

Budget Act of 2017 Implementation FAQ

Frequently Asked Questions (FAQ) in relation to the changes from the Budget Act of 2017.

General Questions

1. **Are the increases in the State Median Income (SMI) and 12-Month Eligibility determination enacted as part of the Budget Act of 2017 implemented July 1, 2017?**

Unless otherwise specified, the provisions enacted in the Budget Act of 2017 became effective on July 1, 2017. The California Department of Education (CDE) has released Guidance through Management Bulletin (MB) posted on the [Early Education and Support Division \(EESD\) MB Web page](#).

2. **The MB 17-08 references that a separate MB will be issued to address State Median Income (Initial Certification), Graduated Phase-out (Recertification), Updated Income Rankings, Revised Family Fee Schedule, and Minimum 12-Month Eligibility. Until such time, will agencies be held harmless if they continue to use policies that were effective prior to the passing of the Budget Act of 2017?**

Contractors will be held accountable for implementing changes prompted by the Budget Act of 2017, such as calculating family fees based on the new SMI, recertifying income eligible families based on the new ongoing income eligibility threshold, etc. At this point all relevant MBs and guidance have been released. Please review the EESD MBs Web page for more information or contact your EESD Field Services Consultant.

As has been past practice, the EESD, Field Services Office (FSO) will be providing technical assistance during Contract Monitoring Reviews scheduled during the first year of implementation of policy changes. The Governance and Administration Unit (GAU) will continue to verify information at initial certification and at recertification. The GAU will provide technical assistance to ensure any voluntary requests made by a family to alter their services are not improperly treated as an update.

However, as a reminder, California *Education Code (EC)*, Section 8263(i)(1) states the following:

Because a family that meets eligibility requirements at its most recent eligibility certification or recertification is considered eligible until the next certification, as provided in subdivision (h), a payment made by a child development program for a child during this period shall not be considered an error or an improper payment due to a change in the family's circumstances during the same period.

State Median Income

1. **I assume that if a parent's income decreases, they may choose to report their income to reduce their family fees, but they will not need to report increases to income as long as they earn 85 percent or less of the SMI based on family size.**

This is correct. The *EC* is clear that families are **required** to report income between certifications only if income exceeds 85 percent of the SMI based on family size.

2. [What should we do for those families that we disenrolled prior to July 1, 2017 due to being over income, but are now eligible with the new income guidelines?](#)

The effective date of the increase to the SMI is July 1, 2017. Unfortunately, any families disenrolled for being over income before that date may only be re-enrolled in enrollment priority order. However, the contractor can reconsider the disenrollment action anytime during the appeal process, as long as the family is still receiving services. If an appeal for any action related to disenrollment for income eligibility is received by the EESD, the appeal coordinator will contact the agency to provide an opportunity to rescind the Notice of Action.

3. [We do not collect income documentation from cash-aided parents. Should we regularly verify \(on our own\) that they are still cash-aided, when the family would otherwise be in family fee range, or over the 85 percentile of the SMI?](#)

In accordance with *EC* Section 8263(a)(1)(A), families are only required to meet **one** of the four eligibility requirements listed. When a family's eligibility is initially certified or recertified as California Work Opportunity and Responsibility to Kids (CalWORKs) cash-aid, the family remains eligible for services for at least 12 months in accordance with *EC* Section 8263(h).

4. [Is the process for calculating a family's income at certification, recertification, or upon a family's voluntary request any different in light of the Budget Act of 2017?](#)

The Budget Act of 2017 changes **when** income can be calculated for purposes of determining eligibility, by providing that families no longer need to report changes in income between certifications except in specific situations. The **method** by which income shall be calculated at initial certification, recertification, or as otherwise permitted under the Budget Act of 2017 shall remain the same in accordance with the existing *California Code of Regulations*, Title 5 (5 CCR).

5. [What documentation of income will be collected if a parent does not have a stable job and changes jobs constantly because the state requires current and "ongoing" income?](#)

The documentation requirements for proving income have not changed. Continue using existing regulations for purposes of documentation and verification of income.

6. [When a family who has unpredictable income, as defined in 5 CCR Section 18078\(j\)\(3\), self-reports a decrease in income, do agencies continue to average the previous 3–12 months when that income may not be reflective of the reported change?](#)

Pursuant to *EC* Section 8263(h)(4), a family may voluntarily report income or other changes. This information shall be used to reduce family fees, increase the family's services or extend the period of the family's eligibility before recertification. The process for calculation of income has not changed. Income must be calculated in accordance with 5 CCR Section 18096.

