

MINNESOTA DEPARTMENT OF



COMMISSIONER:
CHRISTINE JAX, Ph.D.

**At-Home
Infant Child
Care
Program**

**Report to the
Legislature**

**As required by
Minnesota
Statutes
119B.061
Subd. 5(b)**

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t, this report can be made available in alternative

- Minn. Stat. 119B.061 Subd. 5(b) -

- 1997 Minn. Laws Chap. 162
Art. 4 Sec. 22 Subd. 4 -

**MINNESOTA DEPARTMENT OF CHILDREN, FAMILIES AND LEARNING
FY2000 Legislative Reports: Estimated Cost of Preparation**

Minnesota Statutes 3.197 requires the following:

“A report to the legislature must contain, at the beginning of the report, the cost of preparing the report, including any costs incurred by another agency or another level of government.”

The following provides estimated costs incurred in the preparation of this report.

This report required the collection of information which the Department of Children, Families & Learning does not collect as a part of its normal business functions. It was therefore necessary to gather and analyze information in order to prepare this report. Therefore, the cost of preparing this report includes estimates of the Department of Children, Families & Learning information collection costs as well as the estimated costs of the providers of the information.

Funding for this Report:

Special funding was not appropriated to cover the costs of preparing this report.

Minnesota Department of Children, Families & Learning Costs:

The following is an estimate of the cost incurred by the Minnesota Department of Children, Families & Learning:

\$2,579

Other Agency Costs:

(List the agency such as local school districts, federal agencies, other state agencies.)

The following is an estimate of the cost incurred by these agencies:

Counties

\$544

TOTAL ESTIMATED COST FOR PREPARING THIS REPORT:

\$3,123

R E C E I V E D

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Executive Summary

In 1997, the Minnesota Legislature added a new component to the Basic Sliding Fee Child Care Program (BSF) by enacting Minnesota Statutes, section 119B.061, which established the At-Home Infant Child Care Program (AHIC). The At-Home Infant Child Care Program allows families who have a child under one year of age, who are eligible for or currently receiving Basic Sliding Fee child care assistance, and who provide full-time care for their infant child to receive a subsidy in lieu of child care assistance.

The legislation creating this program included a requirement that the Department of Children, Families and Learning (CFL) conduct and present an evaluation of the At-Home Infant Child Care Program (AHIC) to the 2000 Legislature. This report evaluates the At-Home Infant Child Care Program. The findings are based on two sources of information. The first source is the funding requests submitted by counties. These requests provide basic participation information: the total number of families who have participated in the program as well as information related to intended length of participation and projected costs. The second source of information is the evaluations submitted by parents and counties. These evaluations provide more detailed information; CFL developed separate evaluation forms, which for the most part ask different questions, to be completed by parents and counties.

The evaluation focuses on three overarching questions:

- What do we know about the families who have participated in the At-Home Infant Child Care Program?
- What is the financial impact of the At-Home Infant Child Care Program on the Basic Sliding Fee Program?
- Should changes be made in how the program is administered?

Changes were made to the At-Home Infant Child Care Program during the 1999 legislative session which made it easier for families not currently receiving Basic Sliding Fee Child Care Assistance to access the program. Because this change was effective only six months ago, a limited number of the families who entered under the new policy have completed the program and therefore are not represented in these findings. It is unclear how the population served subsequent to this change differs from the population served prior to the change. The change is specifically noted in the discussion of those overarching questions to which it is particularly relevant.

What do we know about the families who have participated?

Thirty percent of the parents who have completed the program submitted a written evaluation. The parent evaluations included glowing statements about the benefits of being able to stay home with an infant for part or all of the baby's first year. However, our information is incomplete as we do not know how the other 70% of the participants would respond if they had done so. We also do not know on what basis those who did not choose to participate made their decision.

The families who were able to receive the benefits of AHIC were more likely to be two-parent families and therefore were not typical of the Basic Sliding Fee population overall. We also know that the families who participated in AHIC were slightly larger than BSF families overall.

In general the families who participated did so for shorter periods of time than they had originally intended with a significant majority participating for less than three months. We know that almost half of the families (44%) received subsidies between \$200 and \$299/month.

What is the financial impact of the At-Home Infant Child Care Program on the Basic Sliding Fee Program?

Analysis of cost savings is considered in three parts.

The first regards families who participated in BSF prior to AHIC. For these families, the possible range of savings is \$138/month to \$476/month. When these savings are applied to the average AHIC participation of five months, the average savings per family is between \$690 and \$2,380. Approximately 55% (28) of families for whom an evaluation was completed had children in subsidized care prior to the participation in AHIC.

The second group concerns families for whom the infant is their first child. Savings attributed to these families are estimated to be \$84/month. This translates into \$420 in savings over five months compared to child care subsidies through Basic Sliding Fee. Twenty-four percent (12) of the families for whom an evaluation was completed, participated in AHIC with a first child.

The remaining twenty-one percent (11) of the families had other children but had not previously been participating in BSF. If at the point that these families moved into AHIC, they would otherwise have moved into BSF, the savings attributed to these families would be similar to the savings above. If, on the other hand, these families would not have otherwise used child care assistance then there are no savings to offset the AHIC expenditures. Analysis of savings requires discussion of the 1999 statutory changes.

The changes made in 1999 significantly increase the potential for greater numbers of families to participate in the AHIC program. Therefore, it is likely that total savings (BSF expenditures averted less AHIC subsidies) under the program as it is currently constructed will be less than under the original design of the program. The small number of cases that opened after July 1, 1999 and are already completed, make projections of cost savings difficult. Therefore, cost savings are only presented at the family level, not at the overall program level.

Should changes be made in how the program is administered?

The At-Home Infant Child Care program is administered at the county level as are all other child care assistance programs. The funding however, is administered as a set-aside at the state level. Therefore, counties must request funding for individual families. A state level funding pool was created because of the uncertainty of levels of demand and concerns about equal access to AHIC for families in all counties. At this time it appears that continuing our conservative approach to the administrative structure is not necessary. On these two counts, AHIC funds may well be able to be included in the allocations to counties. However, the 1999 legislative change that allows families to move directly from the BSF waiting list to the AHIC program makes including AHIC in the county allocation impossible. Therefore, the pooling of AHIC funds at the state level will need to continue.

Background

In 1997, the Minnesota Legislature added a new component to the Basic Sliding Fee Program (BSF) by enacting Minnesota Statutes, section 119B.061 which established the At-Home Infant Child Care Program (AHIC). The At-Home Infant Child Care Program allows families who have a child under one year of age, who are eligible for or currently receiving Basic Sliding Fee child care, and who provide full-time care for their infant child to receive a subsidy in lieu of child care assistance.

The program was established for two primary reasons: (1) concern about the availability of out-of-home child care for infants at a time when demand was expanding and the number of infant care providers remains limited; and (2) a growing body of research demonstrating the importance of an infant's first year for enhancing brain development.

The At-Home Infant Child Care Rule Advisory Committee made every effort to blend the administration of the AHIC program with the existing rules of the Basic Sliding Fee Program. A family who is eligible for AHIC must have a child younger than one year of age. They must currently be receiving Basic Sliding Fee child care assistance or be eligible for Basic Sliding Fee assistance, based on participation in employment, education or job search and be income eligible based on these activities, and provide full-time care for their infant child. A family participating in AHIC cannot receive child care assistance to subsidize non-parental care for any other children in the family. A family is limited to a lifetime total of twelve months of At-Home Infant Child Care subsidies. These months can be used for one child or split between children. The statute does not prohibit eligible parent(s) from pursuing education and employment while participating in the AHIC program as long as they meet the requirements to provide full-time care for the infant. The maximum subsidy must be at 75 percent of the maximum rate paid to a licensed family child care provider for full-time care of an infant in the applicant's county of residence. The family's co-payment is deducted from the maximum subsidy to determine the subsidy for which the family is eligible. One difference from BSF which is explained in detail later, the AHIC funds are administered as a state level set-aside to the Basic Sliding Fee Program and counties submit requests for funding for each family that applies for AHIC.

The ways in which a family can access AHIC have changed since the beginning of the program. When the program was initially implemented, a family could access the program in one of three ways: the family is participating in BSF when they apply for AHIC, the family's name comes to the top of the BSF waiting list and they go directly into AHIC, or the family lives in a county without a waiting list and they apply for AHIC without having participated in BSF or having been on the waiting list.

Effective July 1, 1999, the statute was changed to allow families on the waiting list to move into AHIC without having reached the top of the waiting list. Counties were not required to continue these families in BSF after their AHIC participation ended unless they had reached the top of the BSF waiting list during the period of their AHIC participation. This change affects the analysis included in this report.

The legislation creating this program includes a requirement that the Department of Children, Families and Learning conduct and present an evaluation of the At-Home Infant Child Care Program (AHIC) to the 2000 Legislature. According to Minnesota Statutes 119B.061, subd. 5(b), the evaluation must include data on the number of families participating in the program; the number of families continuing to pursue employment or education while participating in the program; the average income of families prior to, during and after participation in the program; family size and single and two-parent status. This report fulfills the legislative mandate to present an evaluation of the At-Home Infant Child Care Program to the 2000 legislature.

Information contained in this report

The information contained in this report comes from two sources. The first source is the funding requests submitted by counties.¹ These requests provide basic participation information: the total number of families who have participated in the program as well as the information related to intended length of participation and projected costs.

The second source of information is the evaluations submitted by parents and counties. These evaluations provide more detailed information; CFL developed separate evaluation forms, which for the most part ask different questions, to be completed by parents and counties. (These evaluations are included as Attachments A and B.) In order to collect information about a family's entire AHIC experience, not just their expectations, these evaluations are submitted after a family has completed their participation in AHIC. This means that the participant information excludes all of those families who have not yet completed their AHIC participation. Of the 94 families who have begun to participate in AHIC through December 31, 1999², 63 completed their participation by December 31, 1999. Counties have submitted 51 forms for those who have completed their involvement, a response rate of 81%. A limited number, nineteen, (30%) of the parent evaluations have been received.

