

**TO:** Current child development providers with a contract for subsidized child care

**FROM:** Sara Mead

Assistant Superintendent of Early Learning

**RE:** Public Emergency Subsidy Rate

**DATE:** Feb. 18, 2022

### I. Background

Effective Jan. 1, 2022, the Office of the State Superintendent of Education (OSSE) adopted emergency rulemaking creating a temporary "Public Emergency Subsidy Rate" for licensed child development facilities who participate in the District's child care subsidy program.

This emergency rulemaking expands the "Public Health Emergency Subsidy Rate" previously established by OSSE to apply upon the declaration of a public emergency, so that the rate is no longer limited to use during a public health emergency only.<sup>1</sup>

Like the Public Health Emergency Subsidy Rate, the Public Emergency Subsidy Rate temporarily increases subsidy reimbursement rates for licensed child development facilities participating in the District's child care subsidy program, in order to partially offset the effects of increased costs and/or reduced revenues that subsidy child care providers may experience as a result of any public emergency that affects child care attendance. The rate is designed to ensure that reductions in subsidy payments that would otherwise result from reduced attendance in child care facilities during a public emergency, are instead reinvested in increased payment rates for child care providers.

The Public Emergency Subsidy Rate is one of multiple strategies that the District of Columbia has adopted to support the continued availability of child care during the coronavirus (COVID-19) pandemic and recovery. It complements other strategies, including:

• More than \$60 million in emergency and relief grants to both subsidy and non-subsidy child development facilities;

<sup>&</sup>lt;sup>1</sup> OSSE previously amended Section 203 of 5A DCMR to apply the use of a Public Health Emergency Subsidy Rate upon the declaration of a public health emergency. An emergency rule was published in the *DC Register* on Jan. 15, 2021, at 68 DCR 00937 and final rulemaking became effective and was published in the *DC Register* on April 23, 2021, at 68 DCR 004252.

- Changes in attendance payment policies to account for the impact of the pandemic on children's attendance in care, including a permanent increase in the number of days of a child's unexcused absences (to 10) for which child care providers participating in the subsidy program may be paid each month, as well as allowances for COVID-19-related absences, including those due to quarantine or isolate, to be considered excused;
- Expansion of the Shared Services Business Alliance and other business supports for child development facilities;
- Investments in the early childhood workforce and in expansion, creation or improvement of child development facilities.

# II. Process for Calculating the Public Subsidy Rate

As defined in the regulations creating the Public Health Emergency Subsidy Rate, the Public Health Emergency Subsidy Rate is a *percentage increase* in the subsidy rates defined in DCMRA 5A203.

The percentage increase is calculated by a mathematical formula based on the following steps:

- 1. Calculating the difference between subsidy payments for the most recent month based on standard subsidy rates (i.e., December 2021 payments) and the subsidy payments made in the month before the start of the public emergency (which for current public emergency means February 2020)
- 2. Dividing this difference by the total subsidy payments made in the month before the Mayor first declared the public emergency (i.e., February 2020)

Under the emergency and proposed regulations, the Public Emergency Rate may be updated periodically while in effect. Upon implementation of or any change in the rate, OSSE shall notify child development facilities of the Public Emergency Subsidy Rate, any changes made to the rate, and the monthly payments used to calculate the rate.

Effective Jan. 1, 2022, the percentage increase of the public health emergency is calculated as follows:

- The total monthly subsidy payment in December 2020 was \$ 6,254,980.73;
- The total monthly subsidy payment in February 2020 was \$9,219,812.75;
- The difference between \$9,219,812.75 and \$6,203,288.74 is \$2,964,832.02;
- \$2,964,832.02 is 32.16 percent of \$9,219,812.75; and
- As a result of the implementation of the Public Emergency Subsidy Rate, all subsidy rates will increase by 32.16 percent effective Jan. 1, 2022.

The full table of rates for each provider type and Capital Quality Rating appears at the end of this document.

These rates will remain in effect until one of the following occurs: a) OSSE updates the rate to reflect changes in child development facility attendance; b) termination of the public emergency; or c) there are no longer funds available to cover the costs of the Public Emergency Subsidy

Rate.

Should OSSE update the Public Emergency Subsidy Rate, OSSE will update this document and the accompanying rate table to inform providers of the Public Emergency Rate in effect. At any time that OSSE updates the rate, OSSE will use subsidy attendance data from the month prior to the month in which a change takes effect to project what the monthly subsidy payment would have been, had standard payment rates been in effect, and calculate the percentage difference between that payment and the February 2020 payment, as described above. OSSE will provide child development facilities advance notice of any changes in the Public Emergency Rate.