12-Month Eligibility

1. **Is the field not to implement 12-Month Eligibility determination and redetermination until the CDE releases all of the MBs?**
2. **With the release of the new MBs, when can we expect an updated summary of those MBs no longer in effect (i.e., MB 11-06 or 14-04)?**

MBs that are superseded by newly released MBs will be specifically identified and rescinded with the release of the MB. In addition, MB 17-14 provides that it supersedes all other MBs, or portions thereof, that are in direct conflict with the Guidance (Attachment A).

3. **Will the 60-day maximum in a fiscal year remain for job search activities?**

No, the *EC* and 5 *CCR* limiting job search to 60 days has been superseded by changes to *EC* Section 8263(h). Once certified, a family remains eligible for no less than 12 months.

4. **If a family chooses to report a change in income to reduce their family fees, what action, if any is expected to be taken regarding the family's possible change in need (decrease in income due to fewer hours worked)?**

Pursuant to *EC* Section 8263(h)(4), a family may voluntarily report income or other changes. This information shall **only** be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification. If a family reports a decrease in income due to fewer hours worked to reduce their family fees, this information cannot be used to reduce the family's services.

5. **It is clear families do not need to report changes in their income unless it exceeds 85 percent of the SMI. However, what actions are required when a family reports a family member entering or leaving the family unit that would impact the family fee/income calculations? (Family member leaving may increase fees, family member joining the family may decrease the fees).**

Pursuant to *EC* Section 8263(h)(4), a family may voluntarily report income or other changes. This information shall be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification. If a family reports an additional family member or fewer hours worked in order to reduce their family fees, this information cannot be used to reduce the family's services or make other changes. Similarly, if a family happens to report a family member has left the family, the information may not be used to increase the family fees. Any such changes to the family's income, size, and need can and should be reported and documented at the family's next recertification.

6. **Once a family is certified and chooses to report a change in need, what is required to verify the need? Can a parent self-report changes without the agency verifying the need if the family is within their 12-Month Eligibility period?**

Pursuant to *EC* Section 8263(h)(4), a family may voluntarily report income or other changes. This information shall be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification. Verification and documentation requirements under 5 *CCR* are still applicable. However, the information provided cannot be used to make any other changes to a family's service agreement.

Example: A family certified for part-time care reports that they need full-time care. Agencies will be required to verify and document the need in accordance with 5 CCR, however, this same information cannot be used to increase a family's fee.

7. **Clarification is needed in the interim before 5 CCR is updated on what actions agencies need to take when a family is certified for a certain amount of hours (based on need) and the family reports they need more or less child care hours.**

Thank you for your input. Clarification is provided in the MB 17-14: 12-Month Eligibility.

8. **If a family enrolls or recertifies and their Need for Services is limited (i.e., school ends in December or their Statement of Incapacity expires in 6 months), families will still need to have a new documented need for child care when that need expires, correct? Even if it is less than 12 months?**

No, changes made as a result of the Budget Act of 2017, including 12-Month Eligibility, supersede many of the existing 5 CCR insofar as the changes in EC Section 8263(h) provide for services for no less than 12 months.

9. **Currently, we update families when their need for services will end before the next recertification due date (i.e., student parents, at-risk/Child Protective Services, parent incapacity, etc.). Will we continue to do this, or will we leave it up to the parent to report a change in need?**

The EC Section 8263(h) indicates that upon establishing initial eligibility or ongoing eligibility for services, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive the services for not less than 12 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 12 months.

Pursuant to EC Section 8263(h)(4), a family may voluntarily report income or other changes. This information shall be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification. Additional information is provided in the Guidance included in MB 17-14.

10. **For our student parents, will grades be collected at the time of their 12-month recertification only? If so, how would we handle their probation period if they do not meet the minimum progress requirements?**

Yes. In accordance with EC Section 8263(h) student parents would only be recertified no sooner than 12 months from previous certification. Additional information regarding verification of making progress towards completion of a vocational goal is addressed in MB 17-14.

11. **If a parent doesn't report they lost their job, and ends up using care for job search activities for more than six months or more than 30 hours per week, is that considered an overpayment?**

No. As previously stated, EC Section 8263(h) indicates that upon establishing initial eligibility or ongoing eligibility for services, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive the services for not less than 12 months before having their eligibility or need recertification, and shall not be required to report changes to income or other changes for at least 12 months, except as follows:

(1) If the basis of eligibility is income, a family must report increases in income that exceed the exit threshold (85 percent of the SMI).

(2) When a family is initially certified or recertified on the basis of seeking employment, they will receive services for not less than 12 months.

