



**Delaware Health
and Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE: 302-255-9040 FAX: 302-255-4429

MEMORANDUM

To: The Honorable Cerron Cade
Director, Office of Management and Budget

The Honorable Ruth Ann Miller
Controller General

The Honorable Trey Paradee
Chair, Joint Finance Committee

The Honorable Kimberly Williams
Co-Chair, Joint Finance Committee

Madeleine Bayard
Delaware Early Childhood Council

From: Josette D. Manning, Esq.
Cabinet Secretary

A blue ink signature of Josette D. Manning, consisting of a stylized 'J' and 'M', enclosed in a blue rectangular box with 'DS' in the top right corner.

Date: January 19, 2024

Re: Program Data as required by Senate Resolution 16 of the 152nd General Assembly
quarterly report

Pursuant to Senate Resolution (SR) 16 of the 152nd General Assembly, the Delaware Purchase of Care (POC) program is submitting the initial report.

This report is intended to meet the request for quarterly reporting directed by Senate Resolution 16. Please note that generally, attendance data is not entered in real time in the POC system. Daily attendance is entered in the POC system the month following the date of service. Providers have up to three weeks to enter their attendance during the month following the dates of service. To give the most complete data, DHSS is providing attendance data for the most recent months for which complete attendance data is available.

Report	Service Period (2023 – 2024)	Report Submittal Date
Initial	July 2023 to October 2023	December 1, 2023
3	November to January 2023	March 1, 2023
4	February to April 2023	June 1, 2023

The number of individual children attending child care utilizing Purchase of Care each month in Fiscal Years 2019, 2020, 2021, 2022 and 2023.

Attendance Fiscal Years					
Month	2019	2020	2021	2022	2023
Jul.	16,559	16,280	14,494	11,359	11,979
Aug.	17,692	16,796	14,456	11,760	12,664
Sept.	15,735	15,446	15,120	11,747	12,231
Oct.	16,043	15,605	14,085	11,716	11,621
Nov.	16,118	15,453	13,619	11,813	12,100
Dec.	15,955	15,171	12,798	11,818	11,727
Jan.	16,176	15,454	10,370	11,461	11,597
Feb.	16,109	15,394	10,035	11,815	12,191
Mar.	16,073	15,415	10,080	11,664	12,293
Apr.	16,197	10,086	10,390	12,017	12,207
May.	16,043	10,179	10,599	11,953	12,227
Jun.	17,782	13,728	11,710	13,052	13,168

Purchase of Care expenditures for Fiscal Years 2019, 2020, 2021, 2022 and 2023 by Fund Type.

Fund Type	FY2019	FY2020	FY2021	FY2022	FY2023
Total State	\$39,405,780	\$43,424,870	\$45,760,761	\$42,158,526	\$44,529,981
CCDF Mandatory	\$4,975,418	\$4,157,487	\$6,418,898	\$3,959,633	\$6,754,841
CCDF Matching	\$3,129,620	\$4,558,537	\$6,109,205	\$3,237,820	\$8,950,726
CCDF Discretionary	\$1,341,274	\$21,136,874	\$13,465,667	\$16,615,048	\$13,496,265
Social Services Block Grant (SSBG)	\$905,937	\$1,450,358	\$36	\$1,423,846	\$1,131,696
*SNAP E&T	\$90,920	\$122,184	\$0	\$0	(\$20,392)
TANF Contingency	\$2,722,667	\$4,169,860	\$3,722,435	\$3,574,244	\$2,263,491
TANF Direct	\$18,163,740	\$6,365,662	\$10,613,218	\$4,901,072	\$13,076,556
Cares Act COVID	\$0	\$0	\$5,031,683	\$1,750,292	\$582,466
COVID Relief Fund	\$0	\$0	\$2,075,161	\$0	\$0
Total Federal	\$31,329,576	\$41,960,962	\$47,436,303	\$35,461,955	\$46,235,649
Total Expenditures	\$70,735,356	\$85,385,832	\$93,197,064	\$77,620,481	\$90,765,630

*Note: FY2023 SNAP E&T negative is due to recoding.

Section 1: Annual utilization data

See Appendix A for details of utilization data. Data is not available for attendance by half days. New programming was instituted to capture half days for school age children in July. The half day data for all age groups is currently not available.

Section 2: Monthly utilization data

Utilization data in 2022 and 2023 during the months of September through May.

