



**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



**Date:** March 7, 2024

**Re:** Program Data as required by Senate Resolution 16 of the 152<sup>nd</sup> General Assembly quarterly report

Pursuant to Senate Resolution (SR) 16 of the 152<sup>nd</sup> General Assembly, the Delaware Purchase of Care (POC) program is submitting the 2nd quarter 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
2	November to January 2024	March 1, 2024
3	February to April 2024	June 1, 2024

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	16280	14,494	11,359	11,979
Aug.	17,692	16796	14,456	11,760	12,664
Sept.	15,735	15446	15,120	11,747	12,231
Oct.	16,043	15605	14,085	11,716	11,621
Nov.	16,118	15453	13,619	11,813	12,100
Dec.	15,955	15171	12,798	11,818	11,727
Jan.	16,176	15454	10,370	11,461	11,597
Feb.	16,109	15394	10,035	11,815	12,191
Mar.	16,073	15415	10,080	11,664	12,293
Apr.	16,197	10086	10,390	12,017	12,207
May.	16,043	10179	10,599	11,953	12,227
Jun.	17,782	13728	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
<b>Total State</b>	\$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
<b>Total Federal</b>	\$31,329,576	\$41,960,962	\$47,436,303	\$35,461,955	\$46,235,649
<b>Total Expenditures</b>	\$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	2022		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 details Fiscal Year 2024 spending information for the Purchase of Care program. Purchase of care rates are 100% of the 75<sup>th</sup> 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		\$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	\$4,887,006	\$2,696,456	\$7,583,462
Feb.-24			
Mar.-24			
Apr.-24			
May-24			
Jun.-24			
Total	\$41,006,779	\$19,746,697	\$60,753,476

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	\$4,887,006	\$2,696,456	\$7,583,462
Feb.-24	\$3,504,573	\$4,679,064	\$8,183,637
Mar.-24	\$3,987,667	\$4,042,085	\$8,029,752
Apr.-24	\$4,284,119	\$3,767,222	\$8,051,341
May-24	\$4,165,841	\$3,796,207	\$7,962,048
Jun.-24	\$3,985,550	\$4,071,145	\$8,056,695
Total	\$60,934,529	\$40,102,420	\$101,036,949

67%                      33%                      100%

70%                      30%                      100%

Remaining Funds	State	Federal	Total
	\$62,335,264	\$24,997,341	\$87,332,605

Remaining Funds	State	Federal	Total
	\$42,407,514	\$4,641,618	\$47,049,132

\*July expenditures are for June attendance paid at 85% of 75<sup>th</sup> 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	11,680	11,680
Feb.-24		12,030
Mar.-24		12,391
Apr.-24		12,763
May-24		13,146
Jun.-24		13,540

**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:

- A. Kent and Sussex provider rates of 50% parity, 75% parity, and 100% parity to the level of New Castle County.
- B. 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.

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

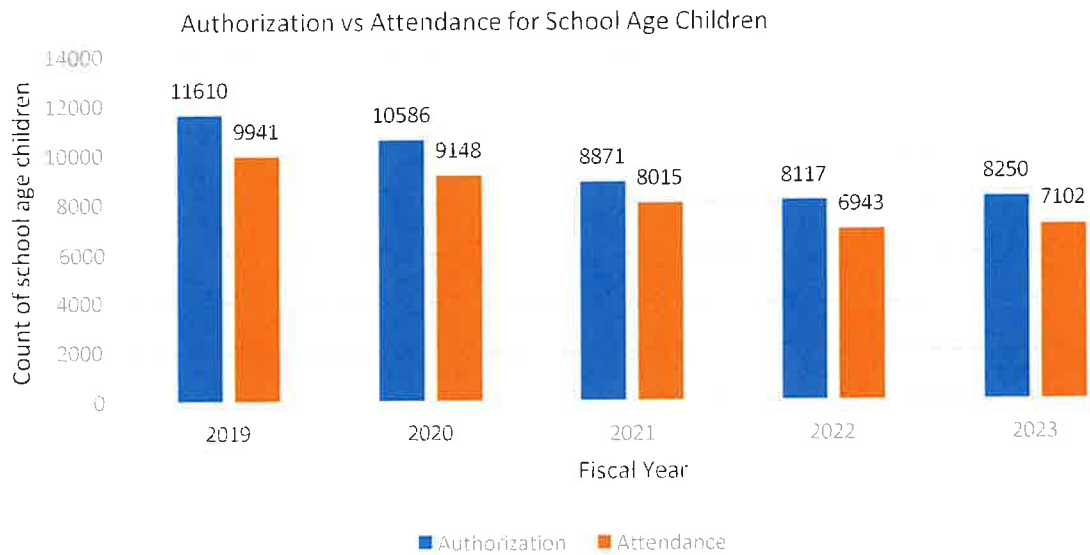
The Division of Social Services (DSS) published two proposed regulations February 1<sup>st</sup> in the [Register of Regulations](#). The first proposed regulation allows parents or caretakers to select the date child care services begin. Child care authorization can begin no earlier than the first day of the application month and not prior to the child attending a child care setting. The second proposed policy expands the range of professionals that can verify the need for special need services by child care providers. The policy adds licensed psychologist, licensed social worker, school based licensed special education staff, or a specialist who has experience with the child and knowledge in the area of the child’s disability.

