

Workgroup Budget Ideas

Proposal: Parental Fee Program

Update the Parental Fee Program fee that applies to parents of children under the age of 18 who live in any out-of-home care arrangement, whether community or Developmental Center. The current fee was last fully adjusted in 1989.

Background Information on Program Area:

The Parental Fee Program applies to parents of children under the age of 18 who live in any out-of-home care arrangement, whether in the community or a Developmental Center. Parents are assessed a fee based on a sliding scale that varies by family size and income. The fee is the same regardless of where the child is placed out of home. The Department determines the parents' ability to pay, assesses the fee, and bills the parents monthly until the child turns 18. Revenues produced by this program are deposited in the Program Development Fund and used for developing expanded community resources.

In order for this proposal to be considered, the increase in parental fees would need to be deposited into the General Fund, rather than the Program Development Fund.

The Parental Fee Schedule would be adjusted in two ways:

1. The first change would be to raise the minimum income level upon which to base the fee to the current federal poverty level (FPL). The current FPL is \$18,310 for a family of three. The current parental fee schedule has the lowest fee based on an income level of \$12,501. This change to the minimum income level will reduce the families subject to a fee by about 10 percent.
2. The second change would be to adjust the fee schedule to reflect the 2007 data available from the U.S. Department of Agriculture's survey on the cost of raising a child in California, adjusted for the CPI from the survey date to present. This would raise the maximum amount billable for families at all levels of income above FPL and raise the maximum fee from \$662 per month to approximately \$1,875 for the highest income families with the oldest children. For parents currently paying a fee, the increase will be phased in over three years. For parents of children who begin living in a out-of-home care arrangement after June 30, 2009, the full fee amount will be assessed. The maximum fee may not exceed (1) the cost of caring for a normal child at home, or (2) the cost of services provided, whichever is less. The current Parental Fee was last adjusted in 1989, except for an increase in the maximum fee amount in 2003 to \$662.

Currently, any change to the parental fee schedule requires the approval of the State Council on Developmental Disabilities. Language will be drafted to make this change without Council approval.

Please check applicable box(es):

- Trailer bill language
- Regulation change
- Waiver amendment/New waiver

Pros:

- Ensures families with resources are reimbursing the state actual costs for which they would otherwise be responsible if their children were living with them at home.
- Creates a disincentive for some families who otherwise may place their children out-of-home in costly publicly-funded living arrangements, but for the liability of the parental fee.

Cons:

- Imposes a significant increase in fee amount on parents.

Fiscal:

2009/10 Savings \$0.9 million TF (\$0.9 million GF)

Annual Savings \$2.2 million TF (\$2.2 million GF)

Would result in additional GF revenues of approximately \$0.9 million GF/TF for first year implementation; \$1.7 million GF/TF in the second year; and \$2.2 million in GF/TF after full implementation.