

Child care assistance: Facts and figures for State Fiscal Year 2021

The Child Care Assistance Program provides financial assistance to help families with low incomes pay for child care so that parents may pursue employment or education leading to employment, and so that children are well cared for and prepared to enter school ready to learn. Minnesota counties provide child care assistance services to 23,024 children and 11,359 families during an average month.

Background

Families can receive help paying for child care through the Minnesota Family Investment Program, Diversionary Work Program or the state's Basic Sliding Fee Program. The Minnesota Family Investment Program and Diversionary Work Program help families work toward economic stability. The state fully funds child care assistance for families who participate in either program, or who have moved off the programs during the last year (referred to as "transition year.") The state's Basic Sliding Fee Program offers a capped child care assistance allocation to assist families with low incomes who are not participating in the Minnesota Family Investment or Diversionary Work programs.

- Minnesota Family Investment and Diversionary Work Program child care assistance helps families and transition year participants pay for child care while participating in authorized activities, such as looking for and finding work, attending educational programs or participating in other employment services plan activities.
- Basic Sliding Fee Program child care assistance helps families with low incomes pay for child care costs while they work, look for work or attend educational programs.

Eligibility

- Families earning 67% of the state's annual median income or less are eligible for Minnesota Family Investment and Diversionary Work Program Child Care Assistance Program. As of October 2021, that annual median income level is set at \$63,564 a year for a family of three.
- Families earning 47% of the state's annual median income or less are eligible for the Basic Sliding Fee Program. As of October 2021, that annual median income level is set at \$44,589 a year for a family of three.
- Families are no longer eligible for the Minnesota Family Investment and Diversionary Work Program Child Care Assistance Program when their annual earnings become greater than 67% of the state's annual median income at redetermination (\$63,564), greater than 85% of the state's annual median

income during the program's eligibility period (\$80,640) or when their copayment exceeds their cost of care.

Information on eligibility limits for families of other sizes can be found online in the Minnesota Child Care Assistance Program Copayment schedule chart at <http://edocs.dhs.state.mn.us/lfserver/Public/DHS-6413I-ENG>.

Parent copayments

- All families receiving child care assistance and earning 75% of the federal poverty guideline or more make copayments based on their annual family income.
- A family of three earning \$47,436 a year (50% of the state's annual median income) would have a total biweekly copayment of \$109 for all children in child care.
- A family of three who exits the Minnesota Family Investment Program and earns \$28,968 (approximately 31% of the state's annual median income) would have a total biweekly copayment of \$30 for all children in child care.

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Program averages

- For State Fiscal Year 2021, a monthly average of 10,815 children from 5,173 families received Minnesota Family Investment and Diversionary Work Program child care assistance.
- For State Fiscal Year 2021, a monthly average of 12,209 children from 6,186 families received Basic Sliding Fee Program child care assistance.
- As of November 2021, 710 families were on the waiting list for Basic Sliding Fee Program child care assistance.

Funding

During 2021, direct services funding for the state's Child Care Assistance Program was \$214.8 million. This includes:

- \$108.9 million in federal and state funding for Minnesota Family Investment and Diversionary Work Program child care assistance
- \$105.9 million in federal, state and county funding for Basic Sliding Fee Program child care assistance.

For State Fiscal Year 2021, an average family in the Basic Sliding Fee Program received \$1,427 in monthly child care assistance. An average family in the Minnesota Family Investment and Diversionary Work Program Child Care Assistance Program received \$1,754 in monthly child care assistance.



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