STATE OF CONNECTICUT
OFFICE OF EARLY CHILDHOOD

Connecticut Administered State-Funded Program
General Policy B-02

Guidelines on Fees, Fee Schedule, and Family Contributions per Child

_X_ OEC Early Start CT Programs
_X_ OEC Smart Start CT Programs

This policy applies to Early Start CT* (ESCT) Contractors, subcontractors and programs, and Smart Start grantees. It provides guidelines for using the Fee Schedule (known as the sliding fee scale) published by the Office of Early Childhood (OEC). Per-child fees for children enrolled in OEC state-funded spaces are determined by the Fee Schedule.

*Please Note**:** This policy **excludes** ESCT State Head Start families. ESCT State Head Start families are not charged a family fee through this funding.

Program Fee Policies
All OEC state-funded early care and education programs shall establish written fee policies, determined by OEC General Policy B-01, the Fee Schedule, and distribute these policies to families annually.

- **ESCT**
  - ESCT programs shall calculate the per-child fee and provide it to participating families and promptly upon request, to OEC.
- **Smart Start**
  - Smart Start programs charging a family fee shall calculate the per-child fee and provide it to participating families and promptly upon request, to OEC.
    - Children whose families are not charged a family fee may be counted as a part of the Education Cost Sharing (ECS) grant.
  - Smart Start programs shall use this policy as guidance when documenting and reporting family income in ECE Reporter, as required

Determining Family Fee

- Family size and income shall be used to calculate the weekly family fee.

- Family Fees shall be determined at initial enrollment and on an annual basis from date of enrollment thereafter.
    - Families may request that their fee be redetermined at any time if there is a change in family composition or annual income.
        - Any change in fees will become effective 30 calendar days after the redetermination is completed and families are notified of the updated fee.

Calculating Family Fees

- The current OEC Fee Schedule GP B-01 shall be used to calculate the per-child fee charged at all OEC state-funded early care and education programs.
    - Family State Median Income (SMI) level is determined according to family size and gross annual income.
        - Families reporting no income are considered to be in the 0% SMI bracket of the fee schedule.
    - Family fees are based on a percentage of family income determined by the category of care provided and the SMI level of the family.
- OEC state-funded programs shall not deviate from their published fees schedule, regardless of family income or family size. No family, regardless of income, shall be charged a fee greater than the OEC state-funded program's published full fee for care.
- No family, regardless of the number of children participating in an OEC state-funded program, shall be charged more than the calculated family fee for each child.
- Any family fee determination made by Care4Kids (C4K) (noted on the child's C4K certificate) is the family fee for a child enrolled in an OEC state-funded early care and education space.
    - No family, regardless of number of their children participating in an OEC state-funded program, shall be charged a family fee greater than the C4K calculated family contribution.

Additional Fees

OEC state-funded early care and education programs may assess fees related to the cost of doing business as follows:

- A fee may be charged for the initial registration process and/or annual update of documentation required for a child's continuous enrollment.
- Maximum deposit of two weeks tuition to ensure payments for services delivered maybe collected if applied to the last week(s) of tuition.

- Field trip fees may be charged and collected; however, a child cannot be denied participation because of lack of payment.
- OEC state-funded programs may charge and collect fees incurred when parents pick up their child after the program is closed and staff are paid for the additional time worked.

OEC state-funded early care and education programs may **NOT** assess fees related to the cost of doing business as follows:

- Programs **shall not charge fees** for any food provided to children enrolled in state-funded spaces. This includes **but is not limited to** breakfast, lunch or snack.
- Fees charged by a bank to the program (e.g., for checks returned for insufficient funds, credit card fees).
- Fees that increase the cost of care (e.g., required-participation fundraisers) or curriculum additions (e.g., computer, dance, or music classes).

Care4Kids (C4K)

- OEC state-funded early care and education programs are eligible to participate in C4K. ○ Programs that do not charge fees are ineligible to participate in C4K.
- OEC state-funded early care and education programs should encourage and assist families to apply to the C4K Program but not required enrollment.
- The weekly fee entered on the Parent Provider Agreement (PPA)for a child participating in an OEC state-funded space shall be based on the space type and the regional C4K reimbursement rate.

Reporting

 OEC state-funded early care and education programs are required to submit monthly reports in accordance with the OEC Monthly Reporting Schedule, published by OEC, in ECE Reporter. These reports shall include, but not necessarily limited to:
○ Family fees collected; ○
Income received from C4K.

Record Keeping

All documentation shall be maintained at the program and immediately available for review upon request by the LGP Liaison or OEC including:

- Including per-child fees and evidence of fees charged and collected to families (e.g., invoices)

- Programs that offer discounts and/or fee reductions (based on hardship policies, fee caps, vacation, illness, employee status, multiple siblings, etc.) shall document any amount of fee waived.
- Programs shall maintain all records for three (3) years after either:
  - Final payment is made under the ESCT Contract or Smart Start Grant, or
  - The expiration or earlier termination of the ESCT contract or Smart Start Grant, whichever occurs later.

