§ 410-x. Use of funds. 1. A social services district shall expend its allocation from the block grant in a manner that provides for equitable access to child care assistance funds to eligible families, and in accordance with the applicable provisions in federal law regarding the portion of the funds which must be spent on families in receipt of family assistance, families who are attempting through work activities to transition off of family assistance and families at-risk of becoming dependent on family assistance and the portion which must be spent on other working low-income families. Each social services district may spend no more than five percent of its block grant allocation for administrative activities. The term "administrative activities" shall not include the costs of providing direct services.

2. (a) The office of children and family services may establish priorities for the families which will be eligible to receive funding; provided that the priorities provide that eligible families will receive equitable access to child care assistance funds to the extent that these funds are available. The office of children and family services shall ensure that families in receipt of child care assistance as of September thirtieth, two thousand twenty-three who were identified as a priority population under a local social services district's consolidated services plan shall continue to be eligible for such assistance, provided they meet all other applicable eligibility requirements for such assistance.

(d) Each social services district shall collect and submit to the commissioner of the office of children and family services in a manner to be specified by the commissioner of the office of children and family services information concerning the disbursement of child care assistance funds showing geographic distribution of children receiving assistance within the district.

(e) The commissioner of the office of children and family services shall submit a report to the governor, temporary president of the senate and the speaker of the assembly on or before August thirty-first, two thousand one concerning the implementation of this section. This report shall include information concerning the disbursement of child care assistance funds showing geographic distribution of children receiving assistance within the state.

3. Child care assistance funded under the block grant must meet all applicable standards set forth in section three hundred ninety of this article or the administrative code of the city of New York, including child day care in a child day care center, family day care home, group family day care home, school age child care program, or in home care which is not subject to licensure, certification or registration, or any other lawful form of care for less than twenty-four hours per day. The department also is required to establish, in regulation, minimum health and safety requirements that must be met by those providers providing child care assistance funded under the block grant which are not required to be licensed or registered under section three hundred ninety of this article or to be licensed under the administrative code of the city of New York and to those public assistance recipients who are providing child care assistance as part of their work activities or as community service under title nine-B of article five of this chapter. A social services district may submit to the department justification for a need to impose additional minimum health and safety requirements on such providers and a plan to monitor compliance with such additional requirements. No such additional requirements or monitoring may be imposed without the written approval of the department. Social services districts shall provide, directly or through referral, technical assistance and relevant health and safety information to all public assistance recipients who voluntarily choose to provide child care assistance as part of their work activities under title nine-B of article five of this chapter.

4. The amount to be paid or allowed for child care assistance funded under the block grant shall be the actual cost of care but no more than the applicable market-related payment rate established by the department in regulations. The payment rates established by the department shall be sufficient to ensure equal access for eligible children to comparable child care assistance in the substate area that are provided to children whose parents are not eligible to receive assistance under any federal or state programs. Such payment rates shall take into account the variations in the costs of providing child care in different settings and to children of different age groups, and the additional costs of

providing child care for children with special needs.

5. The department shall promulgate regulations under which provision for child care assistance may be made by providing child care directly; through purchase of services contracts; by providing cash, vouchers or reimbursement to the providers of child care or to the parents or caretaker relatives; or through such other arrangement as the department finds appropriate. Such regulations shall require the use of at least one method by which child care arranged by the parent or caretaker relative can be paid.

6. Pursuant to department regulations, child care assistance shall be provided on a sliding fee basis based upon the family's ability to pay; provided, however, that a family receiving assistance pursuant to this title shall not be required to contribute more than one percent of their income exceeding the federal poverty level.

7. A social services district may suspend the eligibility of a provider who is not required to be licensed or registered under section three hundred ninety of this article to provide child care assistance funded under the block grant, where the provider is the subject of a report of child abuse or maltreatment that is under investigation by child protective services.

8. Notwithstanding any provision of law to the contrary, child care assistance payments made pursuant to this section may be made by direct deposit or debit card, as elected by the recipient, and administered electronically, and in accordance with such guidelines, as may be set forth by regulation of the office of children and family services. The office of children and family services may enter into contracts on behalf of local social services districts for such direct deposit or debit card services in accordance with section twenty-one-a of this chapter.

9. Reimbursement for payment on behalf of children who are temporarily absent from child care shall be paid for up to eighty days per year. Reimbursement for additional absences may be allowable in the case of

extenuating circumstances, as determined by the office of children and family services.

10. Differential payment rates for child care services shall be established as required by this subdivision; provided however no provider shall receive an aggregate differential in excess of a limit to be set by the regulations of the office.

(a) Local social services districts shall establish a differential payment rate for child care services provided by licensed or registered child care providers who provide care to a child or children experiencing homelessness. Such differential payment rate shall be no less than ten percent higher but no greater than fifteen percent higher than the actual cost of care or the applicable market-related payment rate established by the office in regulations, whichever is less.

(b) Local social services districts shall establish a differential payment rate for child care services provided by licensed, registered, or enrolled child care providers who provide care to a child during nontraditional hours. Nontraditional hours shall mean care provided other than between six o'clock ante meridian and seven o'clock post meridian on weekdays. Such differential payment rate shall be no less than ten percent higher but no greater than fifteen percent higher than the actual cost of care or the applicable market-related payment rate established by the office in regulations, whichever is less.

(c) Nothing in this subdivision shall be construed to limit the authority of the office of children and family services to establish additional differential payment rates by regulation.