¹ The committee that developed the recommendations for implementation of the At-Home Infant Child Care Program decided that the At-Home Infant Child Care funds remain as a set-aside at the state level, rather than being allocated to counties as happens with Basic Sliding Fee funds. This decision was based on the limited amount of total funds available and the recognition that if these funds were allocated, some counties would be able to serve one or fewer families through AHIC. As a result, the Department has information regarding subsidy amount and intended length of participation for every participant prior to beginning participation in AHIC.

² Another seven families have begun to participate in AHIC since January 1, 2000.

This evaluation is organized as follows: (1) the summary of participation information from the funding requests, (2) the summary of participant information from the county evaluations, (3) the summary of participant information from the parent evaluations, (4) findings, (5) a note on outreach, and (6) conclusion. This evaluation only describes specific policies within Basic Sliding Fee Program (BSF) as necessary to explain the questions asked or the findings presented. Complete versions of statute and rule that govern the Child Care Assistance Program are presented as Attachments C and D; the sections specifically relating to the At-Home Infant Child Care program are Minnesota Statutes 119B.061 and Minnesota Rules 3400.0235.

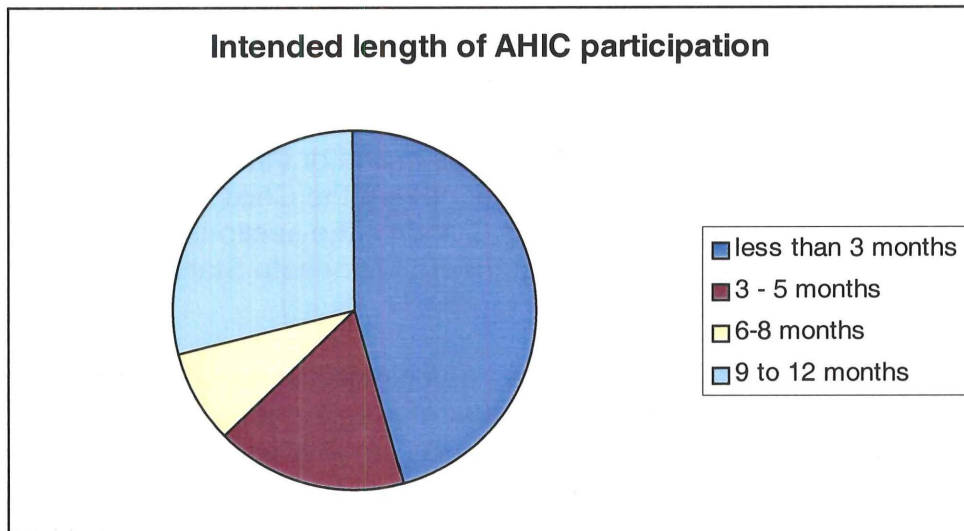
The limited number of families who have participated in the At-Home Infant Child Care Program, and the very limited number of respondents, limits the ability of the Department to draw conclusions about the families participating in AHIC or their experience while participating. While this limited information, provides for a preliminary analysis of the successes and shortcomings of the AHIC program, it is important to remember that findings are easily affected by a few respondents when the response rate is so low.

Participation information—funding requests

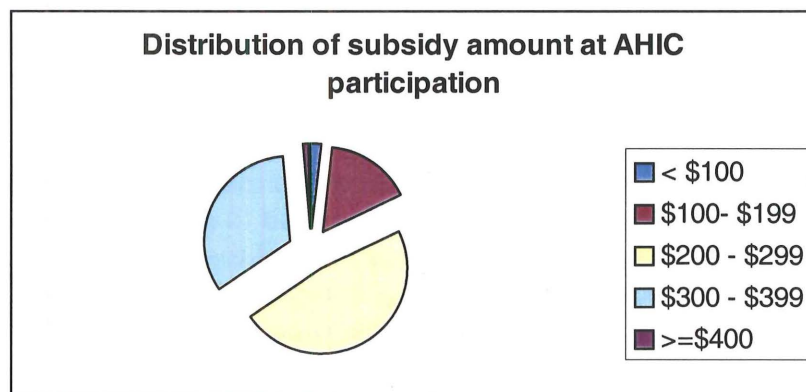
During the first six months of the At-Home Infant Child Care Program (July 1- December 31, 1998), 25 families began their participation in the program. Between January 1 and June 30, 1999, another 25 families began to participate in the program. Changes were made to the program during the 1999 Legislative session that allowed families currently on the waiting list to access the At-Home Infant Child Care Program. The 1999 Legislature also directed the Department of Children, Families and Learning to develop and distribute consumer information specifically on the At-Home Infant Child Care Program. Between July 1 and December 31, 1999, 44 families began to participate in the At-Home Infant Child Care Program. Since the beginning of 2000, seven families have begun to participate.

Most families have participated in the program for significantly less than the maximum allowable twelve months. Of the families who have participated in the program since its inception, 45% intended to participate for less than three months, 17% intended to participate for three to five months, 8% intended to participate for six to eight months, and 29% intended to participate for nine to twelve months. The average intended participation of these families is 5 months. The median number of months of intended participation is three.³In other words, if all of the AHIC families were lined up in ascending order of the number of months they intended to participate, half of them would be participating for 3 or fewer months. The chart on the page that follows depicts intended length of participation.

³ This section addresses intended length of participation. The participant section will address whether the actual length of participation was similar to or differed from, the intended length of participation.



To date, the average total subsidy is \$1,469. The largest total subsidy was \$4,872. The smallest total subsidy was \$32. The average subsidy per month is \$277. The largest monthly subsidy was \$406. The lowest monthly subsidy was \$21. (These monthly highs and lows are the same families represented in the total highs and lows.) Two of the families received an average monthly subsidy of less than \$100. Fifteen families received an average monthly subsidy between \$100 and \$199. Forty-four families received an average monthly subsidy between \$200 and \$299. Thirty-two families received an average monthly subsidy between \$300 and \$399 and one family received an average monthly subsidy of more than \$400. This distribution across subsidy levels is visually represented in the pie graph below. Looking at this depiction it becomes very clear that a significant portion of those participating received \$200-\$299/month and almost all participants received between \$100 and \$399/month.



While these subsidy amounts are calculated from income, family size and cost of family child care for an infant in the family's county of residence, we cannot derive income information from this subsidy information. Income levels will be discussed in the participant information section.

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Families living in 32 counties have participated. Six counties have had five or more AHIC cases.⁴

Based on recent participation, the Department projects total expenditures of \$150,000 - \$250,000 for SFY00. The Department is currently budgeting a \$1,000,000 set-aside for the At-Home Infant Child Care Program in both SFY2001 and SFY2002.

Participant information – county evaluation forms

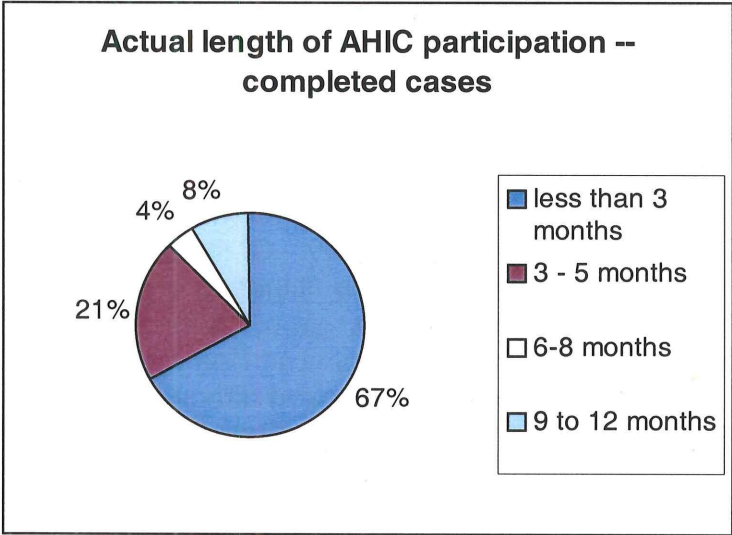
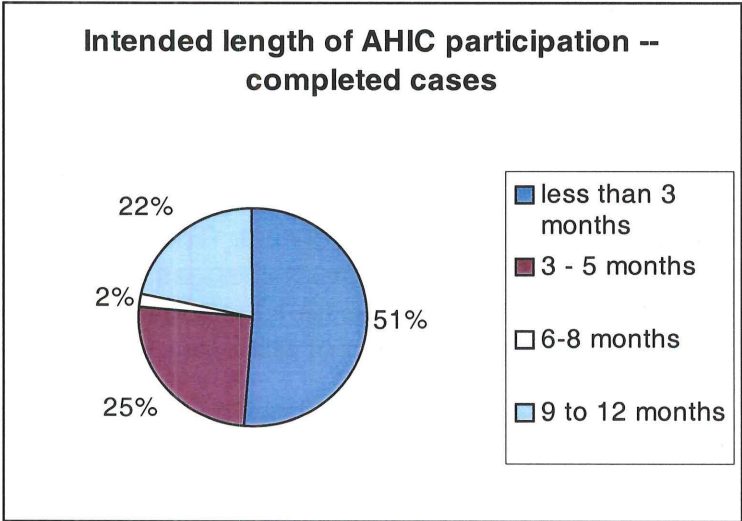
As noted earlier, county evaluations have been returned for 51 of the 63 families who have completed the number of months they intended to participate in AHIC. Again, it is important to note that the information to follow is based on families who have completed AHIC. Because of statutory changes effective July 1, 1999, it is possible that families who have begun to participate since July 1, 1999 differ from the families who have completed the program. Therefore, caution should be used in translating these findings in program changes. Of the 63 families who have completed their AHIC participation, 43 families began to participate prior to July 1, 1999 and 20 began to participate on or after July 1, 1999.

The counties were asked to indicate the path through which the family had begun to participate in the At-Home Infant Child Care Program. Because the 1999 Legislature changed the AHIC portion of Minnesota Statutes 119B in order to allow families to move directly from the waiting list in the AHIC program, the frequency of the types of entry are divided into pre- and post- July 1999.