(3) A family may at any time voluntarily report income or other changes. This information can only be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification.

Additionally, *EC* Section 8263(i)(1) specifies that because a family that meets eligibility requirements at its most recent eligibility certification or recertification is considered eligible until the next certification, as provided in subdivision (h), a payment made by a child development program for a child during this period **shall not be considered an error or an improper payment** due to a change in the family's circumstances during the same period.

12. [When the attendance forms show that care is different from what has been certified/approved, what is our responsibility? Do we call the parent to ask what has changed and why, or do we leave it up to the parent to report?](#)

Additional information is provided in MB 17-14: 12-Month Eligibility.

Additionally, please refer to *EC* Section 8263(h), which indicates that upon establishing initial eligibility or ongoing eligibility for services, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive the services for not less than 12 months before having their eligibility or need recertification, and shall not be required to report changes to income or other changes for at least 12 months, except as follows:

(1) If the basis of eligibility is income, a family must report increases in income that exceed the exit threshold (85 percent of the SMI).

(2) When a family is initially certified or recertified on the bases of seeking employment will receive services for not less than 12 months.

(3) A family may at any time voluntarily report income or other changes. This information can only be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification.

13. [Has the CDE determined a stakeholder process to develop recommendations regarding the implementation of the 12-Month Eligibility determination and redetermination process?](#)

As part of the process, the CDE will convene a workgroup of parents, advocates, department staff, child development program representatives and other stakeholders to develop recommendations. The CDE is committed to ensuring the workgroup represents the statewide diversity of California's early care and education system.

More information will be released in fall 2017.

14. [When does the 12-month initial certification begin if the family is a transfer from Stage 1?](#)

The EESD does not administer the Stage 1 program. The CDE will collaborate with California Department of Social Services and provide a response through the [CDE CalWORKs Transfer Frequently Asked Questions Web page](#).

15. **For families currently receiving services, do we recertify each family when they come in to verify a variable work schedule or change in need?**

No. There is no need to update or recertify a family's eligibility or need before the 12-month recertification date.

As previously stated *EC* Section 8263(h) indicates that upon establishing initial eligibility or ongoing eligibility for services, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive the services for not less than 12 months before having their eligibility or need recertification, and shall not be required to report changes to income or other changes for at least 12 months, except as follows:

- (1) If the basis of eligibility is income, a family must report increases in income that exceed the exit threshold (85 percent of the SMI).
- (2) When a family is initially certified or recertified on the basis of seeking employment, they will receive services for not less than 12 months.
- (3) A family may at any time voluntarily report income or other changes. This information can only be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification.

Many of the 5 *CCR* that require reviewing and updating need or income every few months are superseded by the Budget Act of 2017, specifically *EC* Section 8263 insofar as they contradict 12-Month Eligibility. Additional information is provided in the Guidance attached to MB 17-14: 12-Month Eligibility.

16. **Self-Employment/Variable schedules/Cash only income are currently reviewed/updated every four months. Will this requirement remain the same?**

Parents who are employed or self-employed may possibly have variable schedules and documentation of that variable schedule, as stipulated in 5 *CCR* Section 18086(b)(2)(D), may be used to determine the days and hours needed for child care services. The 5 *CCR* Section 18086(b)(2)(D) also indicates that until such time as the employment becomes predictable, need for services shall be updated at least every four months and shall be based on the requirements of subdivision (b) and the child care services utilized.

However, *EC* Section 8263(h) indicates that upon establishing initial eligibility or ongoing eligibility for services, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive the services for not less than 12 months before having their eligibility or need recertification, and shall not be required to report changes to income or other changes for at least 12 months, except as follows:

- (1) If the basis of eligibility is income, a family must report increases in income that exceed the exit threshold (85 percent of SMI).

(2) When a family is initially certified or recertified on the basis of seeking employment, they will receive services for not less than 12 months.

In other words, for the example provided here, the updates/review every four months are no longer required.

17. When a participant is certified or recertified with the need of seeking employment, if they start working, do we change the "need" to working and recalculate income? If we recalculate based on the information in the Verification of Employment, do we recalculate again once check stubs are submitted to back up Verification of Employment?

When a parent is requesting an increase to their service level, the contractor must follow the requirements set forth in Section 18084.2 of the Implementation Guidance, included in Management Bulletin (MB) 17-14. Using the example above, if the parent is requesting an increase in service level because they need more than 30 hours a week now that they are employed, the contractor will document the need based on employment in accordance with Section 18086 of the Implementation Guidance. The contractor must not use the documentation to make any other changes to the approved services, therefore there is no need to recalculate income.