Month	Fiscal Year 2022		Fiscal Year 2023	
	Authorized/ Enrolled	Attended	Authorized/ Enrolled	Attended
Jul.	14,218	11,359	14,733	11,979
Aug.	14,833	11,961	15,583	12,664
Sept.	15,958	12,083	15,530	12,231
Oct.	15,196	11,716	14,737	11,621
Nov.	14,874	11,813	14,519	12,100
Dec.	14,660	11,818	14,111	11,727
Jan.	14,274	11,461	14,154	11,597
Feb.	14,216	11,815	14,256	12,191
Mar.	14,158	11,664	14,351	12,293
Apr.	14,099	12,271	14,376	12,207
May.	14,153	11,953	14,376	12,227
Jun.	15,149	13,052	15,606	13,168

Please see page 4 of Appendix A for the percentage of full time school age children enrolled and attended who use POC during the months of September through May compared to the utilization data of July and August.

Section 3: Demographic data

See Appendix A for details of demographic data.

Section 4: Spending Data

The charts below detail Fiscal Year 2024 spending information for the Purchase of Care program. Purchase of Care rates are 100% of the 75th percentile.

Actual			
Budget	State Budget	Federal Budget	Total Budget
FY24 Budget	\$76,931,900	\$44,744,038	\$121,675,938
FY23 carryover	\$26,410,143		
Sub-Total	\$103,342,043	\$44,744,038	\$148,086,081

Projection			
FY 24 Budget	State Budget	Federal Budget	Total Budget
	\$103,342,043	\$44,744,038	\$148,086,081

FY 24 Budget	State Expenditures	Federal Expenditures	Total Expenditures
Jul.-23*	\$7,183,512	\$919,923	\$8,103,435
Aug.-23	\$18,977,821	(\$9,027,840)	\$9,949,981
Sept.-23	\$827,155	\$9,138,357	\$9,965,512
Oct.-23	\$1,572,195	\$7,226,980	\$8,799,175
Nov.-23	\$2,801,859	\$5,141,538	\$7,943,397
Dec.-23	\$4,757,231	\$3,651,283	\$8,408,514
Jan.-24			
Feb.-24			
Mar.-24			
Apr.-24			
May-24			
Jun.-24			
Total	\$36,119,773	\$17,050,241	\$53,170,014
	68%	32%	100%
Remaining Funds	\$67,222,270	\$27,693,797	\$94,916,067

FY 24 Budget	State Expenditures	Federal Expenditures	Total Expenditures
Jul.-23	\$7,183,512	\$919,923	\$8,103,435
Aug.-23	\$18,977,821	(\$9,027,840)	\$9,949,981
Sept.-23	\$827,155	\$9,138,357	\$9,965,512
Oct.-23	\$1,572,195	\$7,226,980	\$8,799,175
Nov.-23	\$7,140,171	\$2,064,355	\$9,204,526
Dec.-23	\$7,129,335	\$2,350,463	\$9,479,798
Jan.-24	\$4,167,214	\$5,195,039	\$9,362,253
Feb.-24	\$5,002,229	\$4,209,209	\$9,211,438
Mar.-24	\$5,859,737	\$3,454,766	\$9,314,504
Apr.-24	\$5,539,629	\$3,802,369	\$9,341,998
May-24	\$5,142,202	\$4,165,346	\$9,307,548
Jun.-24	\$5,385,949	\$3,907,923	\$9,293,872
Total	\$73,927,150	\$37,406,890	\$111,334,040
	70%	30%	100%
Remaining Funds	\$29,414,893	\$7,337,148	\$36,752,041

*July expenditures are for June attendance paid at 85% of 75th percentile of the market rate survey.

Notes:

- Federal funds are typically awarded quarterly and may be drawn once the funding has been entered in the federal draw system.
- FY23 \$26M carry-over State Budget. These one-time state funds were made available because of one-time federal funding in the previous year and to address potential caseload growth back to pre-covid participation levels.
- FY24 \$44.7M Federal Budget includes \$3,951,686 in one-time federal funds (ARPA Covid Discretionary Grant for childcare and ARPA COVID Grant). All one-time Federal COVID grants have now been expended.
- Based on current budget, the final projected end of year cost split between State and Federal POC expense will be 70% State and 30% Federal.
- Spending during a given month is typically for attendance during the previous month.
- The advanced State General Fund match spending in August was due to a temporary hold on the CCDF Grant as a result of a registration error in the Federal Grant Management System. The State match was elevated to 100% to compensate for the delayed funding, and payments uploaded in the system had to be rebalanced against the state share. In future months, the Federal share will be increased to rebalance the State and Federal shares to 70% State and 30% Federal.
- Federal funding increased in September as a result of the rebalancing of the state and federal shares to 70% State and 30% Federal.

- There were two major sources of funding for POC in October 2023, the CCDF Discretionary Grant \$7,226,980 and State funds \$1,572,207 which included the 3rd and final supplement payment for providers of \$510,572.

The number of individual children attending child care utilizing Purchase of Care each month in Fiscal Year 2024 and projected.