Of those who entered the AHIC program prior to July 1, 1999, 20 (65%) were participating in the Basic Sliding Fee prior to the birth of the infant that led to their participation in AHIC, 2 (6%) began to participate when their name came to the top of their county's Basic Sliding Fee waiting list, and 9 (29%) lived in a county without a waiting list and moved directly into AHIC without previously participating in the Basic Sliding Fee Program. Of those who entered the AHIC program after July 1, 1999, 8 (44%) were participating in the Basic Sliding Fee prior to the birth of the infant that led to their participation in AHIC, 6 (33%) began to participate while on their county's Basic Sliding Fee waiting list, and 4 (22%) lived in a county without a waiting list and moved directly into AHIC without previously participating in the Basic Sliding Fee Program. Two of the evaluations did not include an answer to this question. Unfortunately, the small number of cases that opened after July 1, 1999 make analysis of changes in access difficult.

⁴ Anoka, Carlton, Goodhue, Hennepin, Nicollet, and Ramsey.

Of the families for whom county evaluations were completed, 21 participated for the number of months they originally intended to participate, 25 participated for fewer than the number of months they originally intended to participate (eleven of these were within a half month of their intended participation), 2 participated for greater than the number of months they originally intended to participate. Three of the evaluations were not completed in a way that allowed for this analysis. While none of the parents who completed an evaluation directly stated that they participated for fewer months than they anticipated, one parent did imply this by stating, "An increase in subsidy may have made it possible to stay home the full first year. When our child was 10 months old, we financially had to have both parents work." The following pie graphs compare actual and intended lengths of participation of those families who have completed AHIC.



Fifty-five percent of the evaluations returned by counties represented single-parent families and 45 percent by two-parent families.⁵ This compares to approximately 85% of all BSF families in SFY99 that were headed by single parents. This difference is not surprising, as two-parent families are able to retain a portion of their income while one-parent stays home with an infant.

The evaluations also asked about total number of people in the family. On average, the families who have completed their participation include 3.7 members. The families range in size from two to seven. Furthermore, the evaluation listed the number of children in the family. On average, the families who have completed their participation include 2.3 children. The number of children ranges from one to five.

The final question on family composition was the number of children eligible for the Basic Sliding Fee Program. On average, the families who have completed their participation include 2.1 children who are eligible for BSF. Therefore, families in AHIC have slightly more children of an age to be eligible for subsidized child care than BSF participants overall.

The evaluation also included questions about family income prior to, at the beginning of, and at the end of participation in AHIC.⁶ The chart below lists the average annual income at each of these three points in time. Because of the limited number of families who have completed their AHIC participation, these incomes have not been divided into groups by family size.

Average income of AHIC participants	
Prior to AHIC	\$21,891
During AHIC	\$19,379
Following AHIC	\$23,671

The participants' income was, on average, 40% of the State Median Income prior to AHIC, 35% of State Median Income during AHIC, and 43% of State Median Income following AHIC. While the increase in income following AHIC is somewhat surprising, it is likely a result of the relatively high proportion of families participating in AHIC who have two parents in the home. This possibly reflects changes in the income of the parent who was not providing full-time care for the infant.

⁵ A single parent is defined as being the only parent living in the household who has legal or financial responsibility for any child in that household. If another adult lives in the household but does not have legal or financial responsibility for any child in the household, the head of the family is considered a single parent. This is consistent with the CCAP definition of family used in determining income and for federal reporting.

⁶ The attached evaluation form provides more detail on each of these points in time. Income is annualized forward to estimate what a family's income would be or is during participation. This is used to determine eligibility and co-payments.

The evaluation asked about types of income received while on the At-Home Infant Child Care Program. The following types of income were attributed to the parents providing full-time care:

- 16 % of the other parents earned income during the time the family participated in AHIC,
- 14% had unearned income,
- 6% used paid parental leave,
- 14% used paid sick leave,
- 2% used paid vacation leave,
- 12% had paid temporary disability leave, and
- 47% had no other income attributed to that parent.

In some cases, parents had more than one type of income during participation. Of the 22 families with two parents, twenty-one (21) of the other parents (the parent not providing full-time care) earned income during the time the family participated in AHIC and one had paid temporary disability leave. None of the second parents had a combination of types of income.

The funding request section of this report details the average level and range of subsidies received by families on AHIC. The average of the subsidies reported on the evaluation is \$300/month; close to the average based on initial funding requests of \$277/month. The evaluation also asked for information about the family's co-payment while participating in AHIC. Co-payments are handled differently in the AHIC Program than in the overall Child Care Assistance Program. Parents in the At-Home Infant Care portion of the program, forgo a portion of their subsidy rather than directly paying a co-payment. This forgone portion increases as their income increases. The average co-payment for the families who have completed the AHIC program was \$71/month.

Because the At-Home Infant Child Care Program is part of the Basic Sliding Fee Program, and because it was created to allow families to spend some time at home with their infant, all families were in some type of authorized activity (employment, education or job search) prior to the birth of the infant. The percentage of families involved in each of these activities is listed below. This distribution is similar to the distribution of BSF cases in recent years. The Basic Sliding Fee Family Profile provides the most up-to-date information on the exact distribution of BSF cases in SFY99.

Authorized Activity	Percent of families
Employment	94%
Education	8%
Job Search	0%

NOTE: The sum percentages in the AHIC column are greater than 100% because two families listed both employment and education.

Parents were allowed to pursue other activities as long as they provided full-time care for the infant, and the evaluation included a question as to whether the parent had done so. Three were involved in employment and 1 pursued some type of education while participating in the At-Home Infant Child Care Program.

The Department included a question on the evaluation about families who used the Basic Sliding Fee Program prior to participation in AHIC. Fifty-five percent (28) had a child in subsidized child care prior to their participation in AHIC. Those in this group had an average of 1.57 children in subsidized child care prior to participation in AHIC. The number of children in subsidized care ranged from 1 to 3. As a point of comparison, families in the Basic Sliding Fee Program overall in State Fiscal Year 1999 had an average of 1.68 children in subsidized child care. It is important to distinguish here that this number applies to children who had actually been in subsidized care while the family composition section discussed children who would be eligible for BSF.

The evaluation also asked for the monthly child care subsidy that had been paid on behalf of the family. The average of the BSF child care subsidies that had been paid on behalf of the AHIC families was \$415. The average child care subsidy cost for families in the Basic Sliding Fee Program overall was \$408/month in SFY99. Therefore, the subsidy that had been received by the families who participated in BSF prior to the family moving to AHIC is similar to the BSF population overall. Using the average AHIC subsidy reported on the funding requests (\$277), the cost of a month of AHIC is \$138 less than the cost of BSF for those families that had been participating in BSF prior to AHIC, (approximately 55% (28) of families for whom an evaluation was completed had children in subsidized care prior to the participation in AHIC). Monthly savings are actually higher because in cases where a family had been in BSF and then began to participate in AHIC immediately after the birth of the infant, the child care subsidy that had been paid would not include the infant. Using the funding requests to derive an estimate of the total cost of care for an infant in a licensed family child care, we calculate total savings of as much as \$476/month for families that had previously been in BSF. Actual savings would likely not be this high because many providers charge below the maximum rates that are used as the basis for determining AHIC subsidies. However, if we consider \$138/month to \$476/month to be the possible range of savings for families who had previously been participating in BSF, (of which \$138 is likely too low and \$476 is likely too high), and apply these savings to the average AHIC participation of five months, the average savings per family is between \$690 and \$2380, when compared to the cost of a Basic Sliding Fee subsidy.

Savings attributed to families for whom the infant in AHIC is the first child are estimated to be \$84/month. This translates into \$420 in savings over five months compared to child care subsidies through Basic Sliding Fee. Twenty-four percent (12) of the families for whom evaluation was completed, participated in AHIC with a first child.

The remaining twenty-one percent (11) of the families had other children but had not been participating in BSF. If at the point that these families moved into AHIC, they would otherwise have moved into BSF, the savings attributed to these families would be similar to the savings above. If, on the other hand, these families would not have otherwise used child care assistance then there are no savings to offset the AHIC expenditures. Analysis of savings requires discussion of the 1999 statutory changes. The changes made in 1999 significantly increase the potential for families to participate in the AHIC program without previous participation in, or even expression of interest in, the Basic Sliding Fee Program. Therefore, it is likely that total savings (BSF expenditures averted less AHIC subsidies) under the program as it is currently constructed will be less than under the original design of the program. The small number of cases that opened after July 1, 1999 and are already completed, make projections of cost savings difficult. Therefore, cost savings are only presented at the family level, not at the program level.

Following the family's completion of AHIC, the child care needs and the child care subsidy needs were the final questions asked in the county section of the study. Of those who have completed AHIC, for whom an evaluation was completed, 41 will have at least one child in paid child care after AHIC ends and all of those will be using BSF funds. This is another example where the changes made during the 1999 legislative session are, for the most part, not yet reflected in the pool of families who have completed AHIC.

Supplemental information—parent evaluation

As noted above, only 19 out of a possible 63 parent evaluations were submitted. It is difficult to generalize based on this limited number of evaluations. The information from these surveys is presented below so readers will know what information was requested of parents and what potential exists for later analysis. It is also included in order to present a complete picture of the information collected by the Department, although the information is not necessarily representative.

During the legislative discussion that led to the creation of the AHIC program, some proponents suggested that parents at home providing full-time care for an infant might also decide to care for children outside their immediate family as well. None of the nineteen responding parents indicated that they had provided child care for another family's children for pay on a regular basis.

The Department also included a question as to whether the family participated in any parenting or family support programs while participating in the At-Home Infant Child Care Program.⁷

⁷ The question was written generally so as to capture any involvement in parenting or family support programs, including cases in which involvement centered on a child other than the infant. The options identified were ECFE, Family Literacy/Even Start, Head Start, Church sponsored, Tribe sponsored and other.