**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 to allow for completion of the 2024 Market Rate Survey. The cost of care study was rescheduled to begin in March. 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

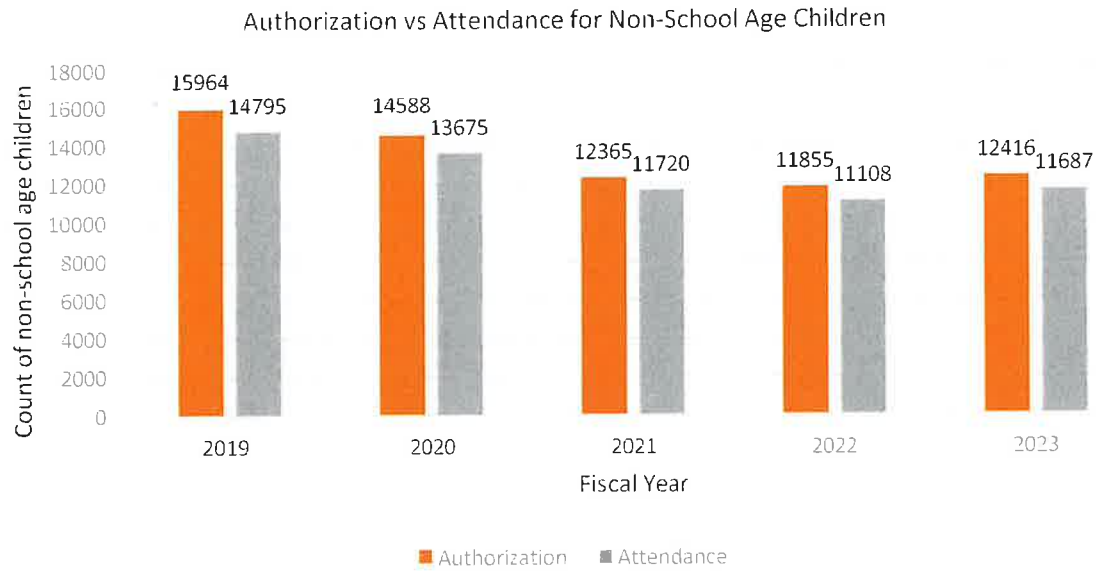
# 1. Authorization vs Attendance for School Age Children