Note: Assuming the parent is certified on the basis of income eligibility, now that the parent is working, they should be reminded that they are required to report when their income exceeds 85 percent of State Median Income, adjusted for family size.

18. If a parent initially certified with the need of seeking employment has not found a job at the time of recertification, can they be recertified based on the need of seeking employment for an additional year? Is there a maximum number of years a parent can be recertified based on seeking employment

In accordance with Section 18086.5 of the Implementation Guidance issued in MB 17-14, a family whose need has been certified based on seeking employment is eligible for services for **no less than 12 months**. At this time there is no limitation on the number of times a parent can be recertified based on seeking employment. This may be addressed in the future promulgation of *California Code of Regulations*, Title 5.

19. Section 18086.5(a) of the Implementation Guidance states that if the need for services is based on seeking employment, the period of eligibility is for not less than 12 months. However, MB 17-14 refers to the EC sections 8263(h)(3)(A) and 8263(h)(3)(B), where it is stated the eligibility period is for not less than 6 months. Please clarify this discrepancy.

The California Department of Education (CDE) was granted regulatory authority to implement the legislative changes resulting from Assembly Bill 99. Although the statute provided an eligibility of **not less than 6 months** for families whose need is seeking employment, the CDE further specified in regulatory guidance that the period of eligibility was for **no less than 12 months**. Allowing the family that is seeking employment **no less than 12 months** of eligibility does not conflict with the statutory language, is consistent with other need categories and still meets the statute's requirement that eligibility be **not less than six months**.

20. For college student families who are receiving subsidized care, how do I document their vacation times during the holidays when there are no classes and the child does not attend? Do I count that time as absences? If so, are they

unexcused or excused? Best interest? What we've done in the past is suspend their services due to quarter break (no need for care). Is the child expected to attend and keep their same schedules? What's your guidance on handling this time off for the families?

The intent of the 12-month provision is to provide continuity of care for children and families. If the program days of operation include non-academic days, contractors must clearly communicate to parents that the certification for services is valid for **not less than 12 months** and their child may continue to attend during breaks in the parent's academic year.

If the parent chooses not to use services, they are still required to abide by the contractor's attendance policies. Contractors may have a policy allowing parents to request a suspension of services during non-academic days, however this policy may not preclude the parents from accessing available services.

21. **If the parent is certified or recertified based on vocational training, do we request grades at the end of the term? Is the probation for any Grade Point Average (GPA) under 2.0 still applicable?**

In accordance with Section 18087(g) of the Implementation Guidance, it is only at recertification that the parent must provide documentation of adequate progress from the most recently completed quarter, semester, or training period. When the grade reports indicate less than a 2.0 GPA or does not meet the requirements for non-graded programs, the parent must be placed on probation meaning that they may be recertified to receive services but must make adequate progress by the end of this 12-month eligibility period in order to be recertified based on vocational training again.

22. **Is vocational training still limited to six years?**

Yes. Section 18087(b)(1) of the Implementation Guidance states that if the basis of need is training towards a vocational goal childcare and development services are limited to whichever comes first: 6 years from the initiation of services or twenty four semester units or the equivalent after the attainment of a Bachelor's Degree.

23. **Section 18087(g)(3)(A) of the Implementation Guidance states that a parent who has not made adequate progress shall be disenrolled. Can the parent be recertified with another applicable need?**

Yes. In an effort to maintain continuity of services for families, contractors must determine if other need requirements can be met. At the time of recertification if it is determined that the parent has not made adequate progress, pursuant to Section 18087(g)(1) of the Implementation Guidance, the parent may be recertified with another applicable need.

If the parent is disenrolled as they do not meet a different need requirement, in accordance with Section 18087(g)(3)(B) of the Implementation Guidance, the parent may be re-eligible for services based on vocational training after 6 months from the date of the disenrollment.

24. **How does an agency determine the certification date?**

In accordance with 5 CCR Section 18082, a contractor will certify eligibility for services after reviewing the application and supporting documentation. The date of the initial certification and recertification will be the date that the authorized representative signs

the application for services in accordance with sections 18078(j) and 18078(q) of the Implementation Guidance.

Note: California Work Opportunity and Responsibility to Kids (CalWORKs) transfers are not considered initial certification or recertification. Further clarification will be forthcoming.

25. **If the parent is initially certified on August 18, 2017, when can a contractor contact a parent to come in for recertification?**

At this time, the Implementation Guidance does not address the timing for recertifying families. The CDE intends to clarify the recertification process in the future promulgation of, 5 CCR. In the interim, contractors can reach out to families prior to the recertification date to schedule the recertification appointment following the expiration of the 12 months and collect documentation and recertify as soon as possible following the expiration of the 12 months. Contractors must certify within 30 days after the application has been signed by the parent in accordance with 5 CCR Section 18118.