Two of the nineteen responding parents indicated that they did participate in such a program, one in Early Childhood Family Education (ECFE) and another in an infant development class. This is greater than the overall rate, in state fiscal year 1999, 6% of all Basic Sliding Fee families participated in Head Start, ECFE, School Readiness, or some combination of these three programs. However, as noted earlier, with so few parent evaluations returned, the participation rate for AHIC families is easily affected by a few evaluations.

Parents were also asked about what they would be doing at the end of their participation in the AHIC program. In asking parents for this information, we were able to ask some more detailed follow-up questions. Twelve of the nineteen responding parents indicated that they would be employed after their AHIC participation ended. Of those answering yes, eight indicated that this would be full-time employment and four indicated that this would be part-time employment. None of the parents will be working in the home. None of the parents are providing child care as their employment. Three of the 12 responding parents indicated that they would be in school shortly after their AHIC participation ended. One of these students indicated that they would be in school full-time; the other two did not answer this question. Two of the students also answered that they would be employed. Six of the parents indicated that they would not be working. One parent did not answer the question.

The parent evaluation included four open-ended questions that allowed parents to share what they feel is important about the At-Home Infant Child Care Program. The questions and summaries of the answers follow. The questions and a complete list of the answers are found in Attachment E. They are grouped into types of responses for purposes of analysis, however, many of the answers include or imply multiple reasons and therefore could fit into more than one category.

Why did you choose to participate in the At-Home Infant Child Care Program?

Of the nineteen parents who responded to this question about what initially motivated them to participate in AHIC, nine gave infant developmental and bonding reasons for participating. Another five gave financial reasons. Two merely stated that they participated because it was available. The final three gave reasons that were either a combination of the above reasons, or ambiguous.

What were the benefits for you, your family and your infant in participating in the At-Home Infant Child Care Program?

Again, when listing the actual benefits, seven families stated bonding and developmental issues. Six listed financial benefits. Four listed a combination of benefits, both bonding and financial. One parent did not answer this question.

Was it difficult to participate in AHIC? If so why?

Two parents listed reasons why it was difficult (or somewhat difficult) to participate. The other fifteen parents did not indicate that it had been difficult.

How could this program be improved?

Ten parents responded to the question about how this program could be improved. Five made comments that they do not think it needs improvement. One parent indicated that more information needs to be distributed. One stated that the age limit of twelve months should be extended. Three stated that the subsidy level should be raised.

Outreach

As noted above, following the 1999 Legislative session, the Department developed an At-Home Child Care Program brochure (Attachment F). The Department of Children, Families & Learning has distributed 22,500 brochures, primarily to counties that use them to provide outreach to citizens.

The At-Home Infant Child Care program is also identified in the "Do you need help paying for child care?" brochure. The Department of Children, Families and Learning distributes approximately 100,000 of these brochures annually.

Conclusion

In conclusion, the evaluative information has some shortcomings, which must be taken into account as policy recommendations are developed. However, the information does lead to some preliminary findings about families, funding and administration.

This evaluation is built on a pyramid of sorts. The base of 94 total participants through December 31, 1999 is fairly small but represents enough families to present some solid analysis of program participation data. The number of families who are known to have completed AHIC (63) and the even smaller number for whom county evaluations have been submitted (51) allows for more limited analysis of the detailed information these evaluations contain. The very small number of evaluations submitted by parents can be reported but drawing conclusions from these nineteen evaluations is risky. The findings included in this report might change if we had complete information on all parents who have participated.

We also have a gap in our data. We know nothing about the eligible families who were aware of AHIC. What caused them to choose not to participate? We have no way to collect this information that could provide us with much information about why more parents have not participated in AHIC.

As the legislative background section explains, changes were made to the At-Home Infant Child Care Program during the 1999 legislative session which made it easier for families not currently receiving Basic Sliding Fee Child Care Assistance to access the program. Because this change was effective only six months ago, a limited number of the families who entered under the new policy have completed the program and therefore are not represented in these findings. It is unclear how the population served subsequent to this change differs from the population served prior to the change. This should be taken into account when considering additional policy changes. The change is specifically noted in the discussion of those overarching questions to which it is particularly relevant.

The preliminary findings concern the following three questions:

What do we know about the families who have participated?

Thirty percent of the parents who have completed the program submitted a written evaluation. The parent evaluations included glowing statements about the benefits of being able to stay home with an infant for part or all of the baby's first year. However, our information is incomplete as we do not know how the other 70% of the participants would respond if they had done so. We also do not know on what basis those who did not choose to participate made their decision.

The families who were able to receive the benefits of AHIC were more likely to be two-parent families and therefore were not typical of the Basic Sliding Fee population overall. We also know that the families who participated in AHIC were slightly larger than BSF families overall.

In general the families who participated did so for shorter periods of time than they had originally intended with a significant majority participating for less than three months. We know that almost half of the families (44%) received subsidies between \$200 and \$299/month.

What is the financial impact of the At-Home Infant Child Care Program on the Basic Sliding Fee Program?

Analysis of cost savings is considered in three parts.

The first regards families who participated in BSF prior to AHIC. For these families, the possible range of savings is \$138/month to \$476/month. When these savings are applied to the average AHIC participation of five months, the average savings per family is between \$690 and \$2,380. Approximately 55% (28) of families for whom an evaluation was completed had children in subsidized care prior to the participation in AHIC.

The second group concerns families for whom the infant is their first child. Savings attributed to these families are estimated to be \$84/month. This translates into \$420 in savings over five months compared to child care subsidies

through Basic Sliding Fee. Twenty-four percent (12) of the families for whom an evaluation was completed, participated in AHIC with a first child.

The remaining twenty-one percent (11) of the families had other children but had not previously been participating in BSF. If at the point that these families moved into AHIC, they would otherwise have moved into BSF, the savings attributed to these families would be similar to the savings above. If, on the other hand, these families would not have otherwise used child care assistance then there are no savings to offset the AHIC expenditures. Analysis of savings requires discussion of the 1999 statutory changes.

The changes made in 1999 significantly increase the potential for greater numbers of families to participate in the AHIC program. Therefore, it is likely that total savings (BSF expenditures averted less AHIC subsidies) under the program as it is currently constructed will be less than under the original design of the program. The small number of cases that opened after July 1, 1999 and are already completed, make projections of cost savings difficult. Therefore, cost savings are only presented at the family level, not at the overall program level.

Should changes be made in how the program is administered?

The At-Home Infant Child Care program is administered at the county level as are all other child care assistance programs. The funding however, is administered as a set-aside at the state level. Therefore, counties must request funding for individual families. A state level funding pool was created because of the uncertainty of levels of demand and concerns about equal access to AHIC for families in all counties. At this time it appears that continuing our conservative approach to the administrative structure is not necessary. On these two counts, AHIC funds may well be able to be included in the allocations to counties. However, the 1999 legislative change that allows families to move directly from the BSF waiting list to the AHIC program makes including AHIC in the county allocation impossible. Therefore, the pooling of AHIC funds at the state level will need to continue.

Evaluation Form for At-Home Infant Child Care (AHIC) Program

To be completed by the County

1. Applicant's Social Security Number: _____
(SSN of parent providing full-time care)

If two parent family, other parent's Social Security Number: _____

2. Entry into AHIC

Please check the choice that indicates how/when the family entered AHIC:

- Currently participating in BSF
- Name came to top of BSF waiting list (prior to 7/1/99)
- On BSF waiting list (after 7/1/99)
- Directly into AHIC without being on BSF or the waiting list

3. Program participation

- a) Date family began participation in AHIC _____
- b) Date family ended participation in AHIC _____
- c) Number of months family originally intended to participate in AHIC ____

4. Family characteristics

- a) Single parent? Yes No

Is the head of the family receiving assistance a single parent? A single parent is defined as being the only parent living in the household who has legal or financial responsibility for any child in that household. If another adult lives in the household, the head of the family is considered a single parent. This is consistent with the CCAP definition of family used in determining income and for federal reporting.

b) Family size

- _____ Total
- _____ Number of children
- _____ Number of children eligible for BSF

5. Annual family income

- a) Prior to participating in AHIC \$ _____
(For families moving from BSF, annual income during BSF, if not participating in BSF prior to AHIC, income used to determine income eligibility at time that authorized activity was verified)
- b) At beginning of participation in AHIC \$ _____
(Amount used to determine AHIC co-payment and subsidy, line 7 of income & fee determination worksheet)
- c) At end of participating in AHIC \$ _____
(For families moving into BSF, income used to determine BSF co-payment. For families not moving to BSF, ask families to estimate annual income.)

6. Types of income received by family during AHIC—**check all that apply:**

APPLICANT

- Parent/Maternity Leave
- Sick Leave
- Vacation Leave
- Temporary Disability Leave
- Earned Income
- Unearned Income or Other?

OTHER ADULT IN FAMILY

- Parent/Maternity Leave
- Sick Leave
- Vacation Leave
- Temporary Disability Leave
- Earned Income

Describe _____

Describe _____

7. AHIC payment

AHIC monthly subsidy payment \$ _____

AHIC monthly co-payment \$ _____

8. What authorized activity was family participating in prior to birth of infant?

Check **all** that apply.

