

MEMORANDUM

DATE: June 16, 2008

TO: All Members of the Delaware State Senate
and House of Representatives

FROM: Ms. Daniese McMullin-Powell
Chairperson
State Council for Persons with Disabilities

RE: S.B. 243 [Child Care Subsidy Reimbursement Rate]

The State Council for Persons with Disabilities (SCPD) has reviewed S.B. 243 which would ensure that the Division of Social Services (DSS) minimum child care subsidy reimbursement rate is at least at the same percentage level of the market rate as provided in 2007. SCPD endorses the proposed legislation since a low reimbursement rate has an adverse impact on the number of providers willing to participate in the program and the availability of quality child care to disadvantaged persons. The Council has been consistent in supporting adequate funding to promote access to quality child care by eligible parents. Last year the SCPD endorsed legislation (S.B. 65) which would have authorized higher reimbursement rates for providers meeting certain standards.

As background, the child care subsidy program is administered by the Division of Social Services. It essentially subsidizes day care expenses of financially eligible parents to facilitate employment. There are several DSS regulatory provisions which describe eligibility of children with disabilities as well as authorizing eligibility if a parent has a disability. See, e.g., 16 DE Admin Code 11002.4F, 11002.6.2D, 11003A5, 11003B, and 11003.7.8. Consistent with the attached April 16, 2007 and May 17, 2007 articles, reimbursement rates last year were relatively low, i.e., between 66 percent and 75 percent of the 2005 market rate. The 2007 market rate study revealed that reimbursement rates had dropped to 57 percent of market rates. The rates reflected in the current DSS regulation [16 DE Admin Code 11006.4 (attached)] have not been updated.

S.B. 243 would disallow reduction in the minimum child care subsidy reimbursement rate. Under the bill, the rate would be “at least the same percentage of the current market rate as the percentage of the 2007 market rate.” Although not a paragon of clarity, SCPD assumes this would create a minimum subsidy “floor” of 57% of market rate.

Thank you for your consideration and please contact SCPD if you have any questions regarding our

position on the proposed legislation.

cc: The Honorable Ruth Ann Minner
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council
Ms. Evelyn Keating, Family & Workplace Connection
Ms. Janet Carter, DOE

Sb 243 child care subsidy 6-08.doc