Contractors should have written policies regarding the recertification process and the requirement to provide required documentation. Pursuant to 5 CCR Section 18119(b)(4), the contractor must issue a Notice of Action to disenroll the family when the parent does not provide eligibility or need information after a written request by the contractor.

26. **Parent is recertified in June for eight hours per day (40 hours per week) of child care based on their work schedule and commute time. In August, the parent calls and reports the child will be starting school at the end of the month. Do we adjust for school hours or do we leave the service level 'as-is' because of the 12-month eligibility?**

Pursuant to EC Section 8263(h) once a family has established initial eligibility for child care services they shall be considered to meet all eligibility and need requirements for those services for not less than 12 months. At initial certification and recertification, as is currently the practice, it is appropriate to certify the hours anticipated for the coming year for both school days and vacation days. The EESD9600 allows for scheduling different hours during these different times. This would prevent any need to "change/update" the service level which contractors are prohibited from doing unless the parent contacts the contractor as they have a need for increase or decrease in service hours.

If at the initial certification, the services that were approved did not include both a schedule for school days and vacation days, contractors are reminded that pursuant to EC Section 8263(h)(4) a family may at any time report changes. If those changes are reported by the family in order to reduce their service hours, contractors should follow the guidance in Section 18084.2 of the Implementation Guidance to support the family's request.

27. **Regarding Section 18078 (j) of the Implementation Guidance, "The signature of the authorized representative on an application for services certifies that the legal requirements have been met and documented". Does this mean that the 12-Month eligibility period begins from the date the agency signs the application (as opposed to the date the family signs)?**

That is correct. Sections 18078(j) and 18078(q) of the Implementation Guidance state that the signature of the authorized representative on an application for services certifies

that the legal requirements have been met and documented. This is the beginning date of the eligibility period, which will be for no less than 12 months.

28. **If a parent volunteers information to decrease services, is a statement confirming they want to decrease services sufficient or does the agency need to re-certify all paperwork, supporting documents etc. again?**

A full certification is not necessary, however, Section 18084.2(b) of the Implementation Guidance clearly outlines the responsibilities of both the contractor and the parent in the event that the parent wants to reduce their service hours. As set forth in that section, the parent must submit a written request that includes days and hours requested, the effective date of the proposed change, and an acknowledgment that they understand they may retain their current service level.

29. **How can we make sure recertification are done on time if we don't start them early?**

At this time, the Implementation Guidance does not address the timing for recertifying families. The CDE intends to clarify the recertification process in the future promulgation of 5 CCR. In the interim, contractors can reach out to families prior to the recertification date for the sole purpose of scheduling a recertification appointment following the expiration of the 12 months. At the time of the appointment, which should be as soon as possible following the expiration of the 12 months, the contractor can collect documentation and recertify the family. Contractors must certify the completeness of the application and all supporting documentation within 30 days of the application being signed by the parent in accordance with 5 CCR Section 18118.

Contractors should have written policies regarding the recertification process and the requirement to provide required documentation. Pursuant to 5 CCR Section 18119(b)(4), the contractor shall issue a Notice of Action to disenroll the family when the parent does not provide eligibility or need information after a written request by the contractor.

As a reminder, *EC* Section 8263(i)(1) specifies that because a family that meets eligibility requirements at its most recent eligibility certification or recertification is considered eligible until the next certification, as provided in subdivision (h), a payment made by a child development program for a child during this period shall not be considered an error or an improper payment due to a change in the family's circumstances during the same period.

30. **With 12-month eligibility, does a 13 year old continue to have services past the thirteenth birthday or do we continue to disenroll on the child's thirteenth birthday?**

Pursuant to *EC* Section 8263(h) once a family has established initial eligibility for child care services they shall be considered to meet all eligibility and need requirements for those services for not less than 12 months. This includes a child who was determined eligible before turning 13 years at the time of initial certification or recertification. Therefore, disenrolling the child who turns 13 is not necessary until the next recertification period at the end of the 12-month eligibility period.

31. **If a child in the family turns age 18 during the 12-month eligibility certification period, are we correct to maintain that child as part of the family size until recertification?**

In accordance with *EC* Section 8263(h) once a family has established initial eligibility for child care services, they shall be considered to meet all eligibility and need requirements for those services for not less than 12 months.

