

# Updates to Family Fee Schedule for State-Funded Child Care Spaces

Provider Webinar: September 2022

# WELCOME!

Thank you for joining us today.

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## During this webinar, we will:

- Explain the new family fee schedule
- Discuss the timeline for provider implementation
- Review the tools OEC has created to support providers in using the new fee schedule
- Answer any questions providers may have about the new changes

OEC is committed to making resources accessible to all providers. This webinar and technical assistance can be made available in other languages upon request. Please contact your OEC program manager.

OEC está comprometido a tener recursos accesibles a todos los proveedores. Este seminario de web (webinar) y la asistencia técnica pueden estar disponibles en otros idiomas a pedido. Comuníquese con su administrador de programa de OEC.

# Updates in Progress

OEC is making updates to state-funded program processes, including family fees and OEC reimbursements.

## Changes in progress include:

- A new fee schedule for families with children enrolled in state-funded School Readiness, Child Day Care, and Smart Start spaces
- Increased OEC reimbursement rates for infant/toddler care spaces
- A Cost of Living Adjustment (COLA) that helps providers recruit and retain staff\*

*\*Not applicable to Smart Start*

These changes are designed to support equity, while also increasing providers' compensation for their critical role.

# Changes to Family Fee Schedule

Today's presentation will discuss changes to the family fee schedule, designed to make it more equitable for families and providers.

## Two Major Changes:

### Updates to Income Brackets

- Income brackets were last updated in 2019
- Updates reflect Connecticut's rising state median income (SMI)\* in 2022

### Child Care Fees as Percentage of Family Income

- Current fee schedule is based on a fixed dollar amount
- New fee schedule minimizes cases of sudden, large fee increases due to small family income changes

Ex: A family of 4 earning \$35,000 with one child in full-time infant/toddler care. Mom gets a \$2,000 raise! Now they earn \$37,000.

#### Under current fee schedule:

- Family is in the 29% SMI bracket, so they pay a flat fee of **\$71/week**.
- With the raise, they move to the 32% SMI bracket, and will pay **\$80/week**.
- **Result:** Yearly child care costs rise by **\$468**.

#### Under new fee schedule:

- Family is in the 26% SMI bracket, so they pay 9.5% of their income, which is **\$64/week**.
- With the raise, they move to the 29% SMI bracket. They will still pay 9.5% of their income, which is **\$68/week**.
- **Result:** Yearly child care costs rise by **\$208**.

# Family Fee Schedule Past vs. Present

Under the new fee schedule, families earning between 20% SMI and 100% SMI will all pay the same proportions of their incomes.

	Previous Fee Schedule	New Fee Schedule
Family earning \$45,000/year*	Family was in 38% SMI bracket → Current fee is <b>\$98/week</b>	Family is now in 35% SMI bracket → Family's fee is now \$82/week, which is 9.5% of their income ( <b>\$16/week decrease</b> )
Family earning \$80,000/year*	Family was in 70% SMI bracket → Current fee is <b>\$132/week</b>	Family is now in 61% SMI bracket → Family's fee is now \$146/week, which is 9.5% of their income ( <b>\$14/week increase</b> )
Family earning \$110,000/year*	Family was over 100% SMI → Was not included in fee schedule	Family is now in 84% SMI bracket → Family's fee is now \$201/week, which is 9.5% of their income

# When do I start using the new fee schedule?

Providers will have some flexibility on when they implement the new fee schedule during the next year.



**September 1, 2022:** New fee schedule was shared

- Providers must give families **30 days notice** of family fee changes.



**October 1, 2022:** Providers can start utilizing the new fee structure

## For newly enrolled families:

All families enrolled on or after October 1, 2022, must pay family fees based on the new schedule.

## For currently enrolled families:

Families will start paying fees based on the new fee schedule at the date of their next income redetermination, at the latest.

**Providers have flexibility** to charge families based on the new fee schedule before their next income redetermination, as long as the provider gives them 30 days notice before changing their fee.

# Who determines the family fee?

Providers will continue to be responsible for determining each family's fee.

