



Questions and Answers about Child Care: Family Fees and Co-payments

1. Who Can Get Help Paying for Child Care?

Generally, parents or guardians who:

- Receive or used to receive CalWORKs assistance (also known as “cash aid” or “welfare”)¹; or
- Are low-income see question #5); or
- Are involved in the Child Protective Services system;

AND

- Need child care in order to work, go to school or participate in other approved activities;

AND

- Care for a child or children that are age-eligible.²

2. What Kind of Care Will CalWORKs Child Care Pay for?

People who receive or used to receive CalWORKs cash assistance can get CalWORKs child care.

CalWORKs child care lets you choose the type of child care that you think is best for your children.³

You have many options:

- A relative;
- A friend, neighbor, or babysitter who cares for children of only one other family;
- A licensed family child care provider taking care of a small group of children (from 1 to 14) in the provider’s home,
- Some recreational programs,⁴ or
- A licensed child care center that may serve a large number of children.

Tip: Search for quality child care that best meets your child’s needs. Your Resource and Referral agency can help.

Note: CalWORKs child care will not pay for care provided by the child’s parents or by members of the child’s household.⁵

3. What Kind of Child Care Will Non-CalWORKs Programs Pay For?

Non-CalWORKs child care is a variety of different programs including:

- Vouchers to pay for family, friend and neighbor care or licensed child care in family homes or centers;
- After-school programs;
- State preschool programs;
- Head Start;
- Child care centers that contract directly with the California Department of Education.

4. Must My Provider Be Licensed?

No, but they must be legally operating without a license, also known as “license-exempt.” (See CCLC publication “Question & Answer about Child Care: License-Exempt Care”).

Note: CalWORKs will pay for child care providers located on Indian reservations if the provider meets tribal standards.⁶

Tip: Except for grandparents, aunts and uncles, license-exempt child care providers must fill out a Health and Safety Self-Certification form, be fingerprinted, and go through a criminal record check called TrustLine in order to be paid with a subsidy.⁷

5. What Are the Income Limits to Get Help Paying for Child Care?

If you get CalWORKs cash aid and you are participating in a welfare-to-work activity, you can get child care regardless of your income. (There are income limits for getting CalWORKs cash aid.) If you do not get CalWORKs cash aid, your income must be less than 70% of the State Median Income.⁸ Effective July 1, 2011, that income limit was \$3518 per month for a family of 3.⁹ The California Department of Education website,

www.cde.ca.gov, published the income limits in Management Bulletin 11-06, <http://www.cde.ca.gov/sp/cd/ci/mb1106.asp>.

6. If I Am Getting Help Paying for Child Care, Do I Need to Pay Anything?

CalWORKs Families: Families getting CalWORKs cash aid who work or are in welfare-to work activities always get free child care¹⁰ (unless they choose child care that requires a co-payment – see question #10).

Non-CalWORKs Families: Families that do not get CalWORKs cash aid or are former recipients may have to pay a share of the cost of child care in the form of a fee based on their income¹¹ (see question #7). The fee is for the entire family, not for each child. If you earn less than 40% of the State Median Income, then you will not have to pay a child care fee.¹²

Tip: The California Department of Education website, www.cde.ca.gov, has the family fee schedule in Management Bulletin 11-26, July 2011, <http://www.cde.ca.gov/sp/cd/ci/mb1126.asp>. The family fee for a family of three earning \$2886 per month is \$10.10 per day. The family fee schedule was updated in July 2011 because families with incomes over 70% of the State Median income became ineligible but otherwise the family fee schedule has not changed since 2007.

7. What Is a Family Fee?

If your income is above a certain level, you must pay a portion of the cost of your child care. This payment is called a family fee. Family fees are different from co-payments (see question #10).

