



CDSS

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DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

April 19, 2011

ALL COUNTY LETTER (ACL) NO. 11-38

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY CHILD CARE COORDINATORS
ALL WELFARE-TO-WORK COORDINATORS

SUBJECT: FISCAL YEAR (FY) 2011-12 CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) CHILD CARE PROGRAM BUDGET CHANGES

REFERENCE: SENATE BILL (SB) 70, (Chapter 7, Statutes of 2011) and SB 69 (Budget Act of 2011)

The purpose of this letter is to inform county welfare departments (CWDs) of the CalWORKs Child Care Program changes in the FY 2011-12 Budget Trailer Bill, SB 70. These changes include the reduction in the payment ceilings for license-exempt child care providers, the reduction of the income eligibility limit for subsidized child care, a 10 percent increase to the existing family fee schedule and the changes in services to children who are 11 and 12 years of age. The budget continues the Regional Market Rate (RMR) ceilings for licensed providers at the 85th percentile of the 2005 RMR survey and continues to freeze the State Median Income (SMI) at the FY 2007-08 level.

License-Exempt Provider Reimbursements and RMR Payment Ceilings

SB 70 reduces the payment rate ceiling for license-exempt providers from 80 percent to 60 percent of the RMR payment ceilings established for licensed family child care homes. The new ceilings will become effective on July 1, 2011, and will apply to all license-exempt providers. The FY 2011-12 Budget continues the RMR payment ceiling at the 85th percentile of the 2005 RMR survey. The RMR payment ceilings for each county, including new license-exempt ceilings, can be found on the California Department of Education (CDE) website at:

<http://www.cde.ca.gov/fq/aa/cd/ap/index.aspx>

Income Eligibility and Family Fees

The SMI is used to establish the income ceiling for families who receive subsidized child care as well as to establish the fee amount that a family is required to pay for child care services. SB 70 continues to freeze the SMI at the FY 2007-08 level.

SB 70 changes the family fee schedule by increasing the existing fees by 10 percent and by lowering the income eligibility limit to 70 percent of the SMI from 75 percent of the SMI at the FY 2007-08 level. The revised family fee schedule would begin at income levels at which families currently begin paying fees and must not exceed 10 percent of the family's monthly income. Current CalWORKs recipients do not have a family fee. CDE will submit the adjusted family fee schedule to Department of Finance for approval in order to be implemented by July 1, 2011.

CWDs are encouraged to check the CDE website regularly for updated income ceilings and family fee schedules in order to accurately determine income eligibility and family fees for former recipients who receive CalWORKs Stage One child care. This information can be found on the CDE website at:

<http://www.cde.ca.gov/sp/cd/>

15 Percent Reduction in CDE Contracts and Funding for CalWORKs Stage Three (Information only)

SB 70 also included a reduction in the maximum reimbursement amounts of CDE contracts by 15 percent for CalWORKs Stage Three and other CDE child care programs (including the Preschool Education Program, the General Child Care Program, the Migrant Day Care Program, the Alternative Payment Program, and the Allowance for Handicapped Program). However, it provides flexibility in the process by which this reduction is administered, as long as the total program reduction is 15 percent. For additional information regarding other child care budget changes affecting CDE, counties should check the above website. Finally, SB 70 re-appropriated unobligated balances to fund the CalWORKs Stage Three child care program from April 1, 2011 through June 30, 2011. SB 69 (Budget Act of 2011), if signed by the Governor, will provide funding for the CalWORKs Stage Three Child care program in FY 2011-12.

11 and 12 Year Olds

SB 70 limits the age eligibility for subsidized child care services to children who are 10 years of age or younger with the following exceptions to the age limit:

- Children with exceptional needs, as defined in Education Code 8208(l);
- Children 12 years of age or younger who are recipients of child protective services or at risk of abuse, neglect, or exploitation, as described in Education Code 8263(a)(1)(d) and as defined in Education Code 8208(k);
- Children 12 years of age or younger who are provided services during non-traditional hours;

- Children 12 years of age or younger who are provided services for any day that the certification of need includes non-traditional hours, as defined in Education Code 8208(al), and
- Children who are homeless, as defined in CDE Regulations Title 5, Section 18078.

Section 8208(al) was added to the Education Code that defines “Non-traditional hours”, meaning that the parent or legal guardian has a certified need for child care that includes hours during the period between 6:00 p.m. to 6:00 a.m. on any day of the week or during any period between 6:00 a.m. Saturday to 6:00 a.m. Monday.

Effective July 1, 2011, a child who is 11 or 12 years of age and who is otherwise eligible for subsidized child care except for his or her age shall be given first priority for enrollment and/or first priority on the waiting list for a before or after school program.

Providing Notice to Clients

To help CalWORKs Stage One Child Care clients prepare for the program changes included in this ACL, an informing notice must be sent out as soon as possible to provide clients advance notice of the specific changes that occurred as a result of SB 70. Counties may use the following suggested language in their informing notice to clients:

Beginning July 1, 2011, there will be some changes in the child care rules as follows:

- The county will not pay for 11 or 12 year old children during traditional hours (6:00 a.m. to 6:00 p.m. Monday through Friday).
- The county will continue paying for 11 and 12 year olds if the children are receiving child protective services or at risk of abuse, neglect, or exploitation, whose children are homeless, or have a child with exceptional needs.
- The family fee schedule will be raised by 10 percent. Current CalWORKs recipients do not have a family fee.
- The amount of income that a family can have and still receive a child care subsidy will go down. Your income must be at or below 70 percent of the State Median Income.
- If you use providers who do not have a child care license, such as family, friends or neighbors, the reimbursement rates for license-exempt providers has been lowered to 60 percent of the licensed family child care home ceilings.

You will get a Notice of Action at least 10 days before any action is taken, if any of these changes apply to you. You may want to contact your County Welfare Department to see if these changes apply to you and if you need to make other child care arrangements.

Notice of Action (NOA)

The CalWORKs Stage One Child Care regulations Manual of Policies and Procedures (MPP) Section 47-420.3, specifies that CWDs shall notify the client whenever there is an approval, denial, change or discontinuance in the amount of subsidy paid by the county for child care.

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CWDs shall issue NOAs to these clients as soon as administratively feasible to ensure that the families have the most amount of time to make the change in providers, if necessary, but no later than ten days before the July 1, 2011, effective date. Please remember to adjust the NOA to reflect the income eligibility limit to 70 percent of the SMI.

If you have any questions regarding this letter, please contact the Child Care Programs Bureau, at (916) 657-2144.

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division