



CDE's ELCD Interim Guidance for Collecting Family Fees in Fiscal Year (FY) 2020–21

Family Fees for July and August, 2020

On July 28, 2020, contractors were notified via an email to subscribers of the ELCD distribution list that family fees for all families were waived for July and August 2020. **Contractors must issue a refund or a credit for future services to families that have paid fees for July and/or August 2020, services based on the contractor's internal policy for refunds/credits of those fees.**

The deadline for processing any refunds or credits of family fees for July and August fees is October 31, 2020. Contractors who cannot meet this deadline must contact their ELCD Program Quality Implementation Office Regional Consultant as soon as possible.

Documentation

- For family fees that have already been refunded or credited for future services, contractors are to maintain documentation for review; there is no need to issue an additional Notice of Action (NOA).
- For family fees not already refunded or credited, contractors must document the waived family fees for July and August and indicate the action taken to refund family fees or credit for future services.

Enrollment

If contractors have available space and available funding, the CDE strongly encourages contractors to reach out by email and phone to any families who were disenrolled due to family fees to determine whether they would like to reinstate their services before enrolling families from their wait list. These families can be reinstated without the need for additional eligibility documentation.

Family Fees for September 2020 - June 2021

*****Provisional until SB 820 is signed by the Governor*****

When the Governor signs SB 820, family fees will be waived from September 1, 2020, to June 30, 2021, for families when:

- Schools and programs are closed due to a local or state public health order and offering distance learning.
- Families in the program are ordered to or choose to shelter in place.

- The program cannot serve all enrolled children in person.

Families whose children receive in-person care will continue to pay the family fee.

How to Assess Fees in the Event of COVID-19 Related Closures

In instances where a direct service contractor or provider must close unexpectedly in response to a local or public health order or guidance, including a positive COVID-19 case of an employee or provider, the family should receive a refund or credit for their family fee as specified below:

1. When the family paid a full-time or part-time fee and the provider was closed for the entire month, the family fees paid for the month of closure should be refunded or credited.
2. When the family paid a full-time fee at the beginning of the month, and the provider provided more than 1 but less than 130 hours of in-person service due to a COVID-19 related closure, the family should be refunded or credited the difference between the full-time fee and the part-time fee.
3. If part-time fees were paid at the beginning of the month and any number of in-person care hours were provided before the COVID-19 related closure, the part-time fees would still be applicable.

Contractor Reporting Requirements

The Child Development and Nutrition Fiscal Services (CDNFS) attendance and fiscal reports have been revised to allow CDE to collect information on the amount of family fees waived. All contractors will be required to report the amount of family fees collected and the amount of family fees that were assessed but waived, beginning with the September 2020 report period, due on October 20, 2020.

Reimbursement for Family Fee Waivers

Reimbursement for family fee waivers beyond August 2020 is contingent on receiving additional federal funds. At this time, no additional federal funds have been provided. Per SB 820, direct service contractors, Alternative Payment (AP) Providers, and Family Child Care Home Education Network providers shall absorb the cost of the family fee waivers.

- Direct service contractors will not receive reimbursement through their contract to cover the cost of the family fee waiver. Contractors must consider the cost of waiving family fees when estimating revenue and expenditures to ensure expenditures do not exceed the total contract amount.
- AP contractors who collect family fees directly will not receive reimbursement through their contract to cover the cost of the family fee waiver. AP contractors will adjust the

amount reimbursed to the provider by the amount of family fees that would have been collected if fees were not waived.

- For example, if a provider typically is reimbursed \$700 and the contractor collects \$50 in family fees directly from the family, the contractor normally reimburses the provider \$700. However, the reimbursement to the provider will now be \$650 for the months of September 2020 through June 2021.
- AP Providers that typically collect the family fee will receive reimbursement from their AP contractor as usual, but will not collect the fee from the family.
 - For example, if a provider typically collects \$30 in family fees directly from the family and is reimbursed \$600 from the AP contractor, the provider's total income is \$630. For the months of September 2020 through June 2021, the reimbursement to the provider will continue to be \$600 from the AP contractor, but the provider will no longer collect \$30 from the family.

Per SB 820, if additional federal funds are made available, up to \$30 million will be allocated to reimburse childcare providers for family fees waived for families enrolled, but not receiving in-person care, from September 2020 and June 2021.

If you have questions regarding the information in this email, please contact your assigned Program Quality Implementation Office Regional Consultant on the ELCD Consultants Regional Assignments website at <https://www.cde.ca.gov/sp/cd/ci/assignments.asp>.