



**WORKFORCE
SERVICES**
CHILD CARE

Welcome to the Office of Child Care Webinar:
How Subsidy Payments and Rates work
We will start the Zoom Webinar at 6:30.

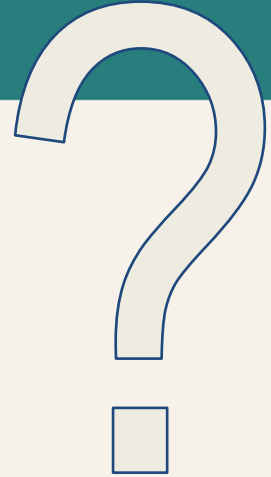
Purpose of this Webinar

This webinar will provide an explanation of how DWS child care subsidy payments are calculated, and the factors that affect the subsidy amount.

We also will address common questions regarding subsidy calculations.



Have you wondered ...



Why a subsidy payment does not cover your full charges?

Why there was a change in the subsidy amount for a child?

How DWS determines how much you can be paid for a child's care?

Factors in calculating subsidy

Subsidy payments may vary for each family.

Subsidy payment calculations are based on many factors.

Let's look at three main factors that can affect a subsidy payment:

1. The established maximum subsidy payment set by DWS, for the provider type and the age of the child
1. The provider's monthly charges
2. The parent's participation hours

We will then discuss some additional factors that may affect or change the payment amount.

1. Monthly Local Market Rates, or MLMR

The Child Care and Development Fund (CCDF) is the principal source of federal funding for the child care subsidy program. CCDF requires agencies to conduct a *market rate survey* of licensed child care providers or an alternative cost of care study every three years *to assess current child care market rates* based on the provider type and age of the child.

DWS uses the market rates reported to set child care subsidy rates that help subsidy-eligible households to afford most providers in the state.

Different provider types and age groups have different maximum subsidy rates.

You can view current payment tables broken down by provider type online at:

<https://jobs.utah.gov/occ/provider/cctable3.pdf>

Maximum Monthly Child Care Payments

Example: For a 2 year old child attending a licensed center, the maximum monthly subsidy would be \$819.

In this example, \$819 is the *starting point* for determining the actual monthly subsidy payment. There are other factors that can change the final subsidy amount.

Compare this to a 2 year old attending a Licensed Family provider

Maximum Monthly Child Care Payments Based on Monthly Local Market Rates

See [Most Recent Obsolete Table](#)

Table Effective: October 1, 2021

Provider Type	0 to <24 months	2 years old	3 years old	4 years old	5 years old	6 to <13 years old
License Exempt – Child/Provider home	368	350	345	340	333	315
License Exempt Center/Program ----- Residential Certificate	525	510	500	485	476	450
Family Home-Licensed	750	685	660	650	640	600
Center-Licensed or Accredited	1040	819	756	752	729	620

2. Your rates or provider monthly charges for each age group

Your actual full time rates may be more or less than the maximum monthly subsidy payment.

All providers must report their *full time out of school monthly rates* on Care About Childcare.

It is important to report accurate rates as these rates are also published for the public.

If you report a rate higher than the maximum subsidy rate, DWS can still only pay up to the maximum subsidy rate, if the household qualifies for full time.

If your rate reported on Care About Childcare is less than the MLMR, we will use that rate as your maximum monthly subsidy payment.



Actual Provider Charges and MLMR

Let's go back to our earlier example of a 2-year old in a licensed center.

\$750 

The MLMR is 819. This is the maximum subsidy allowed.

\$819 MLMR 

If the provider reports their full time charge is \$750, that becomes the maximum we can pay. We can never pay more than your published rate.

\$1000

If the provider reports that the monthly charges are \$1000 dollars, DWS can still only pay up to the MLMR.

Actual Provider Charges

Providers are required to report any lower rate for an individual child directly to DWS.

Discounted “custom” rates for

- part time attendance
- shared parental responsibility
- employee’s children
- *Any other discount offered to a family*



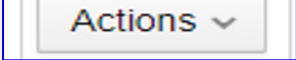
Your rates, continued

Report any lower rate through the DWS Provider Portal, or by email to OCC for new cases.

Please report the correct rate when reporting start dates.

When a lower rate is reported, that becomes the maximum subsidy amount that can be paid for that case.

- To report a rate on the DWS Provider Portal, go to the “I Want To” box which shows links to common actions.

Or use the  button for the case on the Children in Care tab.

I Want To

[Email Office of Child Care](#)

[Report A Change For A Case Or Child](#)

[Create Account \(Help Desk\)](#)

[Add/View My Banking & Tax Info](#)

[View Transaction History](#)

Rate Changes

Reminder:

When reporting a rate change:

Report full time rates on Care About Childcare

Report or update reduced custom rates in the DWS Provider Portal

Always report changes by the **25th of the month**, so that the correct rate can be applied timely to the following month.

