



## MSDE UPDATE - 1/13: Advanced Payments and the Child Care Scholarship Program

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Good afternoon providers!

Happy Friday! Please see below for additional updates. The goal of this program is to pay providers before the end of a service period (in advance) rather than after the end of the service period. MSDE completed processing all December Service period payments for the service period ending January 1, 2023 that were received by January 9, 2023 as per the usual process. The quick takeaway is, as of end of today, all December Service period payments for invoices received to date are complete and all of the first advance payments are also processed. In addition, I've placed the most recent/previous emails from me at the bottom of this email for your reference.

### Payment Timing Update

An important note, the payment timeframe for the last payment in December is and has been no different than existing payment windows for previous payments. The average time to pay is about 15-19 days after the service period (this is one of the reasons that we are switching to payments that pay before/in advance of the end of a service period). That last service period ended January 1.

I have included two charts below for assistance in navigating payment timelines through the changeover this month. These reflect the same information as in previous emails, but are hopefully a bit easier to read. The first table is the current payment schedule (so you get a sense of the exact timing of the three January payments). The second table, for reference, is the existing schedule (if we had not made the shift). Again, just as reference as we make the shift. Timing will continue to move earlier in February.

Payment Timeline with Transition to New Policy		
Service Period	Payment Processed by MSDE	Payments Received by Providers
Ending January 1, 2023 (FINAL SERVICE PERIOD UNDER OLD PROCESS)	January 3 - January 9	January 9 - January 13
January 2 - January 31, 2023; Payment 1	January 9- January 13	January 13 - January 20
January 2 - January 31, 2023; Payment 2	January 19- January 24	January 24 - January 29
February 1 - February 28; Payment 1	MSDE WILL UPDATE UPON INITIAL FEBRUARY PAYMENT RUN	
February 1 - February 28; Payment 2		

Again, the chart below is just a reference; it is the former payment schedule and is for comparison only:

Payment Timeline without Transition to New Policy (Payment Dates if MSDE was not using the new policy)		
Service Period	Payment Processed by MSDE	Payments Received by Providers
Ending January 1, 2023	January 3 - January 10	January 9 - January 13
Ending January 15, 2023	January 17 - January 23	January 23 - January 27
Ending January 29, 2023	January 30 - February 3	February 3- February 9
Ending February 12, 2023	February 13 - February 17	February 17- February 24

### CCS Questions

Please feel free to continue reaching out to CCS for questions. MSDE is continuing to brief CCS and keep CCS in the loop on the process, but please know that MSDE systems required for processing these payments are NOT done through CCS.

### Invoice Details

The first Child Care Scholarship advanced payment under this policy has now been processed. This advanced payment amount is based on the number of children with enrollment dates as of January 6, 2023. A list of the amount paid for each scholarship will be mailed separately next week. This will provide the information you usually receive in the Invoice Detail Report.

Payment amounts have been adjusted for scholarship end dates and EXCELS Tier payments, if applicable. Registration fees are not included in this first payment. Union dues, and recoupment are not deducted in this payment. MSDE will reconcile registration fees and union dues later this spring.

As always, MSDE thanks you all! We are excited to move forward with this policy change. We understand the anxiety that may come with a dramatic shift in how MSDE administers the program in order to get funds into the hands of providers sooner each month (rather than having to wait until after a service period). At this time, the Department's implementation plan continues to be on track. We have and will be transparent in communicating the status and progress of the implementation with the providers. We encourage you to reach out to us with your questions and concerns so we can address them in a collaborative manner.

Best,

Justin



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Good evening providers,

In keeping with continued transparency as MSDE rolls out its new advanced payment policies, please see below for additional updates. Note, payment processing is now underway for the first January pay period (January 2 - 14, 2023).

**Previous Service Period Payments**

In order to help keep track of payments through the first advanced payment, please see below for the most recent sets of service period dates and payment processing dates preceding the switch to advanced payments. Each of the payments below included/will include the usual Invoice Detail Report to assist with accounting for payment amounts.