## III. Accessing the Public Emergency Subsidy Rates

Child care providers who participate in the District's child care subsidy system and submit attendance to OSSE do not need to take any additional action to receive the Public Emergency Subsidy Rate. The Public Emergency Subsidy Rate will be automatically applied to the provider's payment based on reported attendance of children receiving subsidy.

#### IV. Questions and Public Comment

Child care providers with questions about the Public Health Emergency Subsidy Rate should contact their Education Service Monitor or OSSE.DELCommunications@dc.gov.

Providers, members of the public, or other individuals who wish to provide public comment on the Public Health Emergency Subsidy Rate should file comments in writing no later than **March 20, 2022** via an email addressed to <u>ossecomments.proposedregulations@dc.gov</u>; or by mail or hand delivery to the Office of the State Superintendent of Education, Attn: Renee Lee re: Public Health Emergency Subsidy Rate, 1050 First St. NE, Third Floor, Washington, DC 20002.

#### V. Public Health Emergency Subsidy Rates Table

Developing – Child Development Center									
	Tradit	ional	Extend	ed Day	Nontraditional				
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time			
Infant and Toddler	\$102.33	\$61.40	\$112.56	\$71.63	\$127.92	\$76.75			
Infant and Toddler Special Needs	\$143.26	\$85.96							
Pre-school	\$71.19	\$42.71	\$78.32	\$49.84	\$89.00	\$53.39			
Pre-school Before and After	\$71.19	\$42.71	\$78.32	\$49.84					
School-Age Before and After	\$47.66	\$28.60	\$52.43	\$33.36	\$59.58	\$35.75			
School-Age Before or After	\$47.66	\$23.83							
Pre-school and School-Age Special Needs	\$99.68	\$59.80							

Developing - Child Development Home and Expanded Home								
	Traditional		Extend	ed Day	Nontraditional			
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time		
Infant and Toddler	\$86.51	\$51.91	\$95.17	\$60.56	\$108.15	\$64.89		
Pre-school	\$53.97	\$32.39	\$59.38	\$37.78	\$67.47	\$40.48		
Pre-school Before and After	\$53.97	\$32.39	\$59.38	\$37.78	-	-		
School-Age Before and After	\$37.00	\$22.20	\$40.71	\$25.90	\$46.26	\$27.75		
School-Age Before or After	\$37.00	\$18.50	-	-	-	-		

Pr	ogressing -	Child De	velopment C	enter		
	Tradit	ional	Extend	ed Day	Nontraditional	
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time
Infant and Toddler	\$105.73	\$63.44	\$116.30	\$74.01	\$132.16	\$79.30
Infant and Toddler Special Needs	\$143.26	\$85.96	-1	-1	-1	
Pre-school	\$73.96	\$44.38	\$81.36	\$51.77	\$92.45	\$55.47
Pre-school Before and After	\$73.96	\$44.38	\$81.36	\$51.77	-1	1
School-Age Before and After	\$47.66	\$28.60	\$52.42	\$33.36	\$59.58	\$35.75
School-Age Before or After	\$47.66	\$23.83		- 1		- 1
Pre-school and School-Age Special Needs	\$99.68	\$59.80				

Progressing - Child Development Home and Expanded Home									
	Traditional		Extend	ed Day	Nontraditional				
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time			
Infant and Toddler	\$92.54	\$55.52	\$101.79	\$64.77	\$115.68	\$69.41			
Pre-school	\$58.60	\$35.17	\$64.47	\$41.02	\$73.26	\$43.96			
Pre-school Before and After	\$58.60	\$35.17	\$64.47	\$41.02		-1			
School-Age Before and After	\$37.00	\$22.20	\$40.71	\$25.90	\$46.26	\$27.75			
School-Age Before or After	\$37.00	\$18.50							

Quality - Child Development Center									
	Tradit	ional	Extend	ed Day	Nontraditional				
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time			
Infant and Toddler	\$116.50	\$69.90	\$128.16	\$81.56	\$145.63	\$87.37			
Infant and Toddler Special Needs	\$151.46	\$90.87							
Pre-school	\$82.01	\$49.20	\$90.21	\$57.40	\$102.50	\$61.51			
Pre-school Before and After	\$82.01	\$49.20	\$90.21	\$57.40					
School-Age Before and After	\$47.66	\$28.60	\$52.43	\$33.36	\$59.58	\$35.75			
School-Age Before or After	\$47.66	\$23.83							
Pre-school and School-Age Special Needs	\$99.68	\$59.80							

