



WORKFORCE SOLUTIONS ALAMO POLICY LETTER

ID NO: CCMS 15, C10

DATE ISSUED: August 25, 2009

TO: Workforce Solutions Alamo CCS Contractors

FROM: Chakib Chehadi, Executive Director *C.C.*

SUBJECT: CHILD CARE PARENT FEES, TRANSFERRING PROVIDERS & JOB SEARCHES

PURPOSE:

To provide guidance on Workforce Solutions Alamo's (WSA) policy regarding assessing parent fees, establishing limits for reducing parent fees, allowances for late parent fees, transferring providers, and job searches.

REFERENCE(S):

Texas Workforce Commission (TWC) Child Care Rules, Chapter 809, Sections, 809.2, 809.13 (d) (11), 809.19, 809.41, 809.42, 809.71, 809.92, 809.114, and 809.115. TWC Workforce Development (WD) Letters 18-00, **19-09**, and WSA Policies CCMS 17 and CCMS 38.

Bold typeface indicates new or clarified language.

A ~~strikethrough~~ indicates language has been deleted.

POLICY:

TWC rules require local Boards to set a parent's share of cost policy in a manner that result in parent's share of cost:

- Being assessed to all parents or caretakers, except in instances when a TWC exemption is applied such as Choices clients or when the family income is zero (0);
- Being based on the family's size and gross monthly income, and may also be based on the number of children in care; and

- Not exceeding the cost of care.

TWC rules also require local Boards or its Contractor to review the assessed parent fee (parent's share of cost) for possible reduction if there are extenuating circumstances that jeopardize a family's self-sufficiency. WSA authorizes its Contractor to reduce assessed parent fees (parent's share of cost) if warranted by the circumstances contained in this policy. Under no circumstances shall the parent's share of cost be waived.

1. Parent Share of Cost:

Child Care Development Fund (CCDF) Clients

For families with one (1) child in subsidized care, parent fees will be 9% of gross family income. For families with two (2) or three (3) children in subsidized care, parent fees will be 11% of the gross family income. For families with four (4) or more children in subsidized care, parent fees will be 13% of the gross family income. A family's eligibility period cannot exceed 12 months.

If a parent's share of cost is equal to or exceeds the cost of care, the parent's share of cost shall be reduced to 80% of the cost of care. This reduction shall stay in force unless the assessed parent fee drops below 80% of the cost of care (i.e. a reduction in family income or an increase in the number of subsidized children in care). At that time, the reduction will not be applied again until the parent fee equals or exceeds the cost of care to the program. Any reduction shall be based upon the provider's actual cost of care to the program. Contractor shall have a supervisor review and approve all reductions.

Additionally, the Contractor shall consider family size when assessing parent fees. For families with seven (7) or more members, the parent fee shall be reduced by 2% of the assessed fee. Please reference TWC Rule 809.2 for definitions.

During updates or status changes, the Contractor must redetermine a client's continued eligibility. As long as the client remains eligible, the parent fee will remain the same unless the client's income is now zero or the client's income is reduced and their previously assessed parent fee would exceed 13% of their current gross income. In these two instances, the parent fee must be determined as zero or reduced. If a parent that had no income during their last eligibility determination, and becomes employed or starts receiving other forms of income (child support, etc.), the parent must be assessed a parent fee based upon their current income.

2. Parent fee collection:

Parents are expected to pay assessed parent fees to the child care provider prior to child care services being rendered. Parents must pay parent fees whether children attend or not and when parents take vacation days.