A contractor can only make changes to a family file when a parent voluntarily reports changes to request an increase to their service level, decrease their family fee, or extend their period of eligibility. Therefore, if a child turns 18 during the 12-month eligibility period, there would be no impact to family size and no change would occur until the time of recertification.

32. [Limited Term Service Leave has been repealed; however, if a family has a gap in service do they get disenrolled?](#)

The intent of the 12-month eligibility provision is to provide continuity of care for children and families. Contractors may have a policy allowing parents to request a temporary suspension of services, but the policy can not preclude the child from attending while the parent is using the temporary suspension of services. Contractors need to remind parents of the importance and benefits of a child consistently attending their program even in the event that a parent needs a temporary suspension of those services.

If a contractor grants a family a temporary suspension of services, attendance will not be reported during the child's absence. Upon return after the temporary suspension, the family will receive services based on the certified hours they were receiving before they left.

If there is a gap in service that is not due to an excused absence or an approved temporary suspension of services, the parent is still required to abide by the contractor's absence policies.

33. [Limited Term Service Leave has been repealed, so what happens when a family requests an extended absence from services due to child illness or an extended family vacation or any other reason?](#)

As currently defined in *EC* Section 8208(e), excused absences include the illness of a child, illness or quarantine of their parent, a family emergency, time used to spend with a parent or relative as required by law or an absence that is in the best interest of the child. There is no need for any formal leave for absences that are excused, even if the absences are for an extended period. As far as gaps in service due to unexcused absences, for example, an extended family vacation, the parent is still required to abide by the contractor's absence policies.

In addition, contractors may have a policy allowing parents to request a temporary suspension of services during which time attendance would not be reported. Upon return after the temporary suspension family will receive services based on the certified hours they were receiving before they left.

34. [I currently have a child who is out, as mother just had surgery and is unable to transport her child per doctor's orders. Would this be an excused absence? The parent will be unable to drive for approximately six weeks. We had placed the child on limited term service leave prior to Management Bulletin 17-14. We are not sure how to proceed with this to ensure accurate attendance reporting.](#)

As currently defined in *EC* Section 8208(e), excused absences include the illness or quarantine of a parent. If the child is not attending while their parent is ill, you would report this absence as an excused absence, consistent with current policies.

As set forth above, contractors may opt to have a policy allowing parents to request a temporary suspension of services for situations like the one noted above. During the duration of an approved temporary suspension of services attendance would not be reported. Upon return after the temporary suspension the family will receive services based on the certified hours they were receiving before they left.

35. **I saw that the requirement for a physician to determine the "probable duration of the incapacitation" has been stricken. Does that mean if you enroll as incapacitated, regardless of end date, you are eligible for no less than 12 months?**

Yes. In accordance with *EC* Section 8263(h) once a family has established initial eligibility for child care services, they shall be considered to meet all eligibility and need requirements for those services for not less than 12 months.

The EESD is currently updating all forms to be in alignment with the changes due to the provisions of 12-month eligibility.

36. **Do we continue to disenroll families who fail to pay their family fees, repayment plan, or fail to request a re-payment plan?**

Yes, this policy has not changed. Contractors shall continue to abide by the policies they have established in accordance with 5 *CCR* sections 18114 and 18115.

37. **It is unclear if a family fee is adjusted up when a family voluntarily reports a change in employment and income?**

Pursuant to *EC* Section 8263(h) families may voluntarily request an increase to their service level or a decrease to their family fees. Contractors must not increase family fees during the 12 month period. See Section 18084.2 in the Implementation Guidance for more information regarding the responsibilities of the contractors and the family when the family voluntarily reports changes to their circumstances.

38. **Please provide guidance on what our agency should do when a family stops using care, but has not voluntarily reported any changes to their need.**

A child may still be disenrolled when the family fails to follow the contractor's reasonable policies related to excessive unexcused absences. The intent of the new law is to provide a family with continuity of care for a full 12 months, but the law does not serve as a bar to termination for violation of a contractor's reasonable policies concerning excessive unexcused absences. Contractors should make every reasonable effort to contact the family prior to termination of services and in conjunction with policies that clearly define how many unexcused absences constitute an "excessive" amount to warrant termination. It is best practice for contractors to document all attempts to contact a parent when a family exceeds a contractor's policies with respect to unexcused absences. This information could be helpful in the justification for the issuance of Notice of Action in the event that the family is disenrolled due to excessive unexcused absences.

Until the family has been disenrolled, the contractor would continue to report absences consistent with current policies. Remember that excused absences include the illness of the child, the illness or quarantine of the parent of the child, time spent with a parent or other family member as required by the court of law, family emergencies and 10 absences in the best interest of the child.