- Employment
- Education
- Job Search

9. Did participating parent pursue education or employment while participating in AHIC?

a) Education: Yes No

(if YES) Type of Education: _____

b) Employment: Yes No

(if YES) Type of Employment: _____

10. If family was using BSF funds for child care prior to participation in AHIC:

_____ How many children were in subsidized child care?

_____ What was monthly subsidy amount paid for family?

11. Will any children be paid child care after AHIC ends? Yes No

12. Will they use Basic Sliding Fee Funds? Yes No

**Supplemental Evaluation Form for Families Who Participate in
At-Home Infant Child Care Program**

To be completed by the parent at completion of AHIC

1. While participating in the AHIC Program:

- a) Did you provide child care for another family's children for pay on a regular basis?
 Yes No

(If YES) what age groups:

- Infants
 Toddlers
 Preschool
 School Age

- b) Did any member of your family participate in parenting or family support programs while participating in AHIC? Yes No

(If YES) check all that apply:

- Early Childhood Family Education
 Family Literacy/Even Start
 Head Start
 Church Sponsored
 Tribe Sponsored
 Other _____

2. Activity status at the end of participation in AHIC (check all that apply):

- a) Are you working? Yes No
 (If YES)

- Full-time or Part-time
 Working in home or Working outside of home

- a) If working in your home, are you providing child care? Yes No
 (If YES)

Are you licensed? Yes No

- b) Are you in school? Yes No
 (If YES)

- Full-time or Part-time

(If YES) What type? _____

3. Why did you choose to participate in the At-Home Child Care Program?

4. What were the benefits for you, your family and your infant in participating in the At-Home Infant Child Care Program?

5. Was it difficult to participate in AHIC? Yes No
If so, why?

6. How could this program be improved?

Minnesota Statutes 1999, Chapter 119B.

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==119B.01

119B.01 Subdivision 1. MS 1998 Renumbered 119B.011,
subdivision 1

- Subd. 2. MS 1998 Renumbered 119B.011, subd. 2
- Subd. 2a. MS 1998 Renumbered 119B.011, subd. 3
- Subd. 3. MS 1998 Renumbered 119B.011, subd. 7
- Subd. 4. MS 1998 Renumbered 119B.011, subd. 4
- Subd. 5. MS 1998 Renumbered 119B.011, subd. 8
- Subd. 6. MS 1998 Renumbered 119B.011, subd. 5
- Subd. 7. MS 1998 Renumbered 119B.011, subd. 9
- Subd. 7a. MS 1998 Renumbered 119B.011, subd. 10
- Subd. 8. MS 1998 Renumbered 119B.011, subd. 11
- Subd. 9. MS 1998 Renumbered 119B.011, subd. 12
- Subd. 10. MS 1998 Renumbered 119B.011, subd. 13
- Subd. 11. MS 1998 Renumbered 119B.011, subd. 14
- Subd. 12. MS 1998 Renumbered 119B.011, subd. 15
- Subd. 12a. MS 1998 Renumbered 119B.011, subd. 17
- Subd. 13. MS 1998 Renumbered 119B.011, subd. 19
- Subd. 14. MS 1998 Renumbered 119B.011, subd. 18
- Subd. 15. MS 1998 Repealed, 1999 c 205 art 1 s 73
- Subd. 16. MS 1998 Renumbered 119B.011, subd. 20
- Subd. 17. MS 1998 Renumbered 119B.011, subd. 6
- Subd. 18. MS 1998 Renumbered 119B.011, subd. 16

==119B.011

119B.011 Definitions.

Subdivision 1. Scope. For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. Applicant. "Child care fund applicants" means all parents, stepparents, legal guardians, or eligible relative caregivers who are members of the family and reside in the household that applies for child care assistance under the child care fund.

Subd. 3. Application. "Application" means the submission to a county agency, by or on behalf of a family, of a

completed, signed, and dated child care assistance universal application form that indicates the family's desire to receive assistance.

Subd. 4. Child. "Child" means a person 12 years old or younger, or a person age 13 or 14 who is handicapped, as defined in section 125A.02.

Subd. 5. Child care. "Child care" means the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subd. 6. Child care fund. "Child care fund" means a program under this chapter providing:

(1) financial assistance for child care to parents engaged in employment, job search, or education and training leading to employment, or an at-home infant care subsidy; and

(2) grants to develop, expand, and improve the access and availability of child care services statewide.

Subd. 7. Child care services. "Child care services" means child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, head start, and extended day school age child care programs in or out of the child's home.

Subd. 8. Commissioner. "Commissioner" means the commissioner of children, families, and learning.

Subd. 9. County board. "County board" means the board of county commissioners in each county.

Subd. 10. Department. "Department" means the department of children, families, and learning.

Subd. 11. Education program. "Education program" means remedial or basic education or English as a second language instruction, a program leading to a general equivalency or high school diploma, post-secondary programs excluding postbaccalaureate programs, and other education and training needs as documented in an employment plan, as defined in subdivision 12. The employment plan must outline education and training needs of a recipient, meet state requirements for employment plans, meet the requirements of this chapter, and Minnesota Rules, parts 3400.0010 to 3400.0230, and meet the requirements of programs that provide federal reimbursement for child care services.

Subd. 12. Employment plan. "Employment plan" means employment of recipients financially eligible for child care assistance, or other work activities approved in an employability development, job search support plan, or employment plan that is developed by the county agency, if it is acting as an employment and training service provider, or by an employment and training service provider certified by the commissioner of economic security or an individual designated by the county to provide employment and training services. The plans and designation of a service provider must meet the requirements of this chapter and chapter 256J or chapter 256K, Minnesota Rules, parts 3400.0010 to 3400.0230, and other programs that provide federal reimbursement for child care

services.

Subd. 13. Family. "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caregivers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities or parents, stepparents, guardians and their spouses, or other relative caregivers and their spouses temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or post-secondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same household.

Subd. 14. Human services board. "Human services board" means a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.

Subd. 15. Income. "Income" means earned or unearned income received by all family members, including public assistance cash benefits and at-home infant care subsidy payments, unless specifically excluded. The following are excluded from income: funds used to pay for health insurance premiums for family members, Supplemental Security Income, scholarships, work-study income, and grants that cover costs or reimbursement for tuition, fees, books, and educational supplies; student loans for tuition, fees, books, supplies, and living expenses; state and federal earned income tax credits; in-kind income such as food stamps, energy assistance, foster care assistance, medical assistance, child care assistance, and housing subsidies; earned income of full or part-time students, who have not earned a high school diploma or GED high school equivalency diploma including earnings from summer employment; grant awards under the family subsidy program; nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid; and any income assigned to the public authority according to section 256.74 or 256.741.

Subd. 16. Legal nonlicensed child care provider. "Legal nonlicensed child care provider" means a child care provider who is excluded from licensing requirements under section 245A.03, subdivision 2.

Subd. 17. MFIP. "MFIP" means the Minnesota family investment program, the state's TANF program under Public Law Number 104-193, Title I, and includes the MFIP program under chapter 256J, the work first program under chapter 256K, and tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2.

Subd. 18. Post-secondary educational systems. "Post-secondary educational systems" means the University of Minnesota board of regents and the board of trustees of the Minnesota state colleges and universities.

Subd. 19. Provider. "Provider" means a child care license holder who operates a family child care home, a group family child care home, a child care center, a nursery school, a day nursery, a school age care program; a license-exempt school age care program operating under the auspices of a local school board or a park or recreation board of a city of the first class that has adopted school age care guidelines which meet or exceed guidelines recommended by the department, or a nonlicensed registered provider who is at least 18 years of age, and who is not a member of the MFIP assistance unit or a member of the family receiving child care assistance under this chapter.

Subd. 20. Transition year families. "Transition year families" means families who have received MFIP assistance, or who were eligible to receive MFIP assistance after choosing to discontinue receipt of the cash portion of MFIP assistance under section 256J.31, subdivision 12, for at least three of the last six months before losing eligibility for MFIP due to increased income from employment or child or spousal support or families participating in work first under chapter 256K who meet the requirements of section 256K.07. Transition year child care may be used to support employment or job search.

HIST: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 59; 1988 c 689 art 2 s 223; 1989 c 282 art 2 s 135-140; 1990 c 375 s 3; 1990 c 568 art 4 s 34-38; 1992 c 513 art 8 s 26,27; 1994 c 483 s 1; 1995 c 207 art 4 s 22,23; 1Sp1995 c 3 art 16 s 13; 1996 c 395 s 18; 1997 c 162 art 4 s 1-8; 1998 c 397 art 11 s 3; 1998 c 407 art 6 s 1; 1999 c 159 s 7-12; 1999 c 205 art 1 s 3-10,69; art 5 s 1,2,21

* NOTE: Subdivision 17 was also repealed by Laws 1999, *chapter 159, section 154.

==119B.02

119B.02 Duties of commissioner.

Subdivision 1. Child care services. The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The rules shall provide that funds received as a lump sum payment of child support arrearages shall not be counted as income to a family in the month received but shall be prorated over the 12 months following receipt and added to the family income during those months. In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money under title I and title IV of Public Law Number 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and other programs

that provide federal or state reimbursement for child care services for low-income families who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Subd. 2. Contractual agreements with tribes. The commissioner may enter into contractual agreements with a federally recognized Indian tribe with a reservation in Minnesota to carry out the responsibilities of county human service agencies to the extent necessary for the tribe to operate child care assistance programs under sections 119B.03 and 119B.05. An agreement may allow for the tribe to be reimbursed for child care assistance services provided under section 119B.05. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and tribal child care services. Funding to support services under section 119B.03 may be transferred to the federally recognized Indian tribe with a reservation in Minnesota from allocations available to counties in which reservation boundaries lie. When funding is transferred under section 119B.03, the amount shall be commensurate to estimates of the proportion of reservation residents with characteristics identified in section 119B.03, subdivision 6, to the total population of county residents with those same characteristics.

Subd. 3. Supervision of counties. The commissioner shall supervise child care programs administered by the counties through standard-setting, technical assistance to the counties, approval of county child care fund plans, and distribution of public money for services. The commissioner shall provide training and other support services to assist counties in planning for and implementing child care assistance programs. The commissioner shall adopt rules under chapter 14 that establish minimum administrative standards for the provision of child care services by county boards of commissioners.

Subd. 4. Universal application form. The commissioner must develop and make available to all counties a universal application form for child care assistance under this chapter. The application must provide notice of eligibility requirements for assistance and penalties for wrongfully obtaining assistance.

Subd. 5. Program integrity. For child care assistance programs under this chapter, the commissioner shall enforce, in cooperation with the commissioner of human services, the requirements for program integrity and fraud prevention investigations under sections 256.046, 256.98, and 256.983.

