

# How Do I Develop a Tuition Assistance Policy?



**DECAL**  
**Thriving Child Care**  
**Business Academy**

**Deciding, documenting, and enacting assistance for families in need while remaining profitable and protected**

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Paying for child care can be difficult for many families, now more than ever. Yet having access to quality child care is critical for families who need to work. That's why many child care businesses are offering tuition assistance to families in need, lower tuition rates, or helping families with their child care co-pays. Doing so can be a boon to your business, but as a child care provider, you need to ensure that your business can remain profitable even when offering help to those families who need it. It is helpful to have a clearly worded tuition assistance policy that explains what assistance is offered, which families are and are not eligible for financial assistance, how it might be terminated, and how they go about applying for it. Creating a policy that helps the families you serve while also helping you stay in business may sound daunting, but we can help. This resource will walk you through the process of selecting what kind of tuition assistance you may choose to offer, how to document it, and how to enact it.

## **Why Offer Assistance?**

Even though offering tuition assistance is not required, doing so can be good for your business. Knowing that you are willing to offer financial help can attract more families to your program. It can also help the children in your care, as studies have shown that having economically diverse children in a group setting can help the development of all the children.

## **Types of Tuition Assistance**

When it comes to offering financial assistance to families, there are three common types: sliding scale fees, scholarships, and discounts based on certain criteria.

**Sliding scale fees** adjust tuition based on economic need, usually as defined by the family's gross income. Gross income is all the money that a family takes in before any expenses or taxes. You can, and should, ask for pay stubs to verify gross income. You can set your sliding scale to determine a family's tuition based on where their income falls concerning the [State Median Income \(SMI\)](#) or the [Federal Poverty Level](#) for a family of the same size. You can opt to set one tuition level for families below a certain threshold, say 85% of SMI, or you can have various rates for different levels of income and other factors, such as having multiple children in the program.

**Scholarships** are another way of offering financial assistance and can be determined based on a variety of criteria. You could use financial need as a determining factor, which can be useful for families experiencing either a temporary need or an ongoing financial hardship. Scholarships can be useful in situations where financial need is difficult to determine, such as a family that is dealing with medical bills or a temporary job loss, or when a situation needs more flexibility than a strict sliding scale can offer.

**Discounts** present a third option to offer tuition assistance based on the criteria you choose. You could offer discounts to siblings in your program, as paying for child care for multiple children can be exceptionally expensive for some families. You also could offer discounts to children of military families or teachers, or you could opt to offer discounts based on financial need. For example, if a family in your program falls below 85% of SMI, you could offer 25% off their copay in tuition discounts.

### Put It in Writing

Choosing what type of financial assistance to offer is only the first step. Now you need to make it official! That means putting the policy in writing, communicating it to all the families in your program, and making it accessible for current and future families to read and review. We strongly suggest putting the policy on your website, in your parent handbook, and posting it in your facility in a place where all families can see it. Not only does this help families in need, but it also publicly displays your commitment to helping the families in your community.

Wherever you are sharing information about your tuition assistance policy, you should include as many details as possible. Not only does this help families understand what you are offering, but it also helps eliminate any confusion and potential misunderstandings with families. You should detail:

- Exactly what kind of tuition assistance you are offering;
- Who is eligible for the program;
- How much funding is available, and if that funding is contingent on you receiving any other funding ;
- How a family can apply and any deadlines; and
- If there is an appeal process once decisions are made.

If the policy is new, you should announce it to all families in a message similar to this:

#### *NEW Tuition Assistance Program*

*We know these are tough times financially for many families. As such, [Business Name] has decided to offer a Tuition Assistance Program beginning on [date] to help families in need offset the costs of child care services. This new program is made possible by the [insert program name here, perhaps it's a grant program or perhaps it's something you've chosen to do] and will offer [What type of discount] to assist families within our community.*

Make sure to provide a complete description of your program. If you are offering a sliding scale fee based on gross income, you could say:

*Tuition rates will be based on gross family income as compared to the State Median Income (SMI). Please see the chart below for tuition discounts.*

Income Level	Tuition Rate
85% of SMI	[Rates]
76% - 84% of SMI	[Rates]
55% - 75% of SMI	[Rates]
54% of SMI or below	[Rates]

If you decide to offer any full or partial scholarships as part of the program, include that information, making sure to detail the criteria for awarding scholarships, if scholarships automatically renew or need to be applied for each year, and how families can apply.