39. **Prior to the 12-Month Eligibility update, and per our agency policy, we required parents with variable work schedules to submit weekly work logs to us. We then used the logs to most accurately code attendance at the end of the month. With the new changes, can we still ask for these logs?**

Pursuant to *EC* Section 8263(h), once a family has established initial eligibility for child care services, they shall not be required to report any changes to income or other changes for at least 12 months.

No, the contractor does not need to collect logs. Attendance recording should be based on the approved hours of services as determined at the time of initial certification or recertification. Pursuant to 5 *CCR* 18086(b)(2)(D) if the variability of the parent's employment is unpredictable and precludes the contractor from verifying specific days and hours of employment the contractor must specify on the application for services that the parent is approved for a variable schedule for the actual hours worked with up to a maximum numbers of hours of need based on the week with the greatest numbers of hours within the preceding four weeks.

40. **When a school aged child who has been receiving full-time child care returns to school after a vacation, which reduces the care to part-time, do we pay the full-time care until the next recertification date?**

At the time of initial certification it is appropriate to certify the hours for both school days and vacation days at that time. The EESD9600 allows for scheduling different hours during these different times. This would prevent any need to "change/update" the service level which contractors are prohibited from doing. If the service levels have not been clearly defined for the school days and vacation days, no change in the approved service hours or the resulting fee that was assessed at the time of initial certification can occur. Contractors are reminded that pursuant to *EC* Section 8263(h)(4) a family may at any time report changes. If those changes are reported by the family in order to reduce their service hours or decrease their fees, contractors should follow the guidance in Section 18084.2 of the Implementation Guidance to support the family's request.

41. **When a family "abandons care" – meaning they stop attending child care entirely and the agency is unable to contact them, what would the agency do?**

A child may still be disenrolled when the family fails to follow the contractor's reasonable policies related to excessive unexcused absences. The intent of the new law is to provide a family with continuity of care for a full 12 months, but the law does not serve as a bar to termination for violation of a contractor's reasonable policies concerning excessive unexcused absences. Contractors should make every reasonable effort to contact the family prior to termination of services and in conjunction with policies that clearly define how many unexcused absences constitute an "excessive" amount to warrant termination. It is best practice for contractors to document all attempts to contact a parent when a family exceeds a contractor's policies with respect to unexcused absences. This information could be helpful in the justification for the issuance of Notice of Action in the event that the family is disenrolled due to excessive unexcused absences.

Until the family has been disenrolled, the contractor would continue to report absences consistent with current policies. Remember that excused absences include the illness of the child, the illness or quarantine of the parent of the child, time spent with a parent or other family member as required by the court of law, family emergencies and 10 absences in the best interest of the child.

42. **Please clarify how family fees should be assessed for school age children.**

The implementation of 12 month eligibility did not change the methods for assessing family fees. Since it is known in advance that school-age children will be in and out of school during a 12 month period and the hours of need for services can change between full-time and part-time through the year, contractors may assign family fees to reflect full-time or part-time fees for each specific month of the 12 month certification period. At the time of certification and recertification, contractors shall clearly state on the Notice of Action the specific months that the part-time fees are assessed and the specific months the full-time fees are assessed.

43. **May agencies continue to have policies that may ultimately end a family's child care services such as in situations of the abandonment of child care services, threatening behavior, or child age out of program?**

Yes. Agencies may continue to adopt written policies that address the conditions for participation in a program pursuant to *California Code of Regulations*, Title 5 (5 CCR) Section 18221 and violation of a policy, under certain limited conditions, might end a family's child care services with that program prior to the full 12 months. Any such policies must be reasonable in nature and effect and must not violate federal or state law or be contrary to public policy. Please note that a policy that would terminate a child for "aging out" of a program mid-year would violate a family's right to 12 month eligibility. A policy that would terminate a child's right to participate in the California State Preschool Program (CSPP) based on the behavior of the child might violate the California *Education Code (EC)* Section 8239.1 depending upon the nature of the policy.

This would not apply to families who are receiving cash aid, as they are categorically eligible for services. In the event that a Stage 2 family would otherwise be disenrolled due to a family's violation of the provider's policy, the contractor shall follow the direction in 5 CCR Section 18408(c) instead of disenrolling the family.

44. **If an agency conducts quality assurance reviews of family files and determines an error has been made in family fee determinations can the agency take actions to correct the error, even if it may increase the family's monthly fee?**

Pursuant to the *EC* Section 8273, family fees shall only be determined at initial certification, recertification, when a family voluntarily reports income changes to reduce their family fees, or when the family reports an increase in income that exceeds 85 percent of State Median Income. Therefore, the answer is no if the correction would increase the family's monthly fee. Contractors are not authorized to recalculate fees, including while doing quality assurance reviews, except as stipulated above.