SFY 24		
Month	Attendance	Projected
Jul.-23	12,474	12,474
Aug.-23	12,756	12,756
Sept.-23	11,801	11,801
Oct.-23	12,097	12,097
Nov.-23	12,104	12,104
Dec.-23	11,788	11,788
Jan.-24		12,142
Feb.-24		12,506
Mar.-24		12,881
Apr.-24		13,267
May-24		13,666
Jun.-24		14,075

Section 5: All statewide provider rates of the basic cost of care and cost of quality, according to the DSS Cost Estimator Model report issued March 1, 2022.

See Appendix A for details of cost of care.

Section 6: Anticipated and enacted changes in the reporting period to policies including co-payments, absence days and other changes.

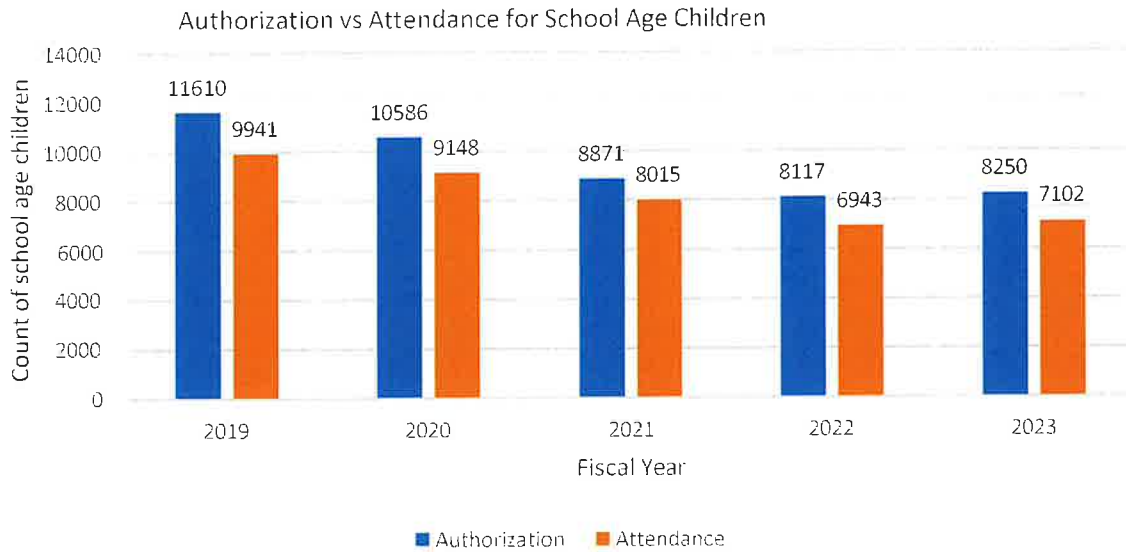
The absent day policy of 15 days per month reverted back to the established policy of 5 days as of June 1, 2023. The policy to waive co-payments as a result of the pandemic has ended as of October 1, 2023. On July 1, 2023, the purchase of care rates increased to 100% of the 75th percentile.

Progress on data collection for the new alternative methodology for rate setting.

DHSS has contracted with Prenatal to Five Fiscal Strategies (P5) to build upon and update the current cost of care model developed for the state. Provider workgroups are starting January 22, 2024. DSS will report updates on this progress of the cost of care methodology at the Delaware Early Childhood Council meetings.