8. How Much Will My Family Fee Be?

Your family fee depends on your income and your family size. If your income is less than 40% of the State Median Income (SMI), or you get CalWORKs cash aid, you do not have to pay a family fee. If your income is above 40% of the SMI, you will have to pay a family fee.¹³

Example: If you have family of 4 with an income of \$2513, your family fee will be \$4 per day for full-time day care.¹⁴

9. How Much Do Child Care Subsidies Pay?

The program will pay your provider whatever he or she usually charges for people who pay the full cost child care themselves, up to the Regional Market Rate ceiling.¹⁵ This rate is higher than the average rate most child care providers in a community charge.¹⁶ The payment amount depends on the county, children's age, type of child care provider, and whether or not a child has special needs based on a physical or mental disability.

Example: As of December 2010, for center-based care for a child under two years old, CalWORKs will pay up to \$1330.15 in San Francisco County, \$1028.94 per month in Los Angeles County, and \$1011.49 in Butte County.

Tip: See the California Department of Education website to find the Regional Market Rate ceilings for your county:

www.cde.ca.gov/fg/aa/cd/ap/index.aspx.

Note 1: If you choose a child care provider who charges more than the Regional Market Rate ceiling, you will have to pay a co-payment (see question #10).

Note 2: If you choose a license-exempt child care provider, that provider will be paid only 60 percent of the Family Child Care Home Regional Market Rate ceilings effective July 1, 2011.

10. What is a Co-Payment?

If you choose a more expensive child care provider who charges more than the maximum amount of your child care subsidy (the Regional Market Rate ceiling), then you will have to pay the extra amount, which is called a co-payment.¹⁷ A co-payment is different from a family fee. Whether or not you have to pay a family fee depends on your income; whether or not you have to pay a co-payment depends on whether your child care provider charges more than the subsidy pays.

Example: You and your 3-year old son live in Contra Costa County. The maximum amount that your child care subsidy will pay for family child care is \$830 per month.¹⁸ You choose a family child care home that charges \$930 per month. You must pay a co-payment of \$100 per month, the difference between the amount your provider

charges and the maximum amount your subsidy will pay.

Note: Since the maximum child care subsidy payment rate is generally higher than most child care providers charge, most families will not have co-payments. License-exempt providers may want to charge more than the subsidy rate, which is now only 60% of the family child care home rate, but as a practical matter families who use license-exempt care may not be able to afford co-payments.

11. Is it Possible that I Will Have to Pay Both a Family Fee and a Co-Payment?

Yes. For example, if your income is high enough for you to pay a family fee AND you choose a child care provider who charges more than the maximum amount that your subsidy will pay, you will have to pay both a family fee and a co-payment.

12. What if I Don't Pay My Family Fee?

If you don't pay your family fee, you may lose your child care subsidy.¹⁹ Your child care payment agency will send you a Notice of Action before taking away your child care subsidy. The following information will be on your Notice of Action:

- The amount of money that you owe,
- How much your family fee costs,
- How late you are on your payment, and
- The fact that you may lose your child care within two weeks if you don't pay your family fee.²⁰

When you first start getting child care, you should be given written policies about late payment of family fees.²¹ If you owe family fees, but you cannot afford to pay the entire amount, you have a right to work out a reasonable payment plan.²² If you enter into a repayment plan, you must pay your current fees and follow the instructions listed in the repayment plan.

13. What is a Notice of Action?

A Notice of Action is letter that tells you about a decision that the county welfare department or Alternative Payment Program has made.²³ You have a right to get a Notice of Action after you apply for a child care subsidy. You also have a right to get a Notice of Action if your benefits are

changed, including if your family fee changes, or if you are at risk of losing your child care for failure to pay the family fee.

14. Do I Have a Right to Get a Notice of Action from my Child Care Provider if I Do Not Pay My Family Fee?

Generally, no; only child care payment agencies must give you a Notice of Action.²⁴ However, if your child care provider is a center that has a contract with the California Department of Education, then the center handles the payment and must give you a Notice of Action. Most child care providers do not have to send you a Notice of Action since most are not contracted with the California Department of Education.

