

<h1>ACF</h1> <p><b>Administration</b></p> <p><b>For Children</b></p> <p><b>And Families</b></p>	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> <b>Administration on Children, Youth and Families</b>	
	<b>1. Log No.</b> ACYF-PI-CC-05-06	<b>2. Issuance Date:</b> July 22, 2005
	<b>3. Originating Office:</b> Child Care Bureau	
	<b>4. Key Words:</b> Child Care and Development Fund; Temporary Assistance for Needy Families (TANF); High Performance Bonus (HPB)	
	<b>TANF High Performance Bonus Awards-Child Care Measure</b>	

**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 Fiscal Year (FY) 2005 TANF HPB Child Care Award.

**Background:** The August 30, 2000 final rule for HPB 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 Administration for Children

and Families (ACF), 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.

**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 2005 for a State's performance in FY 2004 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 and in-home care provider rates.

**Instructions:**

By August 5, 2005, a State choosing to compete for the FY 2005 HPB Child Care Award must submit information from its market rate survey applicable to the performance year (FY 2004) 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 (non-Centers) 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 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, 2003 through September 30, 2005.
- Separately for child care centers and family child care homes (all child arrangements except centers), the State should complete the ACF-900 by providing **full-time** monthly rates at the 75<sup>th</sup> percentile in the age categories noted for each county or administrative region. A State may submit the same rate for one or more FIPS codes (group of FIPS codes), however, a State may not submit more than one rate for a FIPS code (and care type). All the county FIPS codes in the State should be represented on the ACF-900 form by a full-time rate in both of the indicated Care types. In some instances a State may have to use weighted averages to consolidate separate rates for "Star" quality systems, as well as consolidate separate rates for licensed and unlicensed care. Alternatively, a State could reprocess their market rate survey data to generate results that conform to the ACF-900 categories.
- Although school-age children often use part-time care, only market rate data representing **full-time** care should be entered on the ACF-900. Parenthetically, full-time care is used by many school-age children when school is not in session and when parents are employed during nights and weekends (non-school hours).
- 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. Market rate survey data for less than full-time care should not be used. The number of hours per day that represents full-time should be based on the State's definition of full-time care in its State Plan, licensing regulations or other documents. Typically, full-time care is 130 hours or more care per month. If the market rate survey collects only hourly rates, these hourly rates will have to be converted to a full-time monthly rate using the above criteria.

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 both the column labeled "Less than or equal to 12 Months" and the column labeled "Greater than 12 months and less than or equal to 24 months." Enter a full-time rate in all age categories (all rate columns). Alternatively, a State could reprocess its market rate survey data to generate results that conform to the ACF-900 categories. Do not leave any rate column blank.

**Additional Information:**

States choosing to compete on the FY 2005 TANF HPB child care measure must **electronically** submit the completed Microsoft **Excel** ACF-900 no later than August 5, 2005, to: Child Care Automation Resource Center (CCARC) at [ccarc@childcaredata.org](mailto:ccarc@childcaredata.org). Please remember to include "ACF-900 form" in the subject line. Do not submit a paper copy, a FAX copy, a Text version or a word processing version.

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>. Be sure to download the Excel Version of the form for completion and submission.

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

/s/

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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 the Administration for Children and Families (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 (Child Care and Development Fund (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 75<sup>th</sup> 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 Office of Management and Budget (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<sup>th</sup> 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		Greater than 72-months & less than or equal to 156-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	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