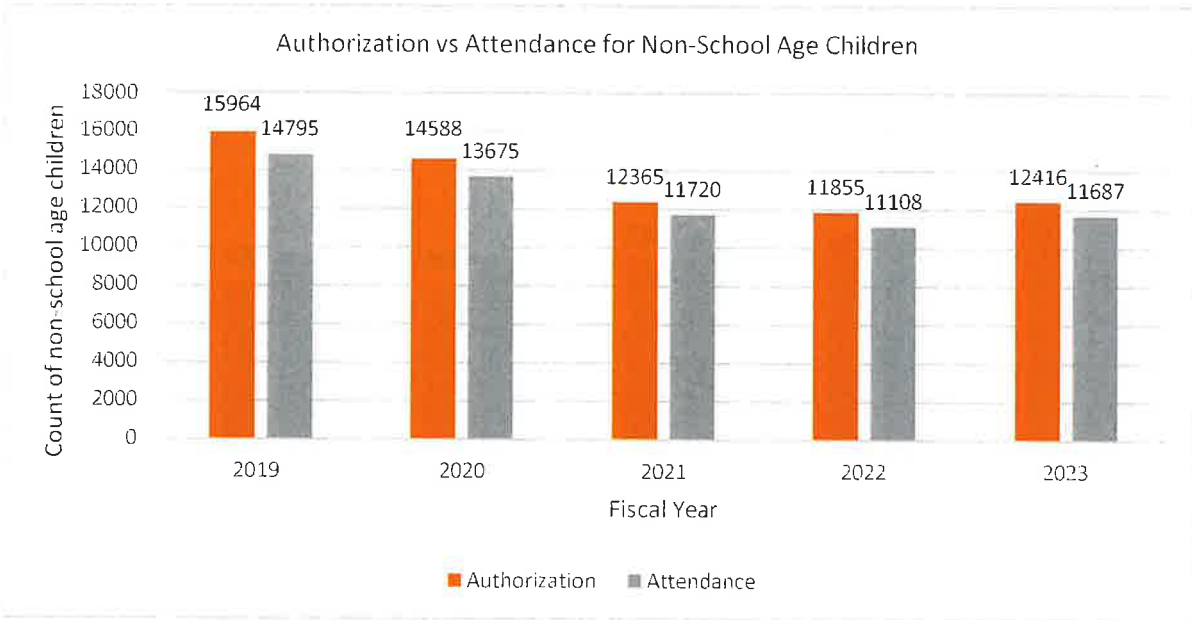
pc: Thomas Hall, Division Director, DSS
 Marcella Spady, Deputy Director, DSS
 Daniel Walker, Deputy Cabinet Secretary, DHSS
 Rebecca Reichardt, Associate Deputy Secretary, Chief Operating Officer, DHSS
 Juliann Villecco, Legislative Director, OSEC
 Victoria Brennan, Senior Legislative Analyst, CGO
 Jeanette Hammon, Senior Fiscal and Policy Analyst, OMB
 Christine Dolan, DHSS Budget Manager

1. Authorization vs Attendance for School Age Children



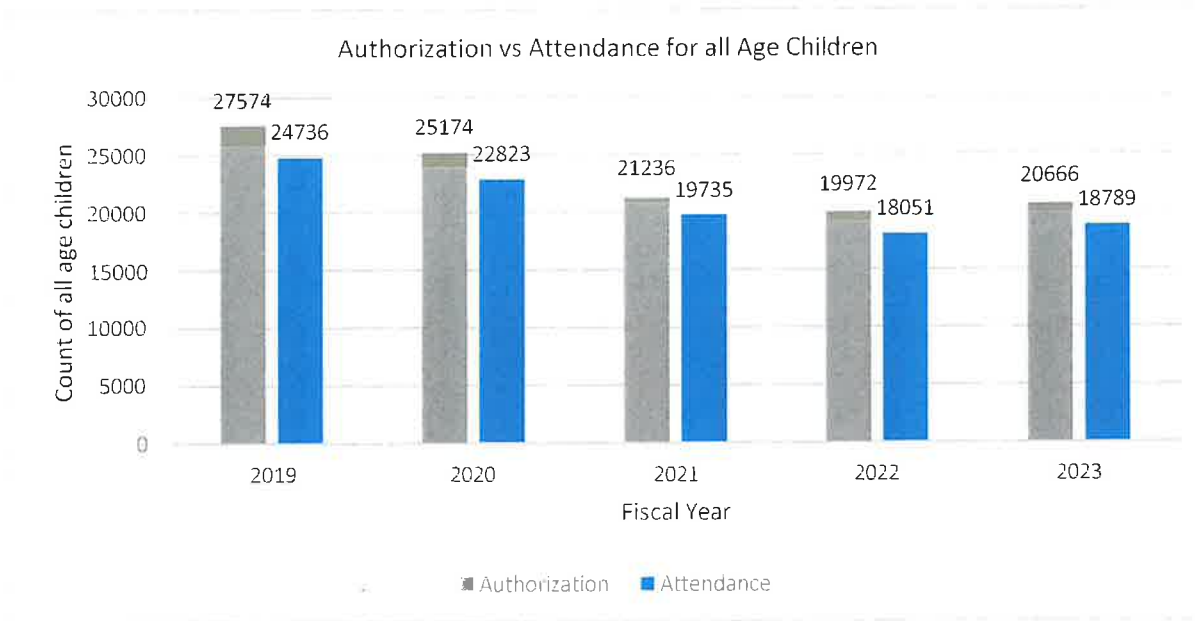
School Age Children			
Fiscal Year	Authorization	Attendance	% Attendance
2019	11,610	9,941	85.6%
2020	10,586	9,148	86.4%
2021	8,871	8,015	90.4%
2022	8,117	6,943	85.5%
2023	8,250	7,102	86.1%

