



CDSS

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ARNOLD SCHWARZENEGGER
GOVERNOR

January 23, 2009

ALL COUNTY LETTER NO. 09-03

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY CHILD CARE COORDINATORS
ALL WELFARE-TO-WORK COORDINATORS

SUBJECT: CHANGES IN LAW AFFECTING THE REGIONAL MARKET RATE SURVEY, STATE MEDIAN INCOME AND FAMILY FEE SCHEDULE

REFERENCE: ASSEMBLY BILL 1279, CHAPTER 759, STATUTES OF 2008; BUDGET ACT OF 2008, ASSEMBLY BILL 88, CHAPTER 269; EDUCATION CODE SECTIONS 8222, 8357 AND 8447; CALIFORNIA DEPARTMENT OF EDUCATION MANAGEMENT BULLETIN 07-13

<u>REASON FOR THIS TRANSMITTAL</u>
<input checked="" type="checkbox"/> State Law Change
<input type="checkbox"/> Federal Law or Regulation Change
<input type="checkbox"/> Court Order
<input type="checkbox"/> Clarification Requested by One or More Counties
<input type="checkbox"/> Initiated by CDSS

The purpose of this letter is to inform county welfare departments (CWDs) of the provisions in the fiscal year (FY) 2008-09 Budget Trailer Bill, Assembly Bill (AB) 1279 which amends Sections 8222, 8357, and 8447 of the Education Code. These amendments affect the Regional Market Rate (RMR) and the family fee schedule. This letter also includes information in the Budget Act relating to the state median income (SMI).

The department was prepared to release this All County Letter (ACL) in October 2008, however, there were concerns expressed by stakeholders that the new budget bill language on family fees had an unintended consequence of reducing program income. This policy letter was delayed in its release to allow the state to determine if the language would be amended. The release of the Governor's Budget on January 9, 2009, did not reflect any changes; therefore, this ACL is now being distributed. We apologize for this delayed notification.

RMR SURVEY

Federal regulations require that a biennial market rate survey be conducted to establish maximum child care reimbursement ceilings. AB 1279 amends language in Sections

8222 and 8447 of the Education Code to change the requirement that the RMR survey be conducted once every two years rather than annually. This change aligns state statute with federal regulations.

AB 1279 adds language to Section 8357 of the Education Code which establishes the RMR payment ceilings at the 85th percentile. Previously, this language was included in the Budget Act; adding this language to the Education Code will preclude the need for future Budget Act language.

The RMR payment ceilings that become effective on March 1, 2009, for each county can be found on the CDE website at:

<http://www.cde.ca.gov/fq/aa/cd/ap/index.aspx>

The California Department of Education (CDE) contracted with an outside entity to conduct the most recent RMR survey in 2007. AB 1279 requires that the 2007 survey results be implemented on March 1, 2009, and remain in effect through FY 2009-10.

SMI AND FAMILY FEE SCHEDULE

Current statute requires that the Department of Finance annually update the SMI which is used to establish the income ceilings for families who receive subsidized child care. If all other eligibility requirements are met, families may receive subsidized child care until their income reaches 75 percent of the SMI. For the California Work Opportunity and Responsibility to Kids (CalWORKs) Stage One and Stage Two Child Care programs, the SMI applies only to former CalWORKs cash aid recipients including safety net families. It is important to note that current CalWORKs recipients are categorically eligible for Stage One and Stage Two child care which means the income ceilings do not apply to these families.

The 2008 Budget Act, AB 88, freezes the SMI at the FY 2007-08 level for FY 2008-09. The family fee schedule, used during FY 2005-06 and was based on the 2005 SMI, shall remain in effect until CDE releases the new family fee schedule.

AB 1279 adds language to Section 8447 of the Education Code that states the family fee requirement no longer applies to families receiving CalWORKs cash aid. CWDs will continue to assess family fees for former CalWORKs cash aid recipients. However, in those cases where the children continue to receive a CalWORKs grant such as safety net and sanctioned families, a family fee will not be assessed. This change is effective immediately and CWDs will need to implement this statute as soon as administratively possible. The California Department of Social Services will be revising regulations to be consistent with the new statute.

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CWDs are encouraged to check the CDE website regularly for updated income ceilings and family fee schedules in order to accurately determine income eligibility and family fees for former recipients who receive CalWORKs Stage One child care in accordance with Manual of Policy and Procedures Section 47-230.2.

The CDE Management Bulletin 7-13 contains the income ceiling table and the current family fee schedule which can be found on the CDE websites at:

<http://www.cde.ca.gov/sp/cd/ci/mb0713.asp>

<http://www.cde.ca.gov/sp/cd/ci/documents/feeschedule06.xls>

If you have any question regarding this letter, please contact the Child Care Programs Bureau at (916) 657-2144.

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

c: CWDA