- TWC Rules require the child care provider to be responsible for collecting all parent fees and report instances in which the parent fails to pay the parent fee. WSA or its Contractor will not pay for uncollected fees.
- Parents who are in non-compliance with the Parent Responsibility Agreement (PRA) must pay their assessed sanction along with their parent fee to the provider. Parent fees may not be reduced if the reason for the reduction is the fee increase for non-compliance with PRA. If the family circumstances warrant a fee reduction and the parent is being sanctioned, the original parent fee may be reduced according to policy; however, the sanctioned amount remains in place until the parent is in compliance with the PRA.
- Neither the Contractor nor the child care provider shall waive a parent's fee under any circumstances. For families whose income is calculated as zero (0) including teen parents, the parent's share of cost is also assessed as zero and no minimum parent fee will be charged to the family.
- The first 2 times a parent is late paying their fee, the parent must be counseled on this requirement. The parent must also be notified that the third time the fee is received late, and the parent has not requested and been approved for a reduction of their fee in advance of the due date, child care services will be terminated. Once a client is terminated, they will remain ineligible for child care services for a six (6) month period in accordance with WSA policy. The Contractor must notify the client in writing of this sanction.
- In order to be eligible for a reduction in parent fees and avoid being reported for late parent fees, the parent must notify the Contractor and request a reduction in the fee within three (3) days, beginning the day the fees were due.
- Parents are not eligible to transfer to a different provider if they owe parent fees to their current provider, **except when a transfer is prompted by corrective or adverse action by the Texas Department of Family and Protective Services as described in WD 19-09.** The Contractor shall develop a procedure for families in these circumstances.

3. Reductions in parent fees:

- A parent must notify the Contractor within three (3) days if they are having a problem paying their parent fee. The three (3) days begins the day the fees are due. Parents may request a reduction in their parent fee two (2) times in a 12-month period for the following reasons (documentation required):
 - New employment (new job but no income until payday);
 - Work related expenses (unusual costs, such as tools or special uniforms);
 - Relocation (utility or rent deposit);
 - Disability (parent or child has high medical bills as a result of a disability or illness and has a documented medical problem);

- Other extenuating circumstances not specifically listed but approved by the Contractor.
 - Unemployment/Job Search (parent lost a job and has no income during a job search period) as described below:
 - Parents are entitled to a 28-day (4-week) job search per fiscal year, which can be broken up into increments if a parent has more than one break in employment or educational activity in a fiscal year;
 - In a 2-parent household, each parent is entitled to a 28-day job search so long as 1 parent is meeting the minimum hour requirement at all times; and
 - Contractor shall develop procedures for tracking job search time frames for each parent.
- Parent fee reductions must be documented in the client's file with the following information:
- Parent's name;
 - Reason for reduction;
 - Time period for reduction (no more than 30 days per time of reduction); and
 - Amount of reduction.
 1. Reduction should be determined based on the circumstance. Fee should not be automatically reduced to the minimum amount.
 2. Parents are responsible for notifying the Contractor of any circumstance that might change the amount of the parent fee within the allowed period of reduction.
 3. Under no circumstance shall the monthly fee be reduced to less than \$5 per month for one (1) child or \$10 for two or more children.
 4. Once a reduced parent fee is determined, the parent must pay this fee within three (3) days, including the day they are notified of the new fee.
4. The Contractor must routinely monitor, verify and document that child care providers are collecting parent fees in advance. Failure on the part of the provider to collect parent fees or to notify the Contractor when the parent fees have not been paid may result in corrective action being taken against the provider.
5. The Contractor will implement the following corrective action process in the event of a provider showing continuous and repetitive non-collection of parent fees and/or non-reporting of delinquent parent fees within a 12-month period:
- Contractor will issue a non-compliance to the provider for the first (1st) occurrence.
 - Contractor will issue a non-compliance to the provider for the second (2nd) occurrence.

- Contractor will issue a Service Improvement Agreement (SIA) if there is a 3rd non-compliance within a 12-month period. The SIA will include a required timeframe of no more than thirty (30) days for compliance.
- If the provider continues to violate collection requirements, additional actions may be taken in accordance with CCMS 17.

ACTION REQUIRED:

Contractors shall implement this policy immediately.

EFFECTIVE DATE:

Immediately.

INQUIRIES:

Please direct all comments and inquiries pertaining to this policy to:

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