



Calculating Blended Rates



DCDEE will be blending the existing payment rates for children receiving subsidized care for summer, before, after and before & after school care. The new blended rate will be 83% of the full time market rate or the private pay blended rate, whichever is less, taking into account for location and star rating.



This presentation will demonstrate how the new 83% blended rate is determined and how a provider can calculate what their blended rate payment will be.

A couple of things to remember are (1) the year round rate is being calculated into your rates now, and (2) it is important to keep receipts for subsidy and private pay to make available upon request.



What is...

During the months in which school closes for the summer and school re-opens in the fall, a school-age child could have two (2) plans of care; one for the days for before and/or after-school care and one for the days for full-time care.

When children are out of school during the school year, a differential payment is made if the child receives care for the full day.

Payment for a school age child who needs child care services for before and/or after-school, a Head Start program or preschool program in a public school, must be made based on the child's age and the percentage of time that the child needs care.

- When a school age child needs full day child care on holidays, inclement weather or teacher workdays, an additional payment is made.
- The monthly payment rate for these days is determined by subtracting the part-time monthly rate from the full-time monthly rate.
- The monthly payment rate and the number of days the child received the extra hours of service are entered into the Subsidized Child Care Reimbursement System (SCCRS) which automatically calculates the payment amount.

Example....

A five year-old child attends an afterschool program at the local school from 2:30 pm to 4:30. Her mother works until 4:30 p.m. and needs care until 5:00 p.m. The child attends the after school program for 2 ½ hours per day. Since this is less than 18 hours per week, payment for this school age child would be made based on the child's age using 50% of the full time cost of child care at this facility. This child also attends the facility for full days on teacher workdays. The payment rate for the teacher workdays holidays and other closings would be calculated by subtracting the before and/or after-school monthly rate from the full-time monthly rate.



What will be ...

Payments will be calculated and made using blended rates.

Example: 5 Star Center in Lee County

- Payment rates for some preschoolers and school age children are changed to a blended rate.
- The provider's full time private pay rate for school-age will be calculated at 75% of the provider's approved rate
 - Monthly School-Age Market Rate = \$510.00
 - Provider's Private Rate = \$475.00

\$475.00 (Private Pay Rates)

X 0.75

\$356.25 (Before/After School)

\$356.00 (Rounded)

- The before/after school rate is subtracted from the provider's private pay rate to get the differential payment rate
- The differential rate is the difference between the approved full time rate (100%) and the Before/After School rate (75%).

$$\begin{array}{r} \$475.00 \text{ (Private Pay Rate)} \\ - \$356.00 \text{ (Before/After School Rate)} \\ \hline \$119.00 \text{ (Differential)} \end{array}$$

To get the daily rate, you divide the **differential** rate by the total number of paid days, which is a maximum of 21.67.

$$\$119.00 \text{ (Differential)} / 21.67 \text{ (\# of days)} = \$5.49 \text{ (Daily Rate)}$$

- The 83% rate takes into account care provided for **15** school holidays, **10** teacher work days, and **15** emergency closure days (including inclement weather days) when the part-day program (schools, NC Pre-K, Head Start, , Title I, and special education classrooms in the public schools) is closed and *additional* child care is provided.

\$ 5.49 (Differential Daily Rate)

x 40 (# of out of school days)

\$ 219.66 (Differential Payment)

\$220.00 (Rounded)

- To get the average payment for the number of days out of school, you multiply the differential daily rate by the total number of out of school days allowed in order to get your *before, after, and before/after school rates*.



School age children:

- School age children needing care for wraparound and full time summer care will receive the blended rate for the entire year.
- School age children who need less than 100% care in the summer months will be paid at 75% for the school year and based on the level of care for the summer.

Programs Operating Only In the Summer:

- Programs operating only in the summer receive payments based on the level of care approved for the children.

Children Who Need or Receive Care Only In The Summer:

- Payments for children who need or receive care only in the summer is based on the level of care approved for the children. As an example of this:

\$475.00 (5 Star Private Pay Rate)

x 2 (Summer Months)

\$950.00 (Summer @ 100%)

- To get the total amount paid for Before, After, and Before/After school, you multiply the Before, After, and Before/After school rate, which is 75% of the full time private pay rate by the number of months of school, which is around 10 months, or your total without the summer months.

$$\begin{array}{r} \$356.00 \text{ (Before/After School)} \\ \times \quad \underline{\quad 10 \text{ (School Year)}} \\ \hline \$3,560.00 \end{array}$$



To get your total (annual) payment for the child, you will add the full time rate (100%) for the summer (\$950.00), the rate (75%) for 10 months for the school year (\$3,560.00), and the differential payment (Out of school days) (\$219.00) to get the annual total.

$$\begin{array}{r} \$950.00 \quad (\text{Summer@ } 100\%) \quad (\$475.00 \times 2) \\ \$3,560.00 \quad (\text{School Year@ } 75\%) \quad (\$356.00 \times 10) \\ + \quad \underline{\$220.00} \quad (\text{Out of School Days-differential}) \quad (\$5.89 \times 40) \\ \$4,730.00 \quad (\text{Annual Total}) \end{array}$$



School age children needing care for wraparound and full time summer care will receive the blended rate for the entire year.

$\$4,730.00$ (Annual Total) / 12 (Months per year) = $\$394.17$ (Annualized Rate) **$\$394.00$ (Rounded)**



An 83% approved rate column is present on approval notice. The blended rate will be 83% of the 100% approved rate. If a family's need for care exceeds 100% for school agers and children in pre-school for summer/track out, the payment will be based on the level of care.

$\$ 394.00$ (Annualized Rate) / $\$ 475.00$ (Provider's Private Pay Rate) = 83%



Additional information about the Blended Rate can be found on the DCDEE website under the NC FAST button



Thank You