

# Purchase of Care 101

## WHAT IS PURCHASE OF CARE?

The Purchase of Care (POC) Program in Delaware is a subsidy that provides support for early childhood and after-school education for children from birth through age 12 living within 185 percent of the Federal Poverty Limit.<sup>1</sup> Funding for POC comes from federal and state sources, which help low-income families pay for their child care so that parents or guardians can work or receive workforce training.<sup>2</sup>

As indicated in the pie chart, Delaware's POC funding comes almost equally from federal and state sources. The Delaware Division of Social Services (DSS) is responsible for setting the standards and distributing the benefit to Delawareans.

## WHY DOES POC MATTER?

Research demonstrates that 90 percent of brain development happens between birth and age 5. The first 5 years of life are critical to development, and child care can be a huge cost for families. Therefore, access to affordable, high-quality child care is an absolute necessity.

Of Delaware children ages 3 and 4 whose families are below 200 percent of the federal poverty level, 62 percent are not enrolled in preschool or pre-K.<sup>3</sup>

## HOW MANY CHILDREN CURRENTLY BENEFIT FROM POC?

As of March 2019, on average, POC subsidized early childhood and after-school education and care for 15,035 children from birth to age 12; 65 percent of those children are ages birth to 5.

*Turn the page for more...*

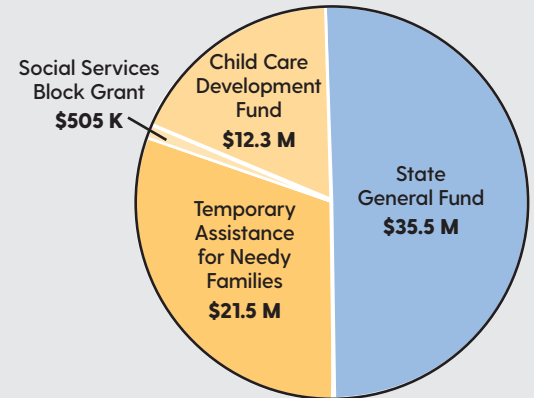
<sup>1</sup> [dhss.delaware.gov/dhss/dss/childcr.html](http://dhss.delaware.gov/dhss/dss/childcr.html)

<sup>2</sup> [kids.delaware.gov/occl/parents.shtml](http://kids.delaware.gov/occl/parents.shtml)

<sup>3</sup> [datacenter.kidscount.org/data/tables/9011-young-children-not-in-school-by-poverty-status?loc=9&locr=2%23detailed/2/9/false/1607,1572,1485,815/5599,5600/17979,17980#detailed/2/2-53/false/1691,1607,1572,1485,815/5599,5600/17979,17980](http://datacenter.kidscount.org/data/tables/9011-young-children-not-in-school-by-poverty-status?loc=9&locr=2%23detailed/2/9/false/1607,1572,1485,815/5599,5600/17979,17980#detailed/2/2-53/false/1691,1607,1572,1485,815/5599,5600/17979,17980)

### Funding Source for Purchase of Care

Federal vs State



Total: \$69.8 M

### Income Eligibility Requirements

for Families at 185 Percent of the Federal Poverty Limit

Family Size	Gross Monthly Income
1	\$1,872
2	\$2,538
3	\$3,204
4	\$3,870
5	\$4,536
6	\$5,202
7	\$5,868
8	\$6,534
9	\$7,232
10	\$7,930



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# POC 101, continued...

The average cost of care at a Delaware child-care center for infants through age 4 is about \$10,759 per year.<sup>4</sup>

## HOW DO FAMILIES USE THE POC BENEFIT?

If eligible for POC, families may choose from a state-licensed child-care center, family member, or in-home service that accepts POC.

## HOW DOES POC WORK FOR PROVIDERS?

Child-care providers can choose whether to accept POC. When a child-care provider accepts POC they receive a reimbursement from the state based on the state's available resources. However, as of 2018, the state's payment only covers 50 percent of the cost of care.<sup>5,6</sup> In the spring of 2019, POC rates increased for the first time since 2011 and will reimburse providers at a higher rate, but these reimbursements still only cover a percentage of the costs.<sup>7</sup> Providers can also receive higher levels, or tiers, of reimbursement based on their program's quality rating in the Delaware "Stars" rating system.

## WHAT STANDARDS MUST PROVIDERS MEET WHEN THEY PROVIDE POC?

In order to gain state reimbursement through POC, Delaware only requires that providers are licensed. Licensing requires basic health and safety regulations, but does not include anything beyond the minimal standards about curriculum requirements or staff's level of education.

## CAN ANYONE WHO QUALIFIES FOR POC RECEIVE IT?

Technically, yes. There is no waiting list for POC slots in Delaware. However, even if a family qualifies for POC it can be hard to find a provider—especially a high-quality one. Providers that accept POC typically reserve a certain number of openings for POC beneficiaries and once full, the providers might not accept any other POC beneficiaries.

<sup>4</sup> [www.ced.org/assets/reports/childcareimpact/fact\\_sheets/revised/Delaware%20Fact%20Sheet%201312019.pdf](http://www.ced.org/assets/reports/childcareimpact/fact_sheets/revised/Delaware%20Fact%20Sheet%201312019.pdf)

<sup>5</sup> [datacenter.kidscount.org/data/tables/4330-market-rate-for-purchase-of-care#detailed/2/any/fal/sc/869,36,868,867,133,35,18/523,526,527,528|524/9525](http://datacenter.kidscount.org/data/tables/4330-market-rate-for-purchase-of-care#detailed/2/any/fal/sc/869,36,868,867,133,35,18/523,526,527,528|524/9525)

<sup>6</sup> [www.dhss.delaware.gov/dhss/files/mrs2018cheareprt.pdf](http://www.dhss.delaware.gov/dhss/files/mrs2018cheareprt.pdf)

<sup>7</sup> On average, providers will be reimbursed at 59 percent of the 75th percentile of the 2018 Market Rate, for questions contact DSS.

## RESOURCES

**To learn more about POC, visit:**

[dhss.delaware.gov/dhss/dss/childcr.html](http://dhss.delaware.gov/dhss/dss/childcr.html).

**To inquire about POC Plus,**

contact Delaware Division of Social Services at 1-800-372-2022.

**To apply for POC,** visit the

Delaware ASSIST website at [assist.dhss.delaware.gov/](http://assist.dhss.delaware.gov/) and select "Apply for Benefits."

**To find a list of child-care centers and homes in your area that accept POC,** call Children &

Families First at 1-800-734-2388, contact your local DSS office ([dhss.delaware.gov/dhss/dss/contact.html](http://dhss.delaware.gov/dhss/dss/contact.html)), or visit [mychildde.org](http://mychildde.org).

**To learn about Delaware**

**Stars** (the quality rating and improvement system for child-care providers in Delaware) **and Tiered Reimbursement,** visit:

[www.delawarestars.udel.edu](http://www.delawarestars.udel.edu) and [www.doe.k12.de.us/Page/3868](http://www.doe.k12.de.us/Page/3868).

**To learn more about the Institute for Public Administration, visit:**

[www.ipa.udel.edu](http://www.ipa.udel.edu).

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