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%



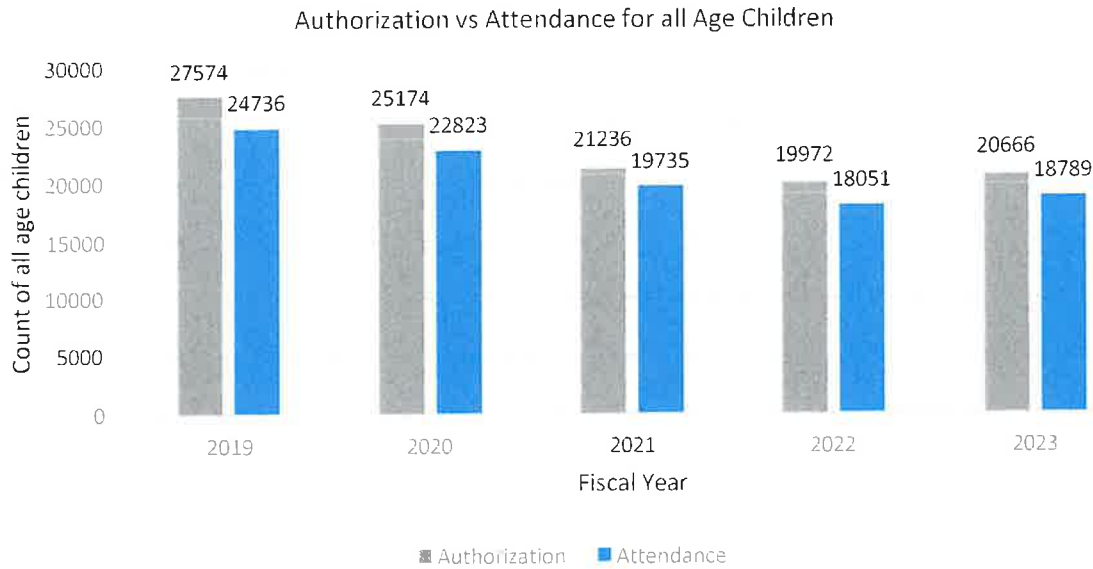
# 1. Authorization vs Attendance for Non-School Age Children



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%



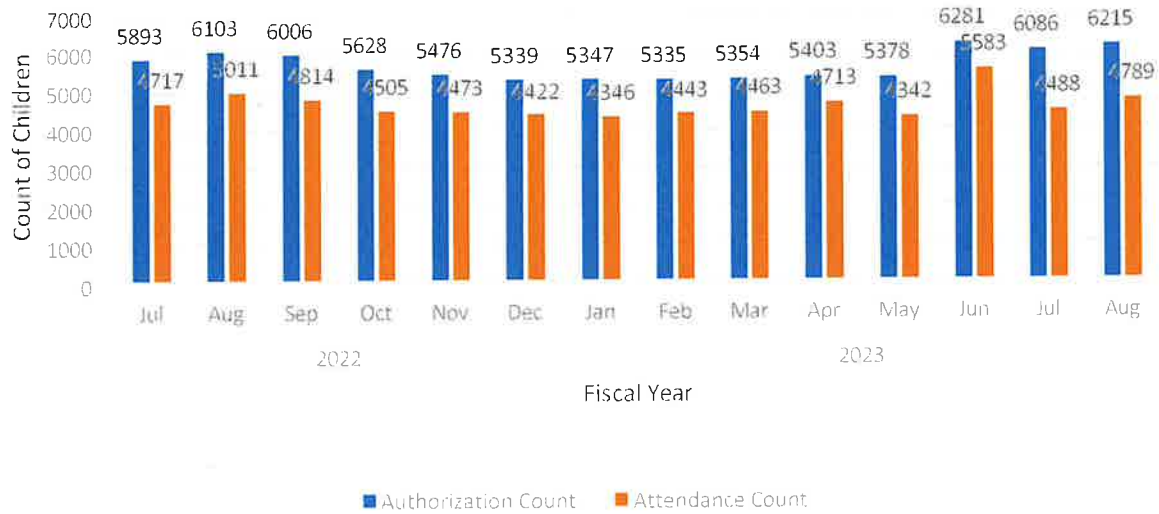
# 1. Authorization vs Attendance for All Age Children



