



## Applying for Reduced Fees

### Goals of the Reduced Fee Program

BlueSkies for Children is committed to diversity, knowing that children learn best that “we are all the same and we are all different” through everyday contact with all kinds of people. At the same time BlueSkies is committed to ensure institutional stability through a balanced budget, which requires charging fees that cover the actual costs of the high quality care provided. To promote economic diversity, BlueSkies devotes nearly all of its fundraising efforts to support need-based fee reductions, with the goal of enrolling families representing the full array of economic experiences. The policies and systems of the Reduced Fee Program have been developed to ensure access to the programs of BlueSkies across an economic spectrum of families, providing clarity and equity for those who apply for and/or are offered reduced fees at BlueSkies.

### Timing

Applications and all supporting documentation must be submitted in June in order to request a fee reduction for the following contract year of September 1 –August 31. Applicants can expect replies to their requests by July 31.

### Reduced Fees Approach & Analysis

Reduced fees are based on the principle of “demonstrated financial need,” similar to the system used by most colleges. This means that BlueSkies uses a standardized analysis of income and assets as an equitable approach to determine the amount of the fees a family is able to pay. When able, BlueSkies reduces fees to bridge the difference between the determined amount a family can contribute and the full fees.

Determination of financial need is generally based on the most recent tax return year, but in certain circumstances (such as a recent employment change) the current year’s predicted income will also be considered. We understand that the full complexity of a family’s financial situation is not always fully communicated through our application form and tax documentation, and welcome additional information from families.

### Application process

To apply:

1. Submit a completed and signed BlueSkies “Application for Reduced Fees” form and turn it in to BlueSkies (on paper or by email to [scholarship@blueskies4children.org](mailto:scholarship@blueskies4children.org) ) between June 1 and June 30.
2. Email a PDF (no paper copies accepted) of the following forms to [scholarship@blueskies4children.org](mailto:scholarship@blueskies4children.org) no later than **June 30**:
  - complete Federal Income Tax Return (IRS Form 1040 plus any accompanying schedules) for the past year AND
  - complete California State return (540) for the past year, AND
  - W-2 statements verifying all wages on the 1040, or 1099s for self-employed
  - If included, verification of any non-taxable income

In the case of Separated, Divorced, or Unmarried parents, each parent who shares responsibility for the child is required to supply all of the above information for the

application, regardless of marital status. If such information is not provided for both parents, the application will be considered incomplete.

Applications which are incomplete or missing any required forms after June 30 will be considered late.

### **Late applications**

Priority consideration is given to applications that are complete, including all supporting documentation, by midnight on June 30. Incomplete or late applications will only be considered in the order they are received if there are funds remaining after the on-time applications are considered.

### **Renewal**

A new application is required each year to determine each family's continued qualification for reduced fees. When BlueSkies offers reduced fees, we generally expect to continue assisting with about the same level of support throughout the child's enrollment as long as (1) funds remain available and (2) the family's documented need continues to be the same. Increased income or decreased expenses (such as one child turning 3, or a sibling who has been at BlueSkies going to kindergarten) may result in a higher expectation for the family's share of fees. If all other factors remain the same, the family's portion of fees generally remains the same from year to year.

### **Qualification and Amount of Reductions**

While every family has its own ideas of what constitutes "financial need," we collect income and expense information from all applicants and use a standardized system of analysis to compare families' financial situations. The average income of those who qualified for reduced fees in the 2018 year was \$120,000 – but note that some families with that income would not qualify, because other factors like family size, tax obligations, and assets are also part of the equation. After allowances are made for essential expenses, a high percentage of the "discretionary" funds remaining are expected to be made available for the costs of BlueSkies before any fee reduction will be offered.

The amount of any fee reduction is on a "sliding scale," based on the family's assessed capacity to pay. In the 2018 year reductions ranged from \$50 per month to \$1980 per month, with an average of \$640.

If a family learns, at any point after submitting their Reduced Fees application, of an error or change to the financial information submitted, they are obligated to notify BlueSkies of this change or error immediately. BlueSkies reserves the right to reduce or eliminate a fee reduction if the application was not accurate.

### **Priority**

The first priority for funds is given to families who have been paying reduced fees and continue to qualify for them. Funds remaining after those needs are met will be available for new applicants. In general, a family who enrolls at BlueSkies with reduced fees can expect to continue paying at about the same level (see above comments about Renewal) while those who enroll without assistance will be expected to continue paying fees on their

own unless there is an unexpected drop in income, a new sibling enrolls, or there is another dramatic change in circumstances.

### **Relationship between Admission and Reduced Fees**

Because admission to BlueSkies continues all year round, it is very difficult for a family to be admitted with a guarantee of reduced fees. Generally, available funds are fully committed to those who apply and qualify during the month of June, and most admissions take place at other times of the year. However, the long lead time involved in most infant admissions sometimes allows for a work-around. In some situations a “preliminary evaluation” can be completed at the time admission is offered to let the family know whether they would qualify at a future date. For example, if parents are told in May that their new baby could enroll in November, a preliminary evaluation of need will let the family know if they might qualify for aid in June. Even so, funds cannot be guaranteed because the final decision depends on what funds are available and how many people apply for them in June. In this scenario, the enrollment deposit will be refundable if BlueSkies is unable to offer reduced fees to the qualified family.

### **Expectations for Families**

BlueSkies believes that the Reduced Fee Program benefits each and every child and family in the BlueSkies community. We want families paying reduced fees to fully join into this community without barriers, knowing that each family brings its own valuable qualities to the group. Beyond the expectation that families receiving reduced fees must submit timely and complete re-applications for reduced fees each year, families with reduced fees are not held to any additional set of expectations..