Will your program offer a percentage discount? Again, include details! Tell families how the discount is awarded and how much it is.

In all cases, you need to make sure that any deadlines and eligibility requirements are clearly explained, and families know how and when they will be notified of your decisions.

**Pro Tip:** Many child care providers already implement tuition assistance for families but do not have a formal policy in place. Having a policy will allow you to equitably enforce the policy and give clear guidelines to families so they know if they're eligible and what assistance they should expect to receive. Take a moment to think about the instances where you've offered tuition assistance to families. Now, think of using that as a guide as you write your formal policy!

### Questions Will Come Up

No matter what type of tuition assistance policy you decide to offer, it's inevitable that questions will arise. You should always make sure to explain the appeal process if you choose to offer one. And, keep in mind, that the easiest way to deal with questions is to answer them *before* they're asked. One way to do this is to make sure you have clearly stated who is and who is not eligible for any type of financial assistance, including scholarships. If you will be making decisions based on applications submitted by families, make sure your decision points are clear so all staff and families understand them.

Similarly, if you are offering a sibling discount, clearly state how many children must be enrolled from one family before they are eligible and the length of the sibling discount (whether it is for the family's entire enrollment or a shorter period of time). Be sure to do the math for different situations to see the economic impact on your program. If you are offering assistance based on financial need, clearly define the State Median Income and share the income levels that are attached to your Tuition Assistance Policy.

You also have options when creating your policy. For example, you could create an application and have a structured review process. You could offer tuition assistance only to families whose children are enrolled in full-time care. You also could require that families submit paystubs to verify their financial need. (Keep in mind, however, that you will need to guard any documents with personal information very carefully as you could be liable in case of a data breach.) You also could require families to show verification that they are working in order to receive assistance. None of these are required, but they are options available to you as you craft your policy. See [Attachment A](#) for sample policy wording for the various types of discounts you might want to offer.

You also do not have to choose between offering a sliding scale fee, scholarships, or tuition discounts. All three types of assistance policies can be offered simultaneously. Just remember, whatever options you choose for your Tuition Assistance Policy must be documented and clearly explained to all families!

## **Additional Resources**

**If you have questions or need help, assistance is available.**

[GaPDS Website](#)

[DECAL Thriving Child Care Business Academy Website](#)

[Georgia Licensing Rules and Regulations](#)

**To Find Other Study Guides:** Click on [Resources](#) on the Academy home page

**To Find Training:** Click on [Trainings](#) on the Academy home page

**To Register for Training:** Click on [Schedules & Registration](#) on the Academy home page

**To Sign Up for Study Groups:** Fill out the [Intake Assessment](#)

**For questions about coaching or study groups:** Email [GAcoaching@civstrat.com](mailto:GAcoaching@civstrat.com)

**To Find Other ECE Resources:** Visit the [DECAL Website](#)

**For General Questions about the Academy:** Email [thriving@decals.ga.gov](mailto:thriving@decals.ga.gov)

**For More Information:**

[Family Child Care Learning Home Rules and Regulations](#)

[Child Care Learning Center Rules and Regulations](#)

## Attachment A: Sample Policies

Below you will find sample policy wording for the various types of discounts you might want to offer.

### Option 1: Offering a sibling discount

*[Business Name] is pleased to announce that we will offer a tuition discount to all families who have more than one child enrolled in our program. If you have two or more children enrolled, each child will receive a discount of 5% off their tuition for as long as they are both enrolled. Please note that this discount applies only to children who are enrolled in one of our full-time programs. To apply for the discount, speak to the director or email her at [email address].*

### Option 2: Need-based scholarships

*All of us at [Business name] recognize that times are tough, and we know that some of our families may need help with tuition payments, either temporarily or for the longer term. For this reason, we are offering both full- and part-year scholarships to help cover part of your tuition or copay.*

*Scholarships will be offered only to families who can document a financial need. Full-year scholarships will cover 25% to 50% of the child's tuition, and the percentage will be determined by the director on a case-by-case basis. Scholarships will be reevaluated annually.*

*Partial-year scholarships also will cover 25% to 50% of the child's tuition and will be awarded for a given amount of time based on temporary financial need. Both existing and new families are welcome to apply for a partial-year scholarship at any time.*