## Fee Determination Process

- 1 Providers will continue to **collect required documentation** from families:
  - Verification of annual income
  - Verification of family size
  - Birth certificate
  - Proof of residency
- 2 Providers will use family size and income to **determine fee amount**.
  - The online Family Fee Calculator Tool can help with this (*see next slide*).
  - *Reminder:* The family fee should never exceed the program's published cost of care.
- 3 Providers are required to **give 30 days notice** before changing family fee amount.

**Resources** on how to communicate changes with families can be found in the email from the OEC you received on September 1st, or online at <https://www.ctoec.org/state-funded-ece/>

# Family Fee Calculator Tool

1. Open the link:  
<https://ecereporter.oec.ct.gov/#InstructionTab>
2. Click the purple “**Open Family Fee Calculator**” button located in the middle of the screen.
3. A white box will appear on the right side of the screen, titled “**Calculate Family Fee**”.
4. Enter the requested information in the boxes below.
5. Click “**Calculate**” on the bottom of the screen.
6. The yearly and weekly family contribution will appear on the screen.

A family of 4 earning \$52,000 with one child in full-time infant/toddler care would pay \$4,940/year (\$95/week).

Calculate Family Fee ×

Household Size

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Annual Household Income

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Calendar Year

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Age Group

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Contract Space

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**Annual Fee: \$4,940.00**

**Weekly Fee: \$95.00**

Calculate Close

## Tools & Supports

- ✓ **Handouts for families** – The OEC has developed a one-page overview of fee changes.
- ✓ **Forms** – The OEC has created convenient fill-in-the-blank forms to streamline the process of notifying families about their upcoming fee change.
- ✓ **Online fee calculator tool** – The OEC is providing step-by-step instructions on how to utilize the new online calculator tool (<https://ecereporter.oec.ct.gov/#InstructionTab>)
- ✓ **OEC Program Managers** – Program Managers are available to answer specific questions and provide individualized assistance. Find their contact info at <https://www.ctoec.org/contact-us/contact-oec-staff/>.
- ✓ **Scheduled office hours** with Program Managers:
  - Tuesday, 9/27: 1:30 - 2:30
  - Tuesday, 10/4: 1 - 2
  - Wednesday, 10/12: 10 - 11 and 2 - 3
  - Thursday, 10/13: 9 - 10 and 1 - 2
  - Friday, 10/21: 1 - 2

## GP B-02: Fee Guidance Updates & Reminders

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- **Determining income:** Family and Medical Leave Compensation is now considered a source of “other” income.
- **Fee calculation:** Programs must calculate AND document the per-child fee for all children enrolled in a state-funded space.
  - Smart Start programs are only required to do this if they charge a family fee.
  - Families reporting no income will be charged \$0.
- **Hardship policy:** Can be applied if the family requests relief from paying the family fee.
  - Make sure to account for this loss of income as a budget line item.
- **Reporting:** Collected family fees must be reported (in the month you collect them) via your program’s monthly report.
- **SR fee carry over:** School Readiness programs requesting to carry family fees over into the next fiscal year must submit a request to the SR Council (SRC) for approval. The SRC will notify your program and the OEC that approval has been granted.

# School Readiness & Child Day Care Enrollment-based Grant

**July 1, 2022 - June 30, 2024**

Quarterly payments will be issued based on actual enrollment

**\*Programs will have to attest that > 50%** of children enrolled in state-funded spaces at their program live below 300% of the Federal Poverty Level. This is a federal requirement for this grant funding.

Enrollment \$/Space/Month	
<b>Child Day Care</b>	
Infant/Toddler FT	\$35.00
Infant/Toddler WA	\$13.00
Preschool FT	\$80.00
Preschool WA	\$32.00
School Age*	\$110.00
<b>School Readiness</b>	
Full-Day/Full-Year	\$80.00
School Day/School-Year	\$64.00
Part-Day/Part-Year	\$48.00
Wrap-Around	\$91.00

# Q & A



**THANK YOU!**