Tip: If you are not sure what kind of center you are using, check your parent handbook.

15. What Happens if I Have a Problem Getting or Keeping My Child Care?

Read the Notice of Action to understand what the problem is. Look at the back of your Notice of Action to find out how to appeal the decision. You may file your appeal by telephone, but it is much safer to do it in writing and keep a copy. Even if you do not get a Notice of Action, you can still appeal.²⁵ You will get a hearing at which you can explain why you think the decision was wrong.²⁶ If you are getting a child care subsidy, and you appeal by the deadline, you will keep your benefits without any changes until you get a decision after the hearing.²⁷

Example: You get a Notice of Action that says you have to pay more than the amount of family fees that you think you really owe. You should appeal.

Note: If you want to appeal, and you want your benefits to continue while you wait for a hearing decision, make sure you appeal by the deadline.²⁸ The amount of time you have to request a hearing, and the type of hearing that you will have, depend on which type of child care subsidy you have.²⁹ If you get CalWORKs Stage 1 child care, you must appeal within 90 days of the Notice of Action to get a hearing. You may be able to keep your benefits until your hearing if you appealed before the benefits ended or changed.³⁰ In Stages 2 and 3 and for non-CalWORKs child care subsidies, you

must appeal within 14 days of receiving the Notice of Action.³¹

Note: Child care *providers* do *not* have a right to a hearing if they have trouble getting paid by a county welfare department or an Alternative Payment Program. However, they *do* have a right to a hearing if Community Care Licensing makes a negative decision about their license.

16. What are Alternative Payment Programs?

Alternative Payment Programs (APPs) are agencies that contract with the California Department of Education to help parents and guardians pay for child care.³² While you are getting cash aid, or when you are transitioning off CalWORKs cash

aid, APPs work closely with the county welfare department to make sure that you get child care if you need it.

Tip: Call a Resource & Referral agency (see resource box) to get information about your APP.

17. What Are Resource & Referral Agencies?

Resource and Referral agencies (R&Rs) give parents referrals to local child care providers and give support to child care providers. R&Rs are not part of the county welfare department, but often have an office at the county welfare department to make it easy for families to find them.

This document is intended to provide general information about the topic covered and does not render legal or other professional advice. We believe it is accurate as of October 2011, but the law changes often. If you need legal advice, seek help from a competent attorney.

Useful Resources

- Call **Legal Aid** if you are a low-income CalWORKs participant who needs free help with a problem. Look in the telephone book or call the Coalition of California Welfare Rights Organizations at (916) 736-0616 to find out about the Legal Aid office near you. You can also find a Legal Aid office through LawHelpCalifornia at <http://www.lawhelpcalifornia.org/CA/index.cfm>.
- Call your **County Bar Association Lawyer Referral Service** to find a private attorney or legal aid office. Look in the telephone book or visit the California Bar Association website at www.calbar.org to find the telephone number.
- Call a **Resource and Referral** agency if you want help finding child care, if you are a child care provider who wants CalWORKs participants with child care subsidies to be referred to you, or if you want to find out where to apply for CalWORKs child care. Call the California Resource and Referral Network at (415) 882-0234 or visit their website at www.rrnetwork.org to get information about your local Resource and Referral agency. If you are a parent looking for child care, you can call 1-800-543-7793.
- Call the **Child Care Law Center at (415) 558-8005** for information about child care issues. We are a California child care support center for legal services programs, and we:
 - Provide information and referral;
 - Write useful publications (Visit our website at www.childcarelaw.org).
 - Provide legal representation only in cases that have an impact on many people.
- Visit the website of the Western Center on Law and Poverty, www.wclp.org, to read its CalWORKs manual.

Endnotes Explanation: The endnotes below are legal citations for the information above. To look up the laws that apply to you, visit your local law library. Don't be scared to look up the law to understand your rights.

