



B. J. Walker, Commissioner

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MEMORANDUM

TO: County Directors of Family and Children Services
Regional Directors
Regional Managers
State Staff

FROM: Steven E. Love, Acting Director
Division of Family and Children Services

SUBJECT: Childcare and Parent Services Rate Increase

DATE: March 3, 2005

This is to alert you that a major rate increase will occur in the Childcare and Parent Services (CAPS) program in April 2005. Also, six counties will be moved to a different zone (set of rates) in April: Hall and Camden will move from Zone 2 to Zone 1; and Lowndes, Lumpkin, Putnam and Tift will move from Zone 3 to Zone 2.

These are exciting changes that will benefit both providers and clients statewide. Providers have not had a rate increase in four years, and that earlier raise was small. If it had been possible, we would have delayed the new April 2005 changes as we understand the impact on county operations. However, it is critical that the rate increase be initiated in April because of the need to spend surplus child care funds.

We are still developing the manual transmittal which we hope to get out to you quickly, are initiating MAXSTAR system changes to accept the new rates, and determining how tiered reimbursement providers will be affected. This is what we can share at this point:

- Beginning with the first "service week" in April, the CAPS maximum allowable child care rates will be raised, in some cases, dramatically.
- We are standardizing the way rates are determined statewide, in order to pay closer to actual local market rates, and to help families who must often pay more than their assessed fee in order to locate child care resources. Most providers will benefit, as long as their actual charge does not exceed the new maximum allowable rate.
- All rates statewide will be at or above the 50th percentile of local market rates. Rates already at or over the 50th percentile will also increase slightly, so that all providers may benefit. Infant care rates will be slightly higher than toddler and pre-school rates. Informal care rates will be lower than regulated care.
- These rates are being incorporated into our standard-looking charts, which will go out with the upcoming manual transmittal. The charts reflect the actual impact of this major increase in rates.
- We will send out a letter to all active providers explaining in general terms what will occur in April. We are still working out the way that will be handled.

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Instituting this change will have a significant impact on county staff who must conduct child care case reviews and issue notices if specific cases are affected. It will impact several other programs, such as Food Stamps, if clients pay less for the cost of care because CAPS is increasing the amounts they pay. It may also impact supplemental supervision cases. Supervisors of child care caseloads are relieved of completing child care case accuracy reviews during the months of March and April 2005, in order to provide support to staff and oversee the needed activities.

Thank you for your support in implementing the changes quickly. If you have questions or concerns about the impact on counties or suggestions, please contact Mary Ellen Brown, OFI State Program Manager or the State Child Care Unit Manager, Gail Ormsby.

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