- Service Period: 10/24/2022 - 11/06/2022
  - Payment Processing Dates: 11/07/2022 11/15/2022
- Service Period: 11/07/2022 - 11/20/2022
  - Payment Processing Dates: 11/21/2022 - 11/29/2022
- Service Period: 11/21/2022 - 12/04/2022
  - Payment Processing Dates: 12/05/2022 12/09/2022
- Service Period: 12/05/2022 - 12/18/2022
  - Payment Processing Dates: 12/19/2022 12/28/2022
- Service Period: 12/19/2021 - 01/01/2023
  - Payment Processing Dates: 1/03/2023 - 1/10/2023
- NEW SERVICE PERIOD: 1/2/2023 - 1/31/2023

**Advanced Payment Amounts**

MSDE will continue to issue Invoice Detail Reports to ensure you can easily and properly account for payment amounts. To accommodate the switch to a single, monthly service period (with two pay periods), MSDE is calculating payments based on a daily rate to ensure all providers continue to receive the correct amount each month, regardless of how many weeks are in a given month. Payments will also reflect adjustments for voucher end dates, EXCELS tier payments, adverse action, registration fees, union dues, and recoupments.

For the first, advanced payment, payment amounts have been adjusted for voucher end dates and EXCELS Tier payments. **However, adverse action, registration fees, union dues, and recoupments are not included in this payment.** MSDE will reconcile these amounts later this spring. Future advanced payments will include these adjustments, recoupments, and union dues.

**First Advanced Payment Information**

While MSDE updates its technical systems for advanced payment roll out, MSDE utilized a different payment method for the first advanced payment. Therefore, the Checkwriter Invoice Detail Report does not include the full information in a typical Invoice Detail Report. For that same reason, CCS 2 does not yet have detailed payment information.

**Do not worry --** MSDE will issue a followup/additional detail report next week to provide the detailed Invoice Detail Report information for this first payment. MSDE will also provide detailed information to CCS 2 later this week so that CCS 2 can answer detailed information for the first advanced payment amounts.

Future Invoice Detail Reports (including the next pay period payment later this month) will reflect the full information you are used to. There will not be two Invoice Detail Reports each pay period going forward.

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Dear Child Care Scholarship Program Provider Community,

As promised, MSDE will continue to issue updates heading into the previously announced Child Care Scholarship (CCS) program policy changes, which begin to roll out in January. The Department remains committed to its January rollout and will begin deploying the technical updates necessary to MSDE systems starting this week and throughout January as planned.

**What happens with the Service Period ending January 2 and when are payments coming in January?**

There will be **two** initial payments in early January (these will be spread out over the first approximately two and a half weeks of January):

1. One payment will be for the December service period ending January 2;
2. One payment will be the first "Advanced Payment" - which will arrive roughly mid month.

There will then be a *third* payment in January in the second half of the month for the second half of the Advanced Payment. When MSDE systems begin generating the first advanced payment, MSDE will also issue individual emails with payment amount information.

Normally, there will be two payments each month - one at the beginning and one in the second half of the month. January will be a little different with three payments to accommodate the transition to advanced payments.

**Will there still be invoices?**

Yes. Providers will still need to sign the invoices and submit attendance. Attendance does not impact payment amount but we do need to collect attendance and have a signed invoice. We need to do so first, because of existing regulations, and second to, for example, make sure the State does not continue to pay for a student who is absent more than 60 days.

Again, the attendance/invoices are still required but will 1) not affect MSDE issuing advanced payment; and 2) not affect the amount of payments since MSDE is paying based on receipted scholarship enrollment and not on attendance.

**Invoice Detail Reports**

One common question MSDE has received is: "will we have the same detailed invoice reports to ensure proper accounting of children and allocation of Child Care Scholarship (CCS) program funds accurately?"

Yes! MSDE might be changing payments to pay providers in advance of rather than after providing services to children, but the structures you are used to will remain mostly consistent.

**Audits Monthly Rather than Every Other Week**

Because service periods are now monthly, audits are now cut in half from 24 each year to 12 each year. MSDE is attempting to reduce the frequency further but as of January, it will be half (monthly).

**Different Months with Different Calendar Days**

MSDE will be calculating payments based on days rather than weeks to ensure that MSDE continues to pay properly, even when months contain different amounts of days in the given service period. The invoice detail report should also continue to be helpful.

We will continue to issue updates throughout January so please look out for more. We wish you and yours a joyous and happy New Year!--