1. Authorization vs Attendance for Non-School Age Children



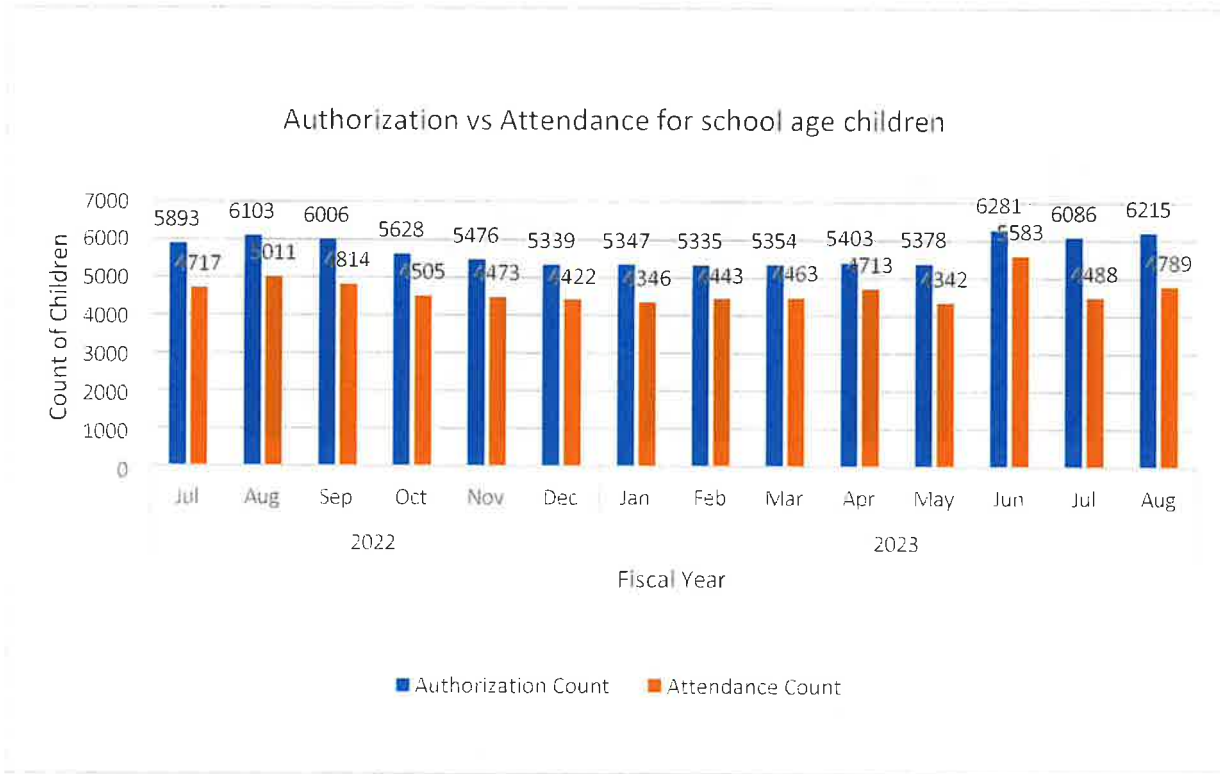
Non School Age Children			
Fiscal Year	Authorization	Attendance	% Attendance
2019	15,964	14,795	92.7%
2020	14,588	13,675	93.7%
2021	12,365	11,720	94.8%
2022	11,855	11,108	93.7%
2023	12,416	11,687	94.1%