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

Authorization vs Attendance for school age children

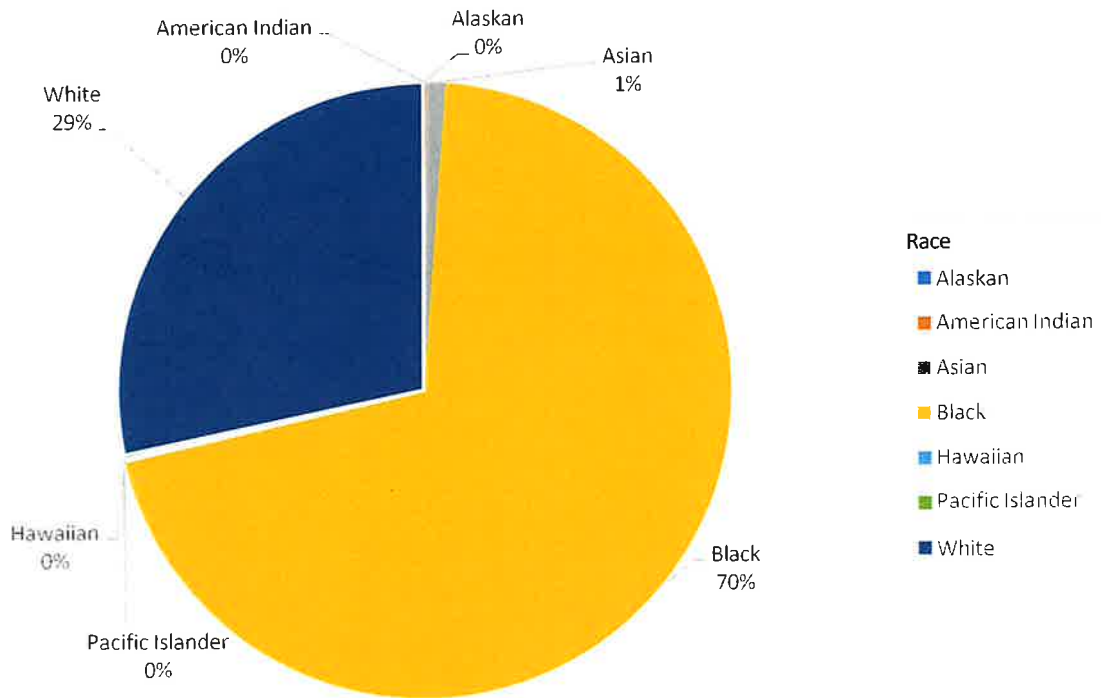


School Age Children			
Month	Authorization	Attendance	% Attendance
Jul-22	5,893	4,717	80.0%
Aug-22	6,103	5,011	82.1%
Sept-22	6,006	4,814	80.2%
Oct-22	5,628	4,505	80.0%
Nov-22	5,476	4,473	81.7%
Dec-22	5,339	4,422	82.8%
Jan-23	5,347	4,346	81.3%
Feb-23	5,335	4,443	83.3%
Mar-23	5,354	4,463	83.4%
Apr-23	5,403	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%

### 3a. Demographics of children based on Race (Nov 2023 to Jan 2024)

Count of Children

Demographics of children based on Race  
(Nov 2023 to Jan 2024)

