chart should be extended to include as many rows as necessary to reflect the number of counties or rate areas the State uses in determining its reimbursement rates to providers.

FCC-Home refers to Family Child Care Home