1. Authorization vs Attendance for All Age Children



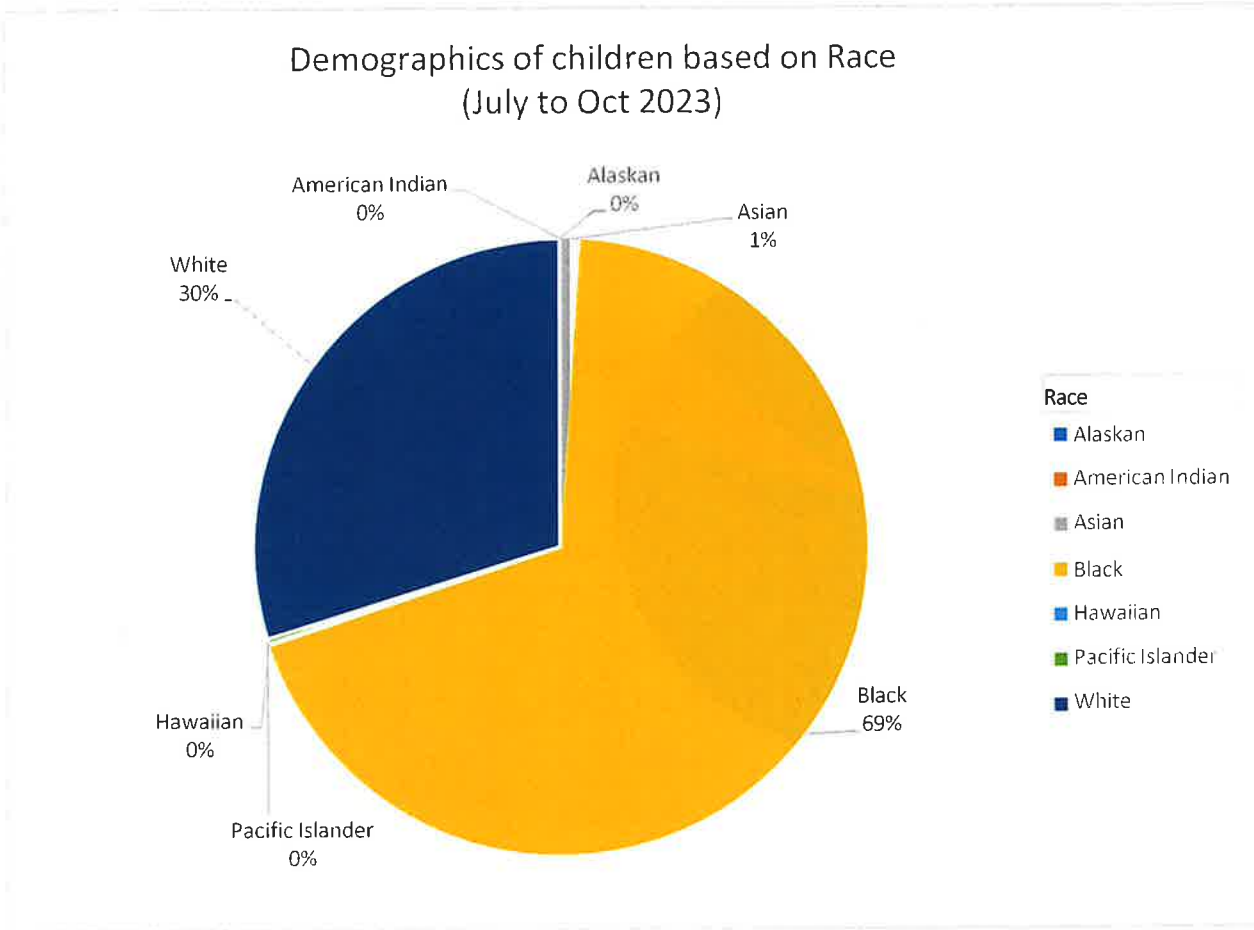
All Children				
Fiscal Year	Authorization	Attendance	% Attendance	% Never Attended
2019	27,574	24,736	89.7%	10.3%
2020	25,174	22,823	90.7%	9.3%
2021	21,236	19,735	92.9%	7.1%
2022	19,972	18,051	90.4%	9.6%
2023	20,666	18,789	90.9%	9.1%

2. Authorization vs Attendance for School Age Children Monthly



School Age Children			
Month	Authorization	Attendance	% Attendance
Jul-22	5,893	4,717	80.0%
Aug-22	6,103	5,011	82.1%
Sept-22	6,006	4,814	80.2%
Oct-22	5,628	4,505	80.0%
Nov-22	5,476	4,473	81.7%
Dec-22	5,339	4,422	82.8%
Jan-23	5,347	4,346	81.3%
Feb-23	5,335	4,443	83.3%
Mar-23	5,354	4,463	83.4%
Apr-23	5,403	4,713	87.2%
May-23	5,378	4,342	80.7%
Jun-23	6,281	5,583	88.9%
Jul-23	6,086	4,488	73.7%
Aug-23	6,215	4,789	77.1%

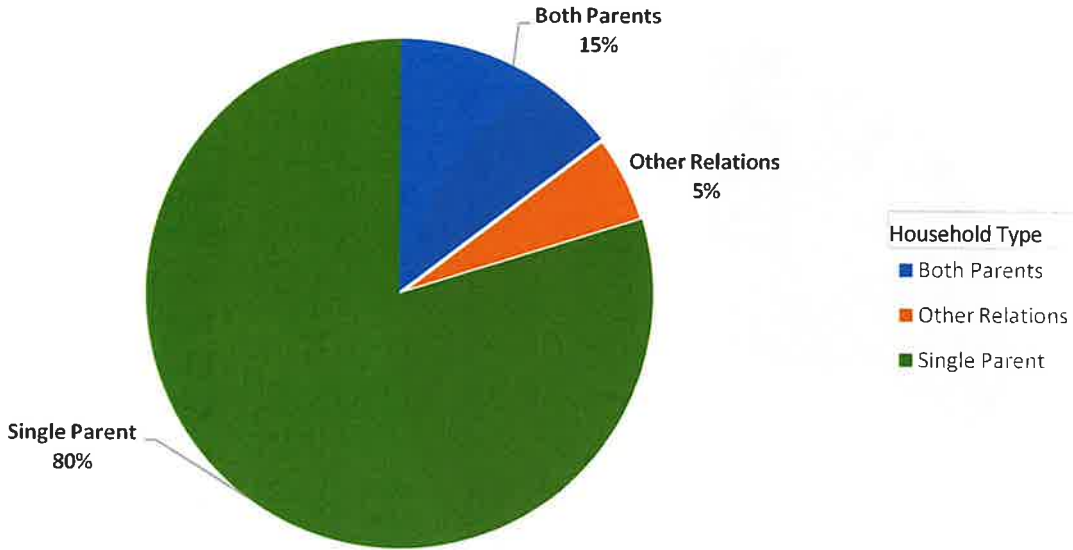
3. Demographics of children based on Race (July to Oct 2023)