Health & Safety Code applies to licensed child care providers and to some license exempt providers.

Educ. Code is the California Education Code. It provides information about child care subsidies, including CalWORKs child care.

Welf. & Inst. Code is the California Welfare and Institutions Code. It provides information about CalWORKs including child care subsidies.

MPP is the California Department of Social Services (DSS) Manual of Policies and Procedures, the regulations issued by DSS.

CCR is the California Code of Regulations. Title 22 applies to all licensed child care facilities and Title 5 applies to subsidized child care administered by the California Department of Education.

¹ 5 CCR § 18406 (Stage 2); 5 CCR § 18421 (Stage 3). Note—former CalWORKs recipients must still be low-income in order to receive child care assistance.

² Educ. Code §§ 8263, 8263.4.

³ Educ. Code §§ 8208.1; 8216; 8225; 8357(a); 5 CCR § 18426(a).

⁴ 40 DSS ACL 01-22, March 14, 2001; CDE Management Bulletin 00-26 July 2001.

⁵ MPP § 47-260.3.

⁶ Educ. Code § 8357(e).

⁷ Health & Safety Code §§ 1596.66(b); 1596.67(a). For Stage 1: MPP § 47-601; for Stages 2 and 3, 5 CCR § 18426(b)(2).

⁸ Educ. Code § 8263.1.

⁹ California Department of Education Management Bulletin 11-06, April 2011.

¹⁰ Educ. Code § 8263, MPP § 47-101.2; 5 CA Code of Regs. § 18414, 18429; California Department of Education (CDE) Management Bulletin 06-19, November 2006.

¹¹ MPP § 47-110(f)(1); Calculation of family fee for Stage 1 clients: MPP § 47-240.1.

¹² CDE Management Bulletin 11-26, July 2011.

¹³ Educ. Code § 8263.1.

¹⁴ California Department of Education (CDE) Management Bulletin 11-26, July 2011, found at <http://www.cde.ca.gov/sp/cd/ci/mb1126.asp>

¹⁵ Educ. Code § 8266; MPP § 47-401.1; 5 CCR §§ 18414(a); 18428(a).

¹⁶ DSS ACL 09-03, January 23, 2009; DSS ACL 10-46, October 18, 2010; *CDE Reimbursement Ceilings for Subsidized Child Care*.

¹⁷ MPP § 47-110(c)(2) (CalWORKs Stage 1); 5 CCR §§ 18414(b) and 18429(b) (CalWORKs child care Stages 2 and 3).

¹⁸ See *Reimbursement Ceilings for Subsidized Child Care*, <http://www.cde.ca.gov/fg/aa/cd/ap/index.aspx>.

¹⁹ 5 CCR § 18116.

²⁰ 5 CCR § 18114(d); 5 CCR 18400 (c), (l).

²¹ 5 CCR § 18114(a).

²² 5 CCR § 18115

²³ MPP § 47-420.3; 5 CCR §§ 18118; 18119(a); 18400(k), (l); 18419; 18434.

²⁴ 5 CCR § 18419(a); 5 CCR § 18434.

²⁵ MPP § 22-003; 5 CCR § 18120(a).

²⁶ MPP § 22-049.7; 5 CCR § 18120(i).

²⁷ MPP § 47-420.32; 5 CCR § 18120(b).

²⁸ MPP § 47-420.32 (must file by effective date of NOA); 5 CCR § 18120 (Stage 2 & 3).

²⁹ Welf. & Inst. Code § 10951(a) (2010); MPP § 22-009; 5 CCR §§ 18120(a), 8418 (Stage 2), 18433 (Stage 3).

³⁰ Welf. & Inst. Code § 10951; MPP §§ 22-009.1.

³¹ 5 CCR §§ 18120, 18121(a), 18418 (Stage 2), 18433 (Stage 3).

³² Educ. Code § 8220; 5 CCR § 18013(e).