If the contractor realizes the family fees were erroneously assessed too high in the past, the contractor shall credit the family for the difference in the fees.

45. **Depending on when a child is enrolled into a program, the family may not actually be able to receive 12 months of services. This may occur for example, when a child who at initial certification is enrolled in a part day CSPP and then they enroll**

[in kindergarten in the fall before the end of the 12 month period. If agencies specify in their board approved policies these program limitations and families are clearly notified at certification or recertification can services be certified for less than 12 months?](#)

Families have the right to the **services** into which they have enrolled for no less than 12 months. However, in limited circumstances, such as the CSPP, those particular services may be available for a period of less than 12 months because of the time limited nature of the service. However, families receiving services in this case would have the right to receive continuity of care should they wish to transfer enrollment into another program for which the child is eligible.

46. [How do Stage 2 contractors determine the recertification date for families who transfer from Stage 1?](#)

For families transferring from Stage 1 or another Stage 2 contractor, the 12 month eligibility period begins from the date the transfer occurs, and the client is accepted by the Stage 2 contractor. The recertification date is no less than 12 months from that date.

47. [Please clarify how to properly calculate income in the following situation. A parent comes in to enroll and has started a new job. The parent does not yet have any paystubs. Should the contractor: \(a\) use the previous month's income to determine income eligibility, \(b\) estimate income based on verified hours and rate of pay from the employer, or \(c\) not enroll the family because they do not have documentation of current and ongoing income?](#)

This question is not relevant to changes due to the implementation of 12 month eligibility. This is a question regarding how to calculate income. Please contact your Field Services Office Consultant for further technical assistance. You can find your consultant's contact information at the California Department of Education's [Consultant Regional Assignments Web page](#).

48. [If a parent voluntarily reported another adult in the household to increase their services, should the contractor add the adult \(need for care and income\), or wait until the next recertification to do so?](#)

The specifics of the situation are not stated clearly enough to answer the question without potentially adding more confusion. Future regulations changes may address the issue more clearly. **In general**, pursuant to the EC Section 8263, information that the parent voluntarily reports can only be used to reduce the family's fees, increase the family's services, or extend the period of eligibility before recertification.

Family Fee

1. [Agencies and providers are struggling with understanding what to do with family fees. Now that the income guidelines are higher, family fees will be affected. However, without a family fee schedule, the entity responsible for collecting family fees is probably collecting an outdated amount. What is the guidance from CDE on this?](#)

Please refer to the [MB 17-11: Revised Family Fee Schedule Web page](#), released August 11, 2017.

2. **Family Fees could be reduced if family income drops for any reason. Is a full recertification necessary, can an addendum be used, or should the Family Fee be left as-is until recertification? Lowering fees could benefit the parent/family.**

No. A recertification is not necessary.

The *EC* Section 8263(h) indicates that upon establishing initial eligibility or ongoing eligibility for services, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive the services for not less than 12 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 12 months.

Pursuant to *EC* Section 8263(h)(4), a family may voluntarily report income or other changes. This information shall be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification. Verification and documentation requirements under 5 *CCR* are still applicable. However, the information provided cannot be used to make any other changes to a family's service agreement.

3. **If a parent calls to report a change in income that puts them in family fee range, or changes their current family fee, do we update the case and apply the new family fee?**

Families are only required to report changes if their income exceeds 85 percent of the SMI.

The *EC* Section 8263(h) indicates that upon establishing initial eligibility or ongoing eligibility for services, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive the services for not less than 12 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 12 months.

Pursuant to *EC* Section 8263(h)(4), a family may voluntarily report income or other changes. This information shall be used to reduce family fees, increase the family's services, or extend the period of the family's eligibility before recertification. Verification and documentation requirements under 5 *CCR* are still applicable. However, the information provided cannot be used to make any other changes to a family's service agreement.

Digital Forms

1. **The Budget Act of 2017 enacted language to allow alternative payment programs and centers to use digital forms to allow families to apply for services. This language coupled with the authorization to use digital signatures and storage of records electronically essentially allows contractors to operate electronically. How are the CDE FSO and Governance and Administration Unit, and the CDE Audit and Investigations Division going to approve this move?**

The *EC* authorizes contractors to use digital enrollment forms, there is no provision requiring CDE approval. A MB providing additional guidance is forthcoming.

Questions: [Early Education and Support Division](#) | ECEBudgetActFAQ@cde.ca.gov | 916-322-6233

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