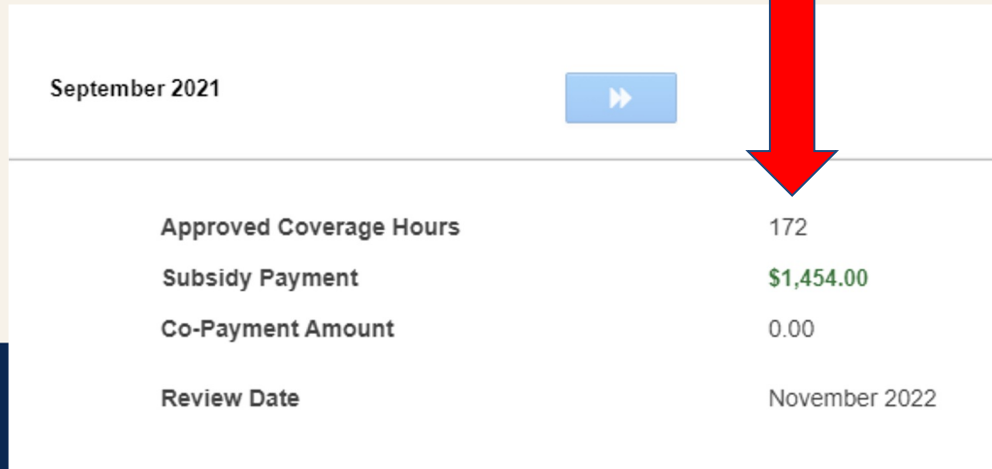
Rate changes reported in one month will be effective for the next month.




3. Customer “participation” or need for child care

The third major factor affecting subsidy calculation is Customer “participation” or need for child care.

Not all households qualify for full time subsidy. The screenshot shown is from the DWS provider portal case details screen. In this case, the approved hours are 172 per month, which equates to full time, or 40+ hours per week.



September 2021 

Approved Coverage Hours	172
Subsidy Payment	\$1,454.00
Co-Payment Amount	0.00
Review Date	November 2022

A household that qualifies for 20 hours of child care per week would show 86 monthly hours.

Checking the approved hours in the portal may tell you why a household is receiving a lower subsidy.

Customer “participation” or need for child care

A household may qualify for fewer hours due to a number of factors.

The parent or guardian’s regular work hours may average less than full time.

The family may have alternative arrangements for part of the time.

There may be shared custody that lowers the hours that DWS can subsidize for that parent.

Some parents must negotiate their child care need monthly with an employment counselor based on approved activities.

Parents can request more hours of child care if their needs change. Remember that for most customers, subsidy hours will not decrease during the 12 months following the approval, but can increase.



How is subsidy for part time care calculated?

For less than full time care, we use a formula.

We have created tiers, or ranges of hours to allow for flexibility with work schedules.

We have set rates for parents participating
from 1-14.9 hours,

15-22.9 hours,

23-31.9 hours and

32 hours or more.



Part time calculation

We have now reviewed the three main factors that DWS uses to determine subsidy payments:

1. The established maximum monthly subsidy rate set by DWS
2. The provider's monthly charges
3. The parent or guardian's participation hours, or need for child care.

DWS will compare these three factors and select the lowest amount as the actual subsidy amount.

Other factors that affect subsidy payments

Credits and Recoupments



You may at times see that the subsidy amount on the Children in Care summary on your portal account, and the amount on the detail screen do not match; this is most likely due to a recoupment that the parent owes and has chosen to have deducted from their current benefits. The parent is responsible for paying you the difference.

At times, a credit may be applied to a case if you have been paid too much, in order to remedy or avoid an overpayment; this will reduce the subsidy payment issued to you for the month of the credit and is NOT the customer's responsibility.

Other factors that affect subsidy payments

Household participation hours for most households are “locked in” at application and review; subsidy hours cannot be decreased during a review period.

Approved hours and subsidy could be increased if need increases and a family is not already receiving the maximum subsidy.

Children with special needs requiring extra care can be subsidized at a higher rate. Documentation of increased need from an approved source, such as a medical doctor, is required. Parents are responsible for reporting that a child has special needs and for obtaining the proper documentation to justify a higher payment.

Subsidy may decrease mid review when a child has a birthday and qualifies for a lower amount.

Additionally, there are times when benefits will be prorated such as when a child starts attending after the first day of the month or the parent completes an annual review after the due date.



Other factors that affect subsidy payments

Remember, child care payments are to subsidize the cost of child care and may not cover the full cost of child care. We are temporarily waiving income-based copayments for all families, but families may still owe you a portion of your charges.

There is never a guarantee of payment by Workforce Services.
If child care assistance is denied, providers will need to collect the full amount owed from the customer.



You are responsible for collecting directly from the parent for any charges not covered by subsidy.
Parents or guardians are responsible for your payment.
Your contract is between yourself and your customer.
Please make sure that all customers understand their obligation, which includes doing what is required to receive a subsidy payment.

Thank you!

Questions?

Email OCC@Utah.gov