HIST: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 2 s 146; art 3 s 60; 1989 c 282 art 2 s 141; 1990 c 432 s 1; 1991 c 292 art 5 s 52; 1995 c 207 art 4 s 24; 1995 c 257 art 1 s 17; 1997 c 162 art 4 s 9; 1998 c 407 art 6 s 2; 1999 c 159 s 13; 1999 c 205 art 1 s 11-14

=119B.03

119B.03 Basic sliding fee program.

Subdivision 1. Allocation period; notice of allocation.

When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their child care fund plans required under section 119B.08, subdivision 3, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. By October 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Subd. 2. Waiting list. Each county that receives funds under this section must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy or have requested child care assistance. Counties shall perform a preliminary determination of eligibility when a family requests child care assistance. At a minimum, a county must make a preliminary determination of eligibility based on family size, income, and authorized activity. A family seeking child care assistance must provide the required information to the county. A family that appears to be eligible must be put on a waiting list if funds are not immediately available. The waiting list must identify students in need of child care. Counties must review and update their waiting list at least every six months.

Subd. 3. Eligible participants. Families that meet the eligibility requirements under sections 119B.07, 119B.09, and 119B.10, except MFIP participants, work first participants, and transition year families are eligible for child care assistance under the basic sliding fee program. Families enrolled in the basic sliding fee program shall be continued until they are no longer eligible. Child care assistance provided through the child care fund is considered assistance to the parent.

Subd. 4. Funding priority. (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-MFIP families who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to parents who have completed their MFIP or work first transition year.

(c) Third priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

Subd. 5. Review of use of funds; reallocation. (a) After each quarter, the commissioner shall review the use of basic sliding fee program allocations by county. The

commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full allocation or may allow a county to expend up to ten percent of its allocation in the subsequent allocation period.

(b) Any unexpended state and federal appropriations from the first year of the biennium may be carried forward to the second year of the biennium.

Subd. 6. Allocation formula. The basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 8, with any remaining available funds allocated according to the following formula:

(a) One-fourth of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation.

(b) One-fourth of the funds shall be allocated based on the number of families participating in the transition year child care program as reported during the most recent quarter completed at the time of the notice of allocation.

(c) One-fourth of the funds shall be allocated in proportion to each county's most recently reported first, second, and third priority waiting list as defined in subdivision 2.

(d) One-fourth of the funds must be allocated in proportion to each county's most recently reported waiting list as defined in subdivision 2.

Subd. 7. Repealed, 1999 c 205 art 1 s 73

Subd. 8. Guaranteed floor. (a) Beginning January 1, 1996, each county's guaranteed floor shall equal 90 percent of the allocation received in the preceding calendar year. For the period January 1, 1999, to December 31, 1999, each county's guaranteed floor must be equal to its original calendar year 1998 allocation or its actual earnings for calendar year 1998, whichever is less.

(b) When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.

Subd. 9. Portability pool. (a) The commissioner shall establish a pool of up to five percent of the annual appropriation for the basic sliding fee program to provide continuous child care assistance for eligible families who move between Minnesota counties. At the end of each allocation period, any unspent funds in the portability pool must be used for assistance under the basic sliding fee program. If expenditures from the portability pool exceed the amount of money available, the reallocation pool must be reduced to cover these shortages.

(b) To be eligible for portable basic sliding fee assistance, a family that has moved from a county in which it

was receiving basic sliding fee assistance to a county with a waiting list for the basic sliding fee program must:

(1) meet the income and eligibility guidelines for the basic sliding fee program; and

(2) notify the new county of residence within 30 days of moving and apply for basic sliding fee assistance in the new county of residence.

(c) The receiving county must:

(1) accept administrative responsibility for applicants for portable basic sliding fee assistance at the end of the two months of assistance under the Unitary Residency Act;

(2) continue basic sliding fee assistance for the lesser of six months or until the family is able to receive assistance under the county's regular basic sliding program; and

(3) notify the commissioner through the quarterly reporting process of any family that meets the criteria of the portable basic sliding fee assistance pool.

Subd. 10. Application; entry points. Two or more methods of applying for the basic sliding fee program must be available to applicants in each county. To meet the requirements of this subdivision, a county may provide alternative methods of applying for assistance, including, but not limited to, a mail application, or application sites that are located outside of government offices.

HIST: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 61; 1988 c 689 art 2 s 224; 1989 c 282 art 2 s 142; 1990 c 568 art 4 s 39-41; 1991 c 292 art 5 s 53; 1992 c 464 art 1 s 31; 1992 c 513 art 8 s 28,29; 1995 c 207 art 4 s 25-29; 1997 c 162 art 1 s 19; art 4 s 10-17; 1998 c 254 art 1 s 29; 1999 c 159 s 14,15; 1999 c 205 art 1 s 15-20,69

==119B.04

119B.04 Federal child care and development fund.

Subdivision 1. Commissioner to administer program. The commissioner is authorized and directed to receive, administer, and expend funds available under the child care and development fund under Public Law Number 104-193, Title VI.

Subd. 2. Rulemaking authority. The commissioner may adopt rules under chapter 14 to administer the child care and development fund.

HIST: 1991 c 292 art 5 s 54; 1Sp1995 c 3 art 16 s 13; 1997 c 162 art 4 s 18; 1999 c 205 art 1 s 21

==119B.05

119B.05 MFIP child care assistance program.

Subdivision 1. Eligible participants. Families eligible for child care assistance under the MFIP child care program are:

(1) MFIP participants who are employed or in job search and meet the requirements of section 119B.10;

(2) persons who are members of transition year families under section 119B.011, subdivision 20;

(3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under chapter 256K;

(4) MFIP families who are participating in work activities as required in their job search support or employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J. Child care assistance to support work activities as described in section 256J.49 must be available according to sections 119B.011, subdivision 11, 124D.13, 256E.08, and 611A.32 and titles IVA, IVB, IVE, and XX of the Social Security Act; and

(5) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2.

Subd. 2. Repealed, 1997 c 162 art 1 s 19

Subd. 3. Repealed, 1997 c 162 art 1 s 19

Subd. 4. Contracts; other uses allowed. Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

Subd. 5. Federal reimbursement. Counties shall maximize their federal reimbursement under federal reimbursement programs for money spent for persons eligible under this chapter. The commissioner shall allocate any federal earnings to the county to be used to expand child care services under this chapter.

Subd. 6. Repealed, 1999 c 159 s 154; 1999 c 205 art 1 s 73

Subd. 7. Repealed, 1999 c 205 art 1 s 73

HIST: 1987 c 403 art 3 s 63; 1Sp1987 c 4 art 2 s 5; 1988 c 689 art 2 s 225; 1989 c 282 art 2 s 143; 1990 c 568 art 4 s 42-45; 1991 c 292 art 5 s 55; 1992 c 513 art 8 s 30,31; 1995 c 207 art 4 s 30; 1Sp1995 c 3 art 16 s 13; 1997 c 162 art 4 s 19-21,23; 1Sp1997 c 5 s 49; 3Sp1997 c 3 s 22; 1998 c 397 art 11 s 3; 1999 c 86 art 1 s 32; 1999 c 159 s 16; 1999 c 205 art 1 s 21,22,69,70

==119B.06

119B.06 Federal child care and development block grant.

Subdivision 1. Commissioner to administer block grant. The commissioner is authorized and directed to receive, administer, and expend child care funds available under the child care and development block grant authorized under Public Law Number 101-508.

Subd. 2. Rulemaking authority. The commissioner may adopt rules under chapter 14 to administer the child care development block grant program.

HIST: 1991 c 292 art 5 s 56; 1Sp1995 c 3 art 16 s 13; 1999 c 205 art 1 s 23

==119B.061

119B.061 At-home infant child care program.

Subdivision 1. Establishment. A family in which a parent provides care for the family's infant child may receive a subsidy in lieu of assistance if the family is eligible for, or is receiving assistance under the basic sliding fee program. An eligible family must meet the eligibility factors under section 119B.09, the income criteria under section 119B.12, and the requirements of this section. Subject to federal match and maintenance of effort requirements for the child care and development fund, the commissioner shall establish a pool of up to seven percent of the annual appropriation for the basic sliding fee program to provide assistance under the at-home infant child care program. At the end of a fiscal year, the commissioner may carry forward any unspent funds under this section to the next fiscal year within the same biennium for assistance under the basic sliding fee program.

Subd. 2. Eligible families. A family with an infant under the age of one year is eligible for assistance if:

(1) the family is not receiving MFIP, other cash assistance, or other child care assistance;

(2) the family has not previously received all of the one-year exemption from the work requirement for infant care under the MFIP program;

(3) the family has not previously received a life-long total of 12 months of assistance under this section; and

(4) the family is participating in the basic sliding fee program or provides verification of participation in an authorized activity at the time of application and meets the program requirements.

Subd. 3. Eligible parent. A family is eligible for assistance under this section if one parent cares for the family's infant child. The eligible parent must:

(1) be over the age of 18;

(2) care for the infant full-time in the infant's home; and

(3) care for any other children in the family who are eligible for child care assistance under this chapter.

For the purposes of this section, "parent" means birth parent, adoptive parent, or stepparent.

Subd. 4. Assistance. (a) A family is limited to a lifetime total of 12 months of assistance under this section. The maximum rate of assistance is equal to 75 percent of the rate established under section 119B.13 for care of infants in licensed family child care in the applicant's county of residence. Assistance must be calculated to reflect the parent fee requirement under section 119B.12 for the family's income level and family size.

(b) A participating family must report income and other family changes as specified in the county's plan under section 119B.08, subdivision 3. The family must treat any assistance

received under this section as unearned income.

(c) Persons who are admitted to the at-home infant care program retain their position in any basic sliding fee program or on any waiting list attained at the time of admittance. If they are on the waiting list, they must advance as if they had not been admitted to the program. Persons leaving the at-home infant care program re-enter the basic sliding fee program at the position they would have occupied or the waiting list at the position to which they would have advanced. Persons who would have attained eligibility for the basic sliding fee program must be given assistance or advance to the top of the waiting list when they leave the at-home infant care program. Persons admitted to the at-home infant care program who are not on a basic sliding fee waiting list may apply to the basic sliding fee program, and if eligible, be placed on the waiting list.