Race	Count of Children
Alaskan	2
American Indian	22
Asian	164
Black	11,982
Hawaiian	13
Pacific Islander	43
White	5,185
Grand Total	17,411

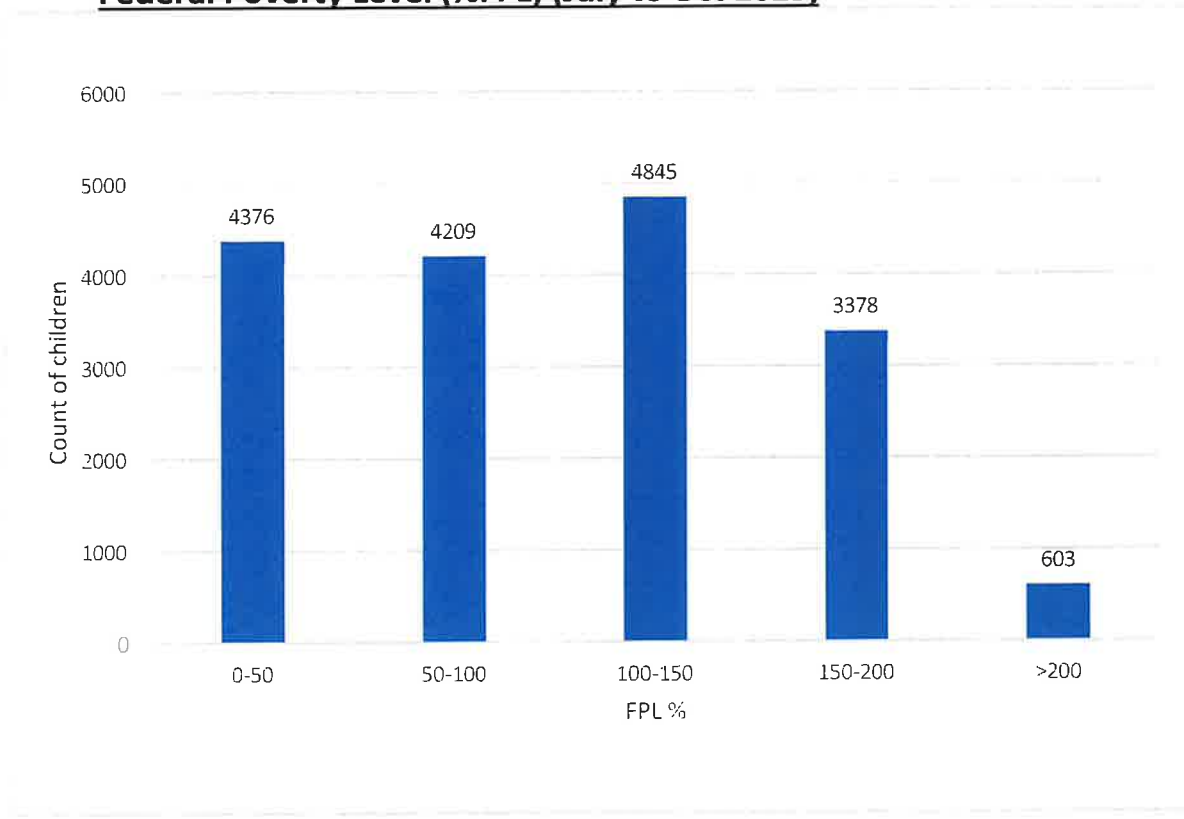
3. Demographics of children based on type of household (July to Oct 2023)

Demographics of children based on type of household (July to Oct 2023)