The State may request an audit or inspection of all records which, in any way, are related to, or involved in, the ESCT Contract or Smart Start Grant at any time during the contract and/or grant period. If any claim or audit is started before the expiration of this contract or grant period, program(s) shall retain or cause to be retained all records until all claims or audit findings have been resolved.

<u>OTHER POLICY INFORMATION</u>

Program Fee Policies

- Programs' written fee policies shall be shared with families at the time of enrollment and thirty (30) calendar days prior to the effective date of any change.
  - They may be published in the program's family handbook.
- At a minimum, the written fee policy shall address:
  - How and when family fees are determined and, if necessary, redetermined.
  - How per-child fees are charged and collected.
  - How income, family size, Temporary Family Assistance (TFA) status and any other eligibility factors are determined and verified.
  - How confidentiality of family information including any personally identifiable information (PII) is maintained.
  - How and when additional fees or discounts may be applied; and
  - How a family hardship will be considered, including outlining procedures not limited to:
    - Documentation and information families need to provide for consideration in a reduction in fees collected.
    - Timeline and approval or denial process.
- OEC expects programs to maintain and comply with an internal policy that requires all reasonable efforts are exhausted to collect payments owed by families before referring outstanding payments to a collection agency. The policy should fully describe what reasonable steps will be taken and when; and again, only after such reasonable efforts are fully exhausted should a referral to a collection agency be made.

Use of OEC Family Fee Schedule

- Programs shall notify families in writing of any change in fee 30 calendar days prior to the effective date of the change and maintain proof of such notification.
- When the OEC publishes or updates the fee schedule:
  - o Families enrolled after the issue date of the fee schedule shall have their fees calculated and charged based on the newly issued fee schedule.
  - o Families currently enrolled in an ESCT program will start paying fees based on the new fee schedule at the time of their next income redetermination, at the latest.
  - o Programs may choose to reassess family fees utilizing the newly issued fee schedule (before the next redetermination) as long as thirty calendar (30) days' written notice is provided before any new fee is effective.

Determining Family Fee

- A variety of documentation may be used to indicate family size:
  - o Most recently filed federal or state tax return
  - o A program enrollment form ○ A notarized self-declaration ○ For families sharing living quarters, programs shall consult their community McKinney-Vento liaison or the Early Start CT liaison for information on whether the family meets the McKinney-Vento definition of homeless which includes "individuals who lack a fixed, regular, and adequate nighttime residence."
- The program is responsible for determining the gross annual family income by reviewing:
  - o Most recently filed federal or state tax return shall be used as the primary source for verification.
  - o If a tax return is not available or the family represents that it does not reflect the family's current income, a month's recent payroll stubs or other documentation of income (such as notarized letters from employers, etc.) may be used.
    - ▪ Monthly Income shall be annualized.
    - ▪ Income received less frequently than monthly shall be averaged over the period it covers.
    - ▪ Income that fluctuates in an unpredictable manner may be averaged over a longer, more representative period.
    - ▪ Income received regularly according to a schedule shall be annualized based on the payment schedule.

- Income derived through employment under the terms of an employment contract shall be annualized over the term of the employment contract period.
- When income is expected to change it shall be calculated based on the best estimate over the next six months.
- Self-employed individuals shall have their calculation based on the prior year's federal or state tax return or current business records; whichever is more reflective of the projected earnings.

Calculating Family Fees

- Fees are calculated for all space types, for the portion of the day financed by OEC.
  - **ESCT** programs shall calculate the fee based on:
    - Age group: Infant/Toddler, Preschool, School Age
    - Space Type: Full-Time, Half-Time, Quarter-Time
- Children enrolled in a shared full-time OEC state-funded space shall have their fee calculated using the space type that corresponds to the hours of care the child is receiving weekly.
  - 2-15 hours care/week = Quarter-Time Space Type
  - 16-34 hours care/week = Half-Time Space Type
  - **Smart Start Programs** shall calculate fees based on the Preschool School Day space type(This is equivalent to an ESCT Preschool Half-Time space type).
- If a family has an active C4K certificate, the amount calculated by C4K on the certificate shall be the family fee for the child enrolled in the OEC state-funded space.
- If a family no longer has an active C4K certificate, the OEC state-funded program shall use the OEC Fee Schedule GP B-01 to calculate the per-child family fee.

Reporting

- Family fees and C4K income shall be reported in the month it is collected, even if the fee or income collected was for a previous or future month(s).
- Programs only need to report in ECE Reporter on fees and income collected for children enrolled in an OEC state-funded space.

DEFINITIONS

Care4Kids (C4K): the State of Connecticut's child care subsidy program that provides financial assistance to low to moderate income families.

Earned Income: Compensation for work performed.

Early Care and Education (ECE) Reporter: is the OEC's online system where state-funded programs submit child enrollment data and monthly reports for children whose services are funded through Early Start or Smart Start.