(d) The time that a family receives assistance under this section must be deducted from the one-year exemption from work requirements under the MFIP program.

(e) Assistance under this section does not establish an employer-employee relationship between any member of the assisted family and the county or state.

Subd. 5. Implementation. (a) The commissioner shall implement the at-home infant child care program under this section through counties that administer the basic sliding fee program under section 119B.03. The commissioner must develop and distribute consumer information on the at-home infant care program to assist parents of infants or expectant parents in making informed child care decisions.

(b) The commissioner shall evaluate this program and report the impact to the legislature by January 1, 2000. The evaluation must include data on the number of families participating in the program; the number of families continuing to pursue employment or education while participating in the program; the average income of families prior to, during, and after participation in the program; family size; and single parent and two-parent status.

HIST: 1997 c 162 art 4 s 22; 1999 c 205 art 1 s 24

==119B.07

119B.07 Use of money.

Money for persons listed in sections 119B.03, subdivision 3, and 119B.05, subdivision 1, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employment plan in the case of an MFIP participant, and county policies included in the child care fund plan. The maximum length of time a student is eligible for child care assistance under the child care fund for education and training is no more than the time necessary to complete the credit requirements for an associate or baccalaureate degree as determined by the educational institution, excluding basic or remedial education programs

needed to prepare for post-secondary education or employment. To be eligible, the student must be in good standing and be making satisfactory progress toward the degree. Time limitations for child care assistance do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. If an MFIP participant who is receiving MFIP child care assistance under this chapter moves to another county, continues to participate in educational or training programs authorized in their employment plans, and continues to be eligible for MFIP child care assistance under this chapter, the MFIP participant must receive continued child care assistance from the county responsible for their current employment plan, under section 256G.07.

HIST: 1987 c 403 art 3 s 66; 1988 c 689 art 2 s 227; 1989 c 282 art 2 s 145; 1990 c 426 art 1 s 31; 1990 c 568 art 4 s 46; 1991 c 292 art 5 s 57; 1995 c 207 art 4 s 31; 1997 c 162 art 4 s 24; 1999 c 159 s 17; 1999 c 205 art 1 s 25,69

==119B.074

119B.074 Special revenue account for child care.

A child support collection account is established in the special revenue fund for the deposit of collections through the assignment of child support under section 256.741, subdivision 2. The commissioner of human services must deposit all collections made under section 256.741, subdivision 2, in the child support collection account. Money in this account is appropriated to the commissioner for assistance under section 119B.03 and is in addition to other state and federal appropriations.

HIST: 1999 c 205 art 1 s 26

==119B.075

119B.075 Repealed, 1999 c 205 art 1 s 73

* NOTE: This section was also amended by Laws 1999, chapter *159, section 18, to read as follows:

* "119B.075 Reserve account.

* A reserve account must be created within the general fund *for all unexpended basic sliding fee child care, TANF child *care, or other child care funds under the jurisdiction of the *commissioner. Any funds for those purposes that are unexpended *at the end of a biennium must be deposited in this reserve *account, and may be appropriated on an ongoing basis by the *commissioner for basic sliding fee child care or MFIP child *care."

==119B.08

119B.08 Reporting and payments.

Subdivision 1. Reports. The commissioner shall specify requirements for reports under the same authority as provided to the commissioner of human services in section 256.01, subdivision 2, paragraph (17).

Subd. 2. Quarterly payments. The commissioner may

make payments to each county in quarterly installments. The commissioner may certify an advance up to 25 percent of the allocation. Subsequent payments shall be made on a reimbursement basis for reported expenditures and may be adjusted for anticipated spending patterns. Payments may be withheld if quarterly reports are incomplete or untimely.

Subd. 3. Child care fund plan. The county and designated administering agency shall submit to the commissioner an annual child care fund plan in its biennial community social services plan. The commissioner shall establish the dates by which the county must submit the plans. The plan shall include:

- (1) a narrative of the total program for child care services, including all policies and procedures that affect eligible families and are used to administer the child care funds;
- (2) the methods used by the county to inform eligible families of the availability of child care assistance and related services;
- (3) the provider rates paid for all children with special needs by provider type;
- (4) the county prioritization policy for all eligible families under the basic sliding fee program; and
- (5) other information as requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

The commissioner shall notify counties within 60 days of the date the plan is submitted whether the plan is approved or the corrections or information needed to approve the plan. The commissioner shall withhold a county's allocation until it has an approved plan. Plans not approved by the end of the second quarter after the plan is due may result in a 25 percent reduction in allocation. Plans not approved by the end of the third quarter after the plan is due may result in a 100 percent reduction in the allocation to the county. Counties are to maintain services despite any reduction in their allocation due to plans not being approved.

Subd. 4. Termination of allocation. The commissioner may withhold, reduce, or terminate the allocation of any county that does not meet the reporting or other requirements of this program. The commissioner shall reallocate to other counties money so reduced or terminated.

HIST: 1987 c 403 art 3 s 67; 1989 c 89 s 22; 1989 c 282 art 2 s 146; 1990 c 568 art 4 s 47; 1997 c 162 art 4 s 26,27; 1999 c 159 s 19; 1999 c 205 art 1 s 27,69

==119B.09

119B.09 Financial eligibility.

Subdivision 1. General eligibility requirements for all applicants for child care assistance. (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

- (1) meet the requirements of section 119B.05; receive MFIP

assistance; and are participating in employment and training services under chapter 256J or 256K;

(2) have household income below the eligibility levels for MFIP; or

(3) have household income within a range established by the commissioner.

(b) Child care services must be made available as in-kind services.

(c) All applicants for child care assistance and families currently receiving child care assistance must be assisted and required to cooperate in establishment of paternity and enforcement of child support obligations for all children in the family as a condition of program eligibility. For purposes of this section, a family is considered to meet the requirement for cooperation when the family complies with the requirements of section 256.741.

Subd. 2. Sliding fee. Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

Subd. 3. Priorities; allocations. If a county projects that its child care allocation is insufficient to meet the needs of all eligible families, it may prioritize among the families that remain to be served after the county has complied with the priority requirements of section 119B.03. Counties that have established a priority for families who are not MFIP participants beyond those established under section 119B.03 must submit the policy in the annual child care fund plan.

Subd. 4. Eligibility; annual income; calculation. Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, or income calculated by the method which provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be redetermined when the family's income changes, but no less often than every six months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Subd. 5. Provider choice. Parents may choose child care providers as defined under section 119B.011, subdivision 19, that best meet the needs of their family. Counties shall make resources available to parents in choosing quality child care services. Counties may require a parent to sign a release stating their knowledge and responsibilities in choosing a legal provider described under section 119B.011, subdivision 19. When a county knows that a particular provider is unsafe, or that the circumstances of the child care arrangement chosen by the parent are unsafe, the county may deny a child care subsidy. A county may not restrict access to a general category of provider allowed under section 119B.011, subdivision 19.

Subd. 6. Maximum child care assistance. The maximum

amount of child care assistance a local agency may authorize in a two-week period is 120 hours per child.

Subd. 7. Date of eligibility for assistance. The date of eligibility for child care assistance under this chapter is the later of the date the application was signed; the beginning date of employment, education, or training; or the date a determination has been made that the applicant is a participant in employment and training services under Minnesota Rules, part 3400.0080, subpart 2a, or chapter 256J or 256K. The date of eligibility for the basic sliding fee at-home infant child care program is the later of the date the infant is born or, in a county with a basic sliding fee waiting list, the date the family applies for at-home infant child care. Payment ceases for a family under the at-home infant child care program when a family has used a total of 12 months of assistance as specified under section 119B.061. Payment of child care assistance for employed persons on MFIP is effective the date of employment or the date of MFIP eligibility, whichever is later. Payment of child care assistance for MFIP or work first participants in employment and training services is effective the date of commencement of the services or the date of MFIP or work first eligibility, whichever is later. Payment of child care assistance for transition year child care must be made retroactive to the date of eligibility for transition year child care.

Subd. 8. No employee-employer relationships. Receipt of federal, state, or local funds by a child care provider either directly or through a parent who is a child care assistance recipient does not establish an employee-employer relationship between the child care provider and the county or state.

HIST: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 68; 1988 c 689 art 2 s 228; 1989 c 282 art 2 s 147,148; 1990 c 568 art 4 s 48-50; 1992 c 513 art 8 s 32; 1997 c 162 art 4 s 28-32; 1999 c 159 s 20-22; 1999 c 205 art 1 s 28-30,69; art 5 s 21

==119B.10

119B.10 Employment or training eligibility.

Subdivision 1. Assistance for persons seeking and retaining employment. (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive up to 240 hours of child care assistance per calendar year.

(b) Employed persons who work at least an average of 20 hours and full-time students who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance for employment. For purposes of this section, work-study programs must be counted as employment. Child care assistance during employment must be authorized as provided in paragraphs (c) and (d).

(c) When the person works for an hourly wage and the hourly wage is equal to or greater than the applicable minimum wage, child care assistance shall be provided for the actual hours of employment, break, and mealtime during the employment and travel time up to two hours per day.

(d) When the person does not work for an hourly wage, child

care assistance must be provided for the lesser of:

(1) the amount of child care determined by dividing gross earned income by the applicable minimum wage, up to one hour every eight hours for meals and break time, plus up to two hours per day for travel time; or

(2) the amount of child care equal to the actual amount of child care used during employment, including break and mealtime during employment, and travel time up to two hours per day.

Subd. 2. Financial eligibility required. Persons participating in employment programs, training programs, or education programs are eligible for continued assistance from the child care fund, if they are financially eligible under the sliding fee scale set by the commissioner in section 119B.12.

