



CDE Management Bulletin 20-19: Guidance on Family Fees for FY 2020-21

Summary: Senate Bill (SB) 820 was signed on September 18, 2020. SB 820 waives all family fees for July 2020-June 2021.

Family Fees Paid in July and August

- All family fees are waived for July and August 2020. If families paid fees during those months, contractors must issue a refund or credit no later than October 31, 2020.
- Families who were disenrolled or left the program due to family fees in July and August 2020 can be reinstated if funding and space is available without the need for additional eligibility documentation. These families would receive priority and should be enrolled before any families from the agency's eligibility list.
- Contractors will receive an augmentation to their contract to cover the family fees waived in July and August 2020.

Family Fees September 2020 - June 2021

- Family fees are waived for the remainder of the year only for families not receiving in-person services or sheltering-in-place.
 - Sheltering-in-place is defined as a family choosing not to send their child to care because of COVID-19.
- Families whose children receive in-person services between September 2020 and June 2021 will pay their normal family fee established by their Notice of Action (NOA).

Closures due to Public Health Orders

If a provider must close their program due to a positive COVID-19 test or due to a local or state public health order, family fees should be assessed as follows:

- The provider is closed for a full month or the provider is limiting services and the family did not receive in-person services for the full month:
 - The provider must refund or credit the full family fee.
- The provider is closed for part of a month or the provider is limiting services and the family did not receive in-person services for the full month:
 - Families paying part-time fees will pay their entire fee, as long as any amount of in-person care has been provided.
 - If the provider provided more than 130 hours of in-person service in the month, families paying full-time fees will pay their entire fee.
 - If the provider provided less than 130 hours of in-person services in the month, families paying full-time fees should be refunded the difference between the full-time fee and the part-time fee.

Families on a Delinquent Family Fee Plan

- Delinquent family fee plans, including outstanding fees for March, will resume in September 2020, for families attending in person care.
- Family fees waived for July and August 2020, will not be included in the delinquent family fee plan.

Contractor Reporting

- Contractors must report the amount of family fees that were assessed, but waived between July 1, 2020 and August 31, 2020, on the line *Waived Family Fees for Certified Children (July and August)*.
 - Contractors who have previously submitted a July and August report through the Child Development Provider Accounting Reporting Information System and did not include the amount of family fees that were waived should submit a revision to their previously submitted report. Contractors who report fiscal information through the Alternative Payment/CalWORKs Online Reporting System may reflect any revisions in the prior period of the September 2020 report.
- Contractors will report the amount of family fees collected on the line *Family Fees Collected for Certified Children (September–June)*. This number must be based on the amount of fees the contractor expects to collect in the report month, regardless of when the revenue is actually received.
- Family fees that are assessed, but waived between September 1, 2020 and June 30, 2021 will be reported on the line *Waived Family Fees for Certified Children (September–June)*.

Reimbursement

- 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. This means that direct service contractors, AP providers, and FCCHEN providers shall absorb the cost of the family fee waivers.
- If additional federal funds are made available, up to \$30 million will be allocated to reimburse childcare providers for waived family fees.
- Assuming no federal funds are forthcoming, absorption of the family fee waivers for September 2020 through June 2021 will be implemented as follows:
 - Direct service contractors will not receive reimbursement through their contract to cover the cost of the family fee waiver, and therefore must consider the cost of waiving family fees when estimating revenue and expenditures to ensure expenditures do not exceed their 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 and therefore 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.

For more information, review [Management Bulletin 20-19](#).