Family: is

- A parent(s), a parent's spouse and minor child(ren) who reside together. Additionally, a "parent" can be a person of majority age who has been legally granted "in loco parentis" status.
- A parent who pays more than half of the support of their minor child(ren) living with another family (as reported on their most recent IRS filing) may include such child(ren) as members of their family when determining the family fee.

Family of One: a child who:

- Receives Temporary Family Assistance (TFA) who lives with a supervising relative who does not receive TFA.
- Has been placed in foster care authorized by the Department of Children and Families (DCF).

- Has been adopted from CT DCF or from an agency in another state that is a member of the Interstate Compact on the Placement of Children (Family of One status shall continue for twelve months following the date of adoption).

Fee or Family Fee: Per-child amount of a family contribution to the ECE program based on the OEC's most recently published fee schedule.

Fee Schedule/Fee Scale: described in OEC's General Policy B-01, which determines the family's per child contribution

Income Excluded: Income excluded in the calculation of gross annual income:

- TFA cash assistance benefits from the Connecticut Department of Social Services (DSS)
- Payments received for child care services from state or federal funds
- Child support payments
- Income paid by the U.S. Census Bureau to low-income temporary census workers
- The value of Supplemental Nutrition Assistance Program-SNAP (previously known as Food Stamps) benefits
- Earnings of a family member under the age of 18 who is not the parent of the child attending an ESCT program
- Earned income credit payment, including advanced payments
- Cash contributions from non-profit charitable agencies or organizations
- Interest and dividends from any source totaling less than $600 per calendar year
- Lump sum payments from unearned income sources totaling less than $600 per year
- Income tax refunds
- Special need payments issued by the Department of Social Services to a vendor on behalf of a cash assistance recipient
- Income from the sponsor of a non-citizen
- Grants, loans, and scholarships paid to students
- Cash gifts received on an irregular basis, not to exceed $1,200 per calendar year
- The value of goods and services received as in-kind income rather than cash payments
- Reimbursements for expenditures that do not represent a benefit or gain to the recipient
- Disaster assistance paid under the Disaster Relief Act of 1974, as amended, including the Individual and Family Grant (IFG) program, and comparable disaster assistance provided by federal, state, and local governments and private organizations and any interest earned on these funds

- Funds provided by the Connecticut Department of Labor (DOL) to meet the costs of pursuing employment
- State or federal government rental subsidies
- Security deposits returned by a landlord to a family
- Payments made under means-tested energy assistance programs and utility subsidies Payments received under Title II of the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970, and
- Subsidized adoption payments received from the CT DCF as provided for under the C.G.S. § 17a-119, or from an agency in another state that is a member of the Interstate Compact on the Placement of Children

Income From All Other Sources: Is total income for all family members derived from any source other than those, excluded in section immediately above.
Income from all other sources includes, but is not limited to: pensions, annuities, dividends, interest, rental income, income from boarders, estate or trust income, royalties, social security or supplemental security income (SSI), tribal distributions, veterans' benefits, unemployment compensation, workers' compensation, family and medical leave compensation, alimony, foster care payments, cash gifts from friends and relatives, lottery winnings and cash assistance from federal, state and municipally funded assistance programs that are not otherwise expressly excluded as income by federal or state law.

Income From Employment: Gross total earnings from salaries, wages, and tips for all family members, including commissions, overtime and bonuses.

Income From Self-Employment: Total income for all family members from business enterprises, including farming, remaining after the total cost of business expenses or cost of production of the income is subtracted from the gross income, and reported as total household income on IRS-1040.

Local Governance Partners Liaison: is an individual(s) who is employed by the Fiduciary to coordinate and assist the efforts of the LGP Community Table, Parent Ambassadors, and to deliver services and supports and monitor contract compliance of Early Start CT programs as outlined in Early Start CT legislation (P.A. 24-78 (S.B. 14).

McKinney-Vento Liaison: is a designated staff member in a school district who ensures that students experiencing homelessness have access to education and support services.

Parent-Provider Agreement (PPA): The C4K form used to collect and document information concerning provider eligibility and the agreement between the family and the provider for the provision of child care services.

Self-Employment: Working either full or part-time where the individual is not considered an employee of another entity for purposes of reporting social security tax unemployment compensation.

- Personal expenses such as income tax payments, social security deductions, lunches, transportation, etc., are not classified as business expenses.
  After six months of self-employment, the taxable earnings for each self-employed family member should equal or exceed the state minimum wage times the number of hours the family member is self-employed on a continual basis.

Shared Full-Time Space: Programs may utilize a full-time space to serve one or two children. If a full-time space is split between two children, a minimum of thirty-five (35) hours of care shall be used between the two children weekly.

- If only a portion of a shared space is filled during any month, the program will only be reimbursed for a half-time or quarter-time space.

In the unlikely event that any provision of this General Policy is found to be inconsistent with any contract or grant provision, the contract or grant shall govern.

For further information concerning this GENERAL POLICY please contact your OEC Program Manager or visit https://www.ctoec.org/contact-us/