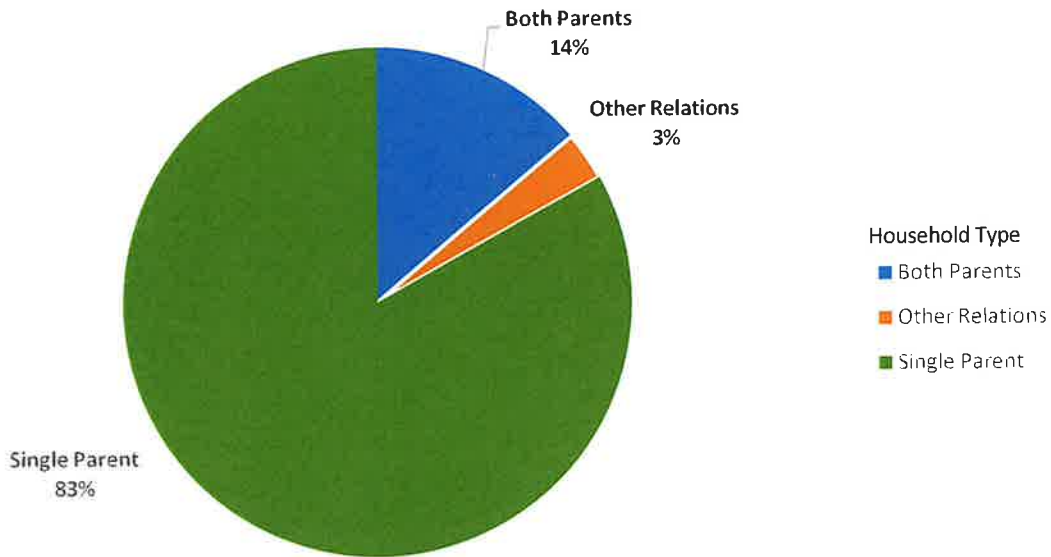


Race	Jul 2023 to Oct 2023		Nov 2023 to Jan 2024	
	Count of Children	% of Children	Count of Children	% of Children
Alaskan	2	0.01%	1	0.01%
American Indian	22	0.13%	20	0.17%
Asian	164	0.94%	116	0.98%
Black	11,982	68.82%	8,309	70.22%
Hawaiian	13	0.07%	8	0.07%
Pacific Islander	43	0.25%	28	0.24%
White	5,185	29.78%	3,351	28.32%
<b>Total</b>	<b>17,411</b>	<b>100.00%</b>	<b>11,833</b>	<b>100.00%</b>

### 3b. Demographics of children based on type of household (Nov 2023 to Jan 2024)

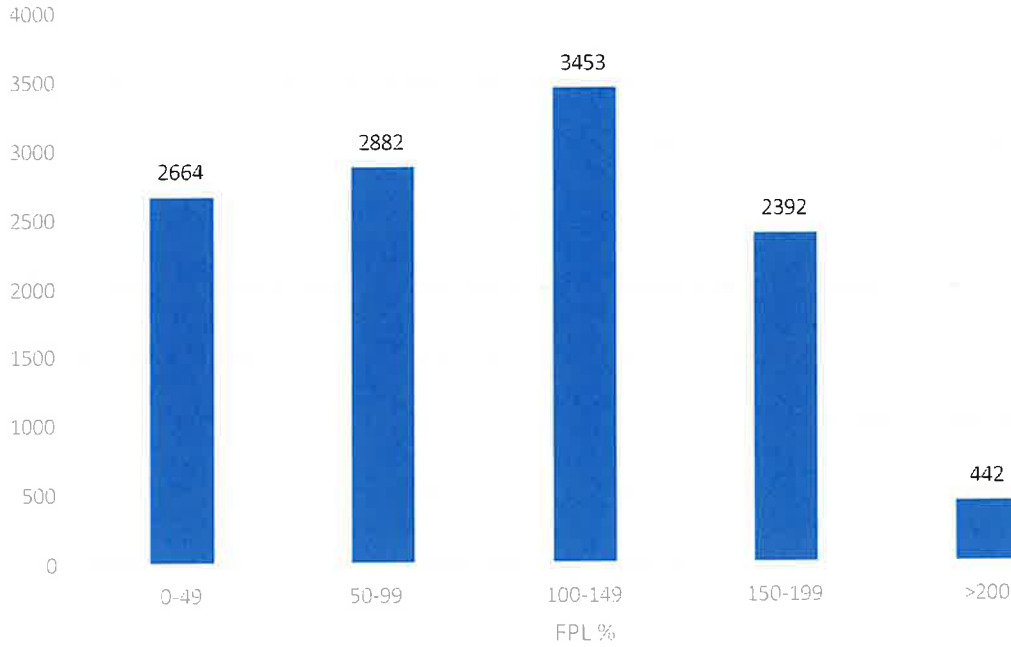
Count of Children

Demographics of children based on type of household (Nov 2023 to Jan 2024)