*For more information about either full- or part-year scholarships or to apply, contact the director at [email].*

### Option 3: Sliding scale fees

*All of us at [Business name] recognize that times are tough, but we are committed to ensuring that all families who need child care can get it, regardless of their financial situation. That's why we are offering lower tuition fees for families who demonstrate financial need.*

*Financial need will be determined based on where your family's current gross income falls in relation to the current federal poverty level for a family of your size. If you fall within 175% of the current federal poverty level, your tuition rate will be [amount].*

*If you fall within 200% of the current federal poverty level, your tuition rate will be [amount]. To see if you're eligible, you can check out this [chart](#), which explains the Federal Poverty Guidelines.*

*To apply, contact the director at [email]. You will be required to share documentation of your current gross income. If your income changes during the year and affects your eligibility, you are asked to share this information as soon as possible with the director so they can adjust your tuition accordingly.*

*These tuition rates will be reviewed every twelve months. If [Business name] increases rates for other families, there may be an increase in these rates, too.*

#### **Option 4: Sliding scale discount based on a single financial decision point**

*All of us at [Business name] recognize that times are tough, but we are committed to ensuring that all families who need child care can get it, regardless of their financial situation. That's why we are offering lower tuition fees for families who demonstrate financial need.*

*If you would like to be considered for this tuition discount, send an email to the director at [email address]. You will need to supply the first page of your 1040 Federal Tax Return for the last tax year to verify gross income. Families with a gross income of [\$x amount] or less will be eligible for discount tuition.*

*All requests will be reviewed by the director and decisions will be issued in writing. Approved tuition discounts will be in place for 12 months from the approval date, after which time you will need to reapply. If you do have a sudden change in your financial situation, due to a layoff or another unforeseen circumstance, contact the director to determine if there is additional, temporary help available.*

#### **Option 5: Sliding scale fee based on income**

*All of us at [Business name] recognize that times are tough, but we are committed to ensuring that all families who need child care can get it, regardless of their financial situation. That's why we are offering lower tuition fees for families who demonstrate financial need. Tuition discounts will be offered on a sliding scale fee structure, based on your gross income.*

*In order to be eligible, each caregiver in the household must demonstrate that they need full-time child care, for example in the form of a 30-plus hour work week, a full-time student schedule, or similar. Families with a gross income of less than \$30,000 per year are eligible for a 25% discount on all fees. Those making \$30,001 to \$40,000 a year are eligible for a 10% discount, and those making \$40,001 to \$45,000 a year are eligible for a 5% discount.*

*To apply, please contact the director at [email]. Note that the tuition discount will be reviewed annually, and additional information may be requested with your application. If there is a change in the family's financial situation after you are*

*enrolled, whether it means you require additional support or if you no longer need assistance, please contact the director as soon as possible at [email].*

### **Option 6: Per-child, flat rate discount**

*All of us at [Business name] are committed to ensuring that all families who need child care can get it, regardless of their financial situation. That's why we are pleased to offer discounts to families with multiple dependent children in their household attending our center.*

*The first enrolled child pays full tuition, while each additional sibling will receive a \$50 discount per week. For example, a family with two children enrolled will receive a \$50-per-week discount, while a family with four dependent children enrolled will receive a total discount of \$150 per week.*

*We hope this helps alleviate some of the financial stress for families enrolling multiple children in our care. Please contact the director at [email] should you have any questions!*

## **Appeals and Reviews**

Just as it's important to clearly explain all the details of your Tuition Assistance Policy, it's also vital to explain how appeals will be handled, if at all. Below you will find sample language for different types of appeal procedures.

### **Example 1: An appeal process for a program with an individual owner**

*All decisions will be made by the Director. If you have any questions about your individual situation, you can contact her at [email] to request a review of your case. All reviews are final.*

### **Example 2: An appeal process for a nonprofit**

*All decisions will be made by the Board of Directors in consultation with the Director. If you have questions about your individual situation, you can contact the Board of Directors Chair at [email] to request a review of your case. All reviews are final.*

### **Example 3: A policy without an appeals process**

*All decisions regarding financial assistance are made with the utmost care and consideration and are therefore final. Families may reapply after 12 months or if their financial circumstances change.*