Quality - Child Development Home and Expanded Home								
	Traditional		Extend	ed Day	Nontraditional			
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time		
Infant and Toddler	\$98.83	\$59.30	\$108.71	\$69.19	\$123.54	\$74.13		
Pre-school	\$65.02	\$39.01	\$71.52	\$45.52	\$81.28	\$48.77		
Pre-school Before and After	\$65.02	\$39.01	\$71.52	\$45.52				
School-Age Before and After	\$37.00	\$22.20	\$40.71	\$25.90	\$46.26	\$27.75		
School-Age Before or After	\$37.00	\$18.50						

High-Quality - Child Development Center								
	Tradit	ional	Extend	ed Day	Nontraditional			
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time		
Infant and Toddler	\$124.11	\$74.47	\$136.52	\$86.88	\$155.14	\$93.08		
Infant and Toddler Special Needs	\$155.14	\$93.08			-	1		
Pre-school	\$85.23	\$51.13	\$93.75	\$59.66	\$106.53	\$63.93		
Pre-school Before and After	\$85.23	\$51.13	\$93.75	\$59.66	1	1		
School-Age Before and After	\$47.66	\$28.60	\$52.43	\$33.36	\$59.58	\$35.75		

School-Age Before or After	\$47.66	\$23.83	-1	-1	-1	
Pre-school and School-Age Special Needs	\$99.68	\$59.80				

High-Quality - Child Development Home and Expanded Home									
	Traditional		Extend	ed Day	Nontraditional				
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time			
Infant and Toddler	\$105.44	\$63.26	\$115.98	\$73.81	\$131.80	\$79.08			
Pre-school	\$70.28	\$42.17	\$77.31	\$49.20	\$87.86	\$52.72			
Pre-school Before and After	\$70.28	\$42.17	\$77.31	\$49.20	\$87.86	\$52.72			
School-Age Before and After	\$37.00	\$22.20	\$40.71	\$25.90	\$46.26	\$27.75			
School-Age Before or After	\$37.00	\$18.50							

Preliminary - Child Development Center									
	Tradit	ional	Extend	ed Day	Nontraditional				
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time			
Infant and Toddler	\$105.73	\$63.44	\$116.30	\$74.01	\$132.16	\$79.30			
Infant and Toddler Special Needs	\$143.26	\$85.96							
Pre-school	\$73.96	\$44.38	\$81.36	\$51.77	\$92.45	\$55.47			
Pre-school Before and After	\$73.96	\$44.38	\$81.36	\$51.77					
School-Age Before and After	\$47.66	\$28.60	\$52.42	\$33.36	\$59.58	\$35.75			
School-Age Before or After	\$47.66	\$23.83							
Pre-school and School-Age Special Needs	\$99.68	\$59.80				-1			

Preliminary - Child Development Home and Expanded Home									
	Tradit	ional	Extend	ed Day	Nontraditional				
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time			
Infant and Toddler	\$92.54	\$55.52	\$101.79	\$64.77	\$115.68	\$69.41			
Pre-school	\$58.60	\$35.17	\$64.47	\$41.02	\$73.26	\$43.96			
Pre-school Before and After	\$58.60	\$35.17	\$64.47	\$41.02		-1			
School-Age Before and After	\$37.00	\$22.20	\$40.71	\$25.90	\$46.26	\$27.75			
School-Age Before or After	\$37.00	\$18.50							

• Quality Improvement Network (QIN) Centers: \$117.95

• QIN Homes: \$102.16

Relative Child Care Rates									
	Traditional		Extend	ed Day	Nontraditional				
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time			
Infant and Toddler	\$41.54	\$24.91	\$45.70	\$29.09	\$51.94	\$31.16			
Pre-school	\$24.62	\$14.78							
Pre-school Before and After	\$24.62	\$14.78							
School-Age Before and After	\$23.92	\$14.35	\$26.30	\$16.73	\$29.89	\$17.93			
School-Age Before <i>or</i> After	\$23.92	\$7.18							

In-Home Child Care Rates						
	Traditional		Extended Day		Nontraditional	
	Full- Time	Part- Time	Full-Time	Part-Time	Full-Time	Part-Time
Infant and Toddler	\$24.36	\$14.62	\$26.80	\$17.06	\$30.46	\$18.28
Pre-School	\$14.95	\$8.97	\$16.44	\$10.47	\$18.69	\$11.22
Pre-school Before and After	\$14.95	\$8.97	\$16.44	\$10.47		
School-Age Before and After	\$12.95	\$7.77	\$14.25	\$9.07	\$16.20	\$9.73
School-Age Before <i>or</i> After	\$12.95	\$7.11				