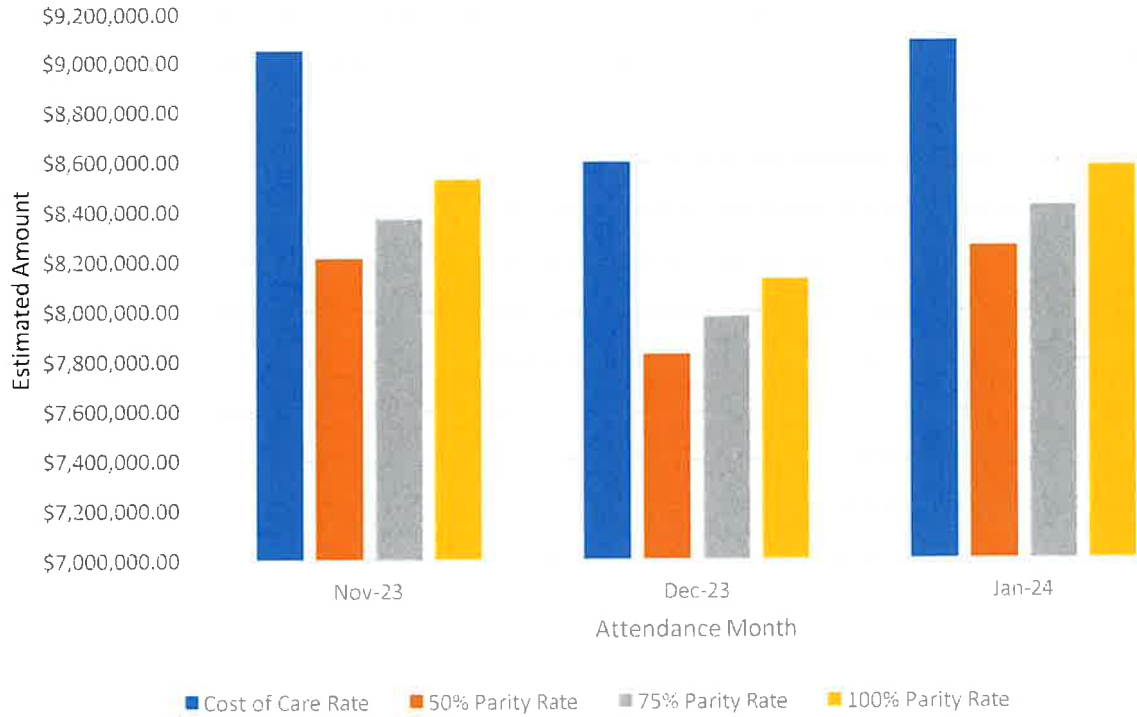
Household	Jul 2023 to Oct 2023		Nov 2023 to Jan 2024	
	Count of Children	% of Children	Count of Children	% of Children
Both Parents	2,552	14.66%	1,636	13.83%
Other Relations	968	5.56%	365	3.08%
Single Parent	13,891	79.78%	9,832	83.09%
Total	17,411	100.00%	11,833	100.00%

**4. Children grouped by household income, expressed as a percentage of the Federal Poverty Level (%FPL) (Nov 2023 to Jan 2024)**



FPL%	Jul to Oct 2023		Nov to Jan 2024	
	Count of Children	% of Children	Count of Children	% of Children
0-49	4,376	25.14%	2,664	22.51%
50-99	4,209	24.17%	2,882	24.36%
100-149	4,845	27.83%	3,453	29.18%
150-199	3,378	19.40%	2,392	20.21%
>200	603	3.46%	442	3.74%
<b>Total</b>	<b>17,411</b>	<b>100.00%</b>	<b>11,833</b>	<b>100.00%</b>

## 5A. Cost Estimation based on attendance data (Nov 2023 to Jan 2024)



Cost Estimation	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Cost of Care Rate	\$10,966,306.47	\$11,364,120.52	\$10,436,002.50	\$10,831,693.00	\$9,051,246.59	\$8,600,645.92	\$9,086,123.73
50% Parity Rate	\$10,092,246.21	\$9,364,731.98	\$9,571,617.72	\$9,926,465.14	\$8,214,869.07	\$7,827,099.37	\$8,259,877.26
75% Parity Rate	\$10,266,838.50	\$9,825,894.27	\$9,731,851.50	\$10,095,674.47	\$8,373,492.00	\$7,977,810.05	\$8,421,102.31
100% Parity Rate	\$10,441,430.79	\$10,287,055.43	\$9,892,085.29	\$10,264,883.80	\$8,532,114.93	\$8,128,520.73	\$8,582,327.37

## 5B. Statewide provider rates

2023 POC Rates				
Location/Age ranges	Family home		Center	
NCC	Daily	Weekly	Daily	Weekly
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