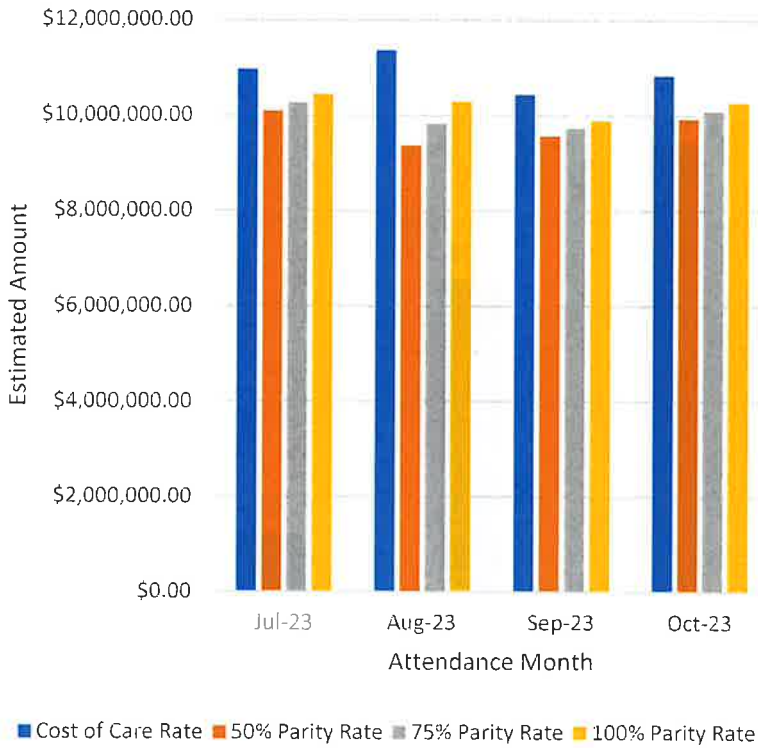


Household Type	Count of Children
Both Parents	2,552
Other Relations	968
Single Parent	13,891
Grand Total	17,411

4. Children grouped by household income, expressed as a percentage of the Federal Poverty Level (%FPL) (July to Oct 2023)



5a. Cost Estimation based on attendance data (July to Oct 2023)



Cost Estimation	Jul-23	Aug-23	Sep-23	Oct-23
Cost of Care Rate	\$10,966,306.47	\$11,364,120.52	\$10,436,002.50	\$10,831,693.00
50% Parity Rate	\$10,092,246.21	\$9,364,731.98	\$9,571,617.72	\$9,926,465.14
75% Parity Rate	\$10,266,838.50	\$9,825,894.27	\$9,731,851.50	\$10,095,674.47
100% Parity Rate	\$10,441,430.79	\$10,287,055.43	\$9,892,085.29	\$10,264,883.80

5b. Statewide provider rates

2023 POC Rates				
Location/Age ranges	Family home		Center	
	Daily	Weekly	Daily	Weekly
NCC				
Infant (0)	\$41.25	\$206.25	\$64.88	\$324.40
Toddler (1)	\$38.00	\$190.00	\$56.40	\$282.00
Pre-school (2 to 5)	\$36.00	\$180.00	\$49.00	\$245.00
School Age (6 & Over) Full-time	\$28.00	\$140.00	\$35.00	\$175.00
School Age (6 & Over) Part-time	\$20.00	\$100.00	\$25.00	\$125.00
Infant Special Need (0)	\$43.31	\$216.56	\$68.12	\$340.62
Toddler Special Need (1)	\$43.25	\$216.25	\$59.22	\$296.10
Preschool Special Need (2 to 5)	\$43.25	\$216.25	\$55.69	\$278.45
School age Special Need (6 & Over) FT	\$29.40	\$147.00	\$36.75	\$183.75
School age Special Need (6 & Over) PT	\$21.00	\$105.00	\$26.25	\$131.25
Kent & Sussex	Daily	Weekly	Daily	Weekly
Infant (0)	\$35.00	\$175.00	\$43.50	\$217.50
Toddler (1)	\$31.50	\$157.50	\$40.00	\$200.00
Pre-school (2 to 5)	\$30.00	\$150.00	\$35.00	\$175.00
School Age (6 & Over) Full-time	\$21.00	\$105.00	\$33.95	\$169.75
School Age (6 & Over) Part-time	\$15.00	\$75.00	\$24.25	\$121.25
Infant Special Need (0)	\$36.75	\$183.75	\$45.68	\$228.38
Toddler Special Need (1)	\$33.08	\$165.38	\$42.00	\$210.00
Preschool Special Need (2 to 5)	\$31.50	\$157.50	\$40.00	\$200.00
School age Special Need (6 & Over) FT	\$22.05	\$110.25	\$35.65	\$178.24
School age Special Need (6 & Over) PT	\$15.75	\$78.75	\$25.46	\$127.31