HIST: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 69; 1989 c 282 art 2 s 149; 1990 c 568 art 4 s 51; 1995 c 207 art 4 s 32; 1997 c 162 art 4 s 33; 1999 c 205 art 1 s 31

==119B.11

119B.11 County contribution.

Subdivision 1. County contributions required. Beginning July 1, 1997, in addition to payments from basic sliding fee child care program participants, each county shall contribute from county tax or other sources a fixed local match equal to its calendar year 1996 required county contribution reduced by the administrative funding loss that would have occurred in state fiscal year 1996 under section 119B.15. The commissioner shall recover funds from the county as necessary to bring county expenditures into compliance with this subdivision.

Subd. 2. Repealed, 1997 c 162 art 1 s 19

Subd. 2a. Recovery of overpayments. An amount of child care assistance paid to a recipient in excess of the payment due is recoverable by the county agency. If the family remains eligible for child care assistance, the overpayment must be recovered through recoupment as identified in Minnesota Rules, part 3400.0140, subpart 19. If the family no longer remains eligible for child care assistance, the county may choose to initiate efforts to recover overpayments from the family for overpayment less than \$50. If the overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of the overpayment from the family. If the county is unable to recoup the overpayment through voluntary repayment, the county shall initiate civil court proceedings to recover the overpayment unless the county's costs to recover the overpayment will exceed the amount of the overpayment. A family with an outstanding debt under this subdivision is not eligible for child care assistance until: (1) the debt is paid in full; or (2) satisfactory arrangements are made with the county to retire the debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and the family is in compliance with the arrangements.

Subd. 3. Federal money; state recovery. The commissioner shall recover from counties any state or federal money that was spent for persons found to be ineligible, except if the recovery is made by a county agency using any method other than recoupment, the county may keep 25 percent of the recovery. If a federal audit exception is taken based on a

percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.

Subd. 4. Maintenance of funding effort. To receive money through this program, each county shall certify, in its annual plan to the commissioner, that the county has not reduced allocations from other federal and state sources, which, in the absence of the child care fund, would have been available for child care assistance. However, the county must continue contributions, as necessary, to maintain on the basic sliding fee program, families who are receiving assistance on July 1, 1995, until the family loses eligibility for the program or until a family voluntarily withdraws from the program. This subdivision does not affect the local match required for this program under other sections of the law.

HIST: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 70; 1989 c 282 art 2 s 150; 1995 c 139 s 1; 1995 c 207 art 4 s 33-35; 1997 c 162 art 4 s 34-36; 1999 c 205 art 1 s 32

==119B.12

119B.12 Sliding fee scale.

Subdivision 1. Fee schedule. In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The commissioner shall base the parent fee on the ability of the family to pay for child care. The fee schedule must be designed to use any available tax credits.

Subd. 2. Parent fee. A family's monthly parent fee must be a fixed percentage of its annual gross income. Parent fees must apply to families eligible for child care assistance under sections 119B.03 and 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed percent is based on the relationship of the family's annual gross income to 100 percent of state median income. Beginning January 1, 1998, parent fees must begin at 75 percent of the poverty level. The minimum parent fees for families between 75 percent and 100 percent of poverty level must be \$5 per month. Parent fees must be established in rule and must provide for graduated movement to full payment.

HIST: 1Sp1985 c 14 art 9 s 72; 1988 c 689 art 2 s 229; 1997 c 162 art 4 s 37; 1999 c 205 art 1 s 33; art 5 s 21

==119B.13

119B.13 Child care rates.

Subdivision 1. Subsidy restrictions. The maximum rate paid for child care assistance under the child care fund may not exceed the 75th percentile rate for like-care arrangements in the county as surveyed by the commissioner. A rate which includes a provider bonus paid under subdivision 2 or a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision. The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care. Not less

than once every two years, the commissioner shall evaluate market practices for payment of absences and shall establish policies for payment of absent days that reflect current market practice.

When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.

Subd. 2. Provider rate bonus for accreditation. A family child care provider or child care center shall be paid a ten percent bonus above the maximum rate established in subdivision 1, if the provider or center holds a current early childhood development credential approved by the commissioner, up to the actual provider rate.

Subd. 3. Provider rate for care of children with handicaps or special needs. Counties shall reimburse providers for the care of children with handicaps or special needs, at a special rate to be approved by the county for care of these children, subject to the approval of the commissioner.

Subd. 4. Rates charged to publicly subsidized families. Child care providers receiving reimbursement under this chapter may not charge a rate to clients receiving assistance under this chapter that is higher than the private, full-paying client rate.

Subd. 5. Provider notice. The county shall inform both the family receiving assistance under this chapter and the child care provider of the payment amount and how and when payment will be received. If the county sends a family a notice that child care assistance will be terminated, the county shall inform the provider that unless the family requests to continue to receive assistance pending an appeal, child care payments will no longer be made. The notice to the provider must not contain any private data on the family or information on why payment will no longer be made.

Subd. 6. Provider payments. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses. If payments for child care assistance are made to providers, the provider shall bill the county for services provided within ten days of the end of the month of service. If bills are submitted in accordance with the provisions of this subdivision, a county shall issue payment to the provider of child care under the child care fund within 30 days of receiving an invoice from the provider. Counties may establish policies that make payments on a more frequent basis. A county's payment policies must be included in the county's child care plan under section 119B.08, subdivision 3.

HIST: 1Sp1985 c 14 art 9 s 72; 1987 c 290 s 1; 1989 c 282 art 2 s 151; 1990 c 568 art 4 s 52,53; 1991 c 292 art 5 s 58-60; 1995 c 207 art 4 s 36; 1Sp1995 c 3 art 16 s 13; 1997 c 162 art 4 s 38-40; 1Sp1997 c 5 s 48; 1999 c 205 art 1 s 34

==119B.14

119B.14 Extension of employment opportunities.

The county board shall ensure that child care services available to eligible residents are well advertised and that

everyone who receives or applies for MFIP assistance is informed of training and employment opportunities and programs, including child care assistance and child care resource and referral services.

HIST: 1Sp1985 c 14 art 9 s 72; 1990 c 568 art 4 s 54; 1999 c 159 s 23; 1999 c 205 art 1 s 35,69

==119B.15

119B.15 Administrative expenses.

The commissioner shall use up to 1/21 of the state and federal funds available for the basic sliding fee program and 1/21 of the state and federal funds available for the MFIP child care program for payments to counties for administrative expenses.

HIST: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 72; 1989 c 282 art 2 s 152; 1991 c 292 art 5 s 61; 1995 c 207 art 4 s 37; 1997 c 162 art 4 s 41; 1999 c 159 s 24; 1999 c 205 art 1 s 36,69

==119B.16

119B.16 Fair hearing process.

Subdivision 1. Fair hearing allowed. An applicant or recipient adversely affected by a county agency action may request a fair hearing in accordance with section 256.045.

Subd. 2. Informal conference. The county agency shall offer an informal conference to applicants and recipients adversely affected by an agency action to attempt to resolve the dispute. The county agency shall advise adversely affected applicants and recipients that a request for a conference with the agency is optional and does not delay or replace the right to a fair hearing.

HIST: 1987 c 403 art 3 s 73; 1988 c 689 art 2 s 230; 1997 c 162 art 4 s 42

==119B.17

119B.17 Repealed, 1999 c 205 art 1 s 73

==119B.18

119B.18 Subdivision 1. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 2. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 3. MS 1998 Renumbered 119B.211

==119B.189

119B.189 Child care services grant definitions.

Subdivision 1. Facility improvement expenses. "Facility improvement expenses" means the cost of improvements, equipment, appropriate technology and software, toys, and supplies needed to establish, expand, or improve a licensed child care facility or a child care program under the jurisdiction of a district school board.

Subd. 2. Interim financing. "Interim financing" means funding for up to 18 months:

(1) for activities that are necessary to receive and

maintain state child care licensing;

(2) to expand an existing child care program or to improve program quality; and

(3) to operate for a period of six consecutive months after a child care facility becomes licensed or satisfies standards of the commissioner of children, families, and learning.

Subd. 3. Region. "Region" means a region designated by the governor under section 462.385.

Subd. 4. Training program. "Training program" means child development courses offered by an accredited post-secondary institution or similar training approved by a county board or the commissioner. A training program must be a course of study that teaches specific skills to meet licensing requirements or requirements of the commissioner of children, families, and learning.

HIST: 1989 c 282 art 2 s 154; 1990 c 568 art 4 s 55; 1991 c 292 art 5 s 65; 1Sp1995 c 3 art 16 s 13; 1997 c 162 art 4 s 44-46; 1998 c 397 art 11 s 3; 1998 c 398 art 5 s 55; 1999 c 205 art 5 s 8-11,21

==119B.19

119B.19 Grants for school age child care programs and child care resource and referral programs.

Subdivision 1. Distribution of funds for operation of child care resource and referral programs. The commissioner of children, families, and learning shall distribute funds to public or private nonprofit organizations for the planning, establishment, expansion, improvement, or operation of child care resource and referral programs under this section. The commissioner must adopt rules for programs under this section and sections 119B.189 and 119B.21. The commissioner must develop a process to fund organizations to operate child care resource and referral programs that includes application forms, timelines, and standards for renewal.

Subd. 1a. Designation of organizations. The commissioner shall designate an organization to administer a child care resource and referral program to serve a region.

Subd. 2. Repealed, 1997 c 162 art 1 s 19

Subd. 3. Repealed, 1999 c 205 art 5 s 22

Subd. 4. Repealed, 1999 c 205 art 5 s 22

Subd. 5. Repealed, 1999 c 205 art 5 s 22

Subd. 6. Basis for distributing funds. (a) The commissioner shall distribute funds for the administration of child care resource and referral programs based on the following factors for each region:

- (1) the region served by the program;
- (2) the number of children under the age of 13 years needing child care;
- (3) the ratio of children under the age of 13 years needing

child care to the number of licensed spaces;

(4) the number of licensed child care providers and school-age care programs; and

(5) other related factors determined by the commissioner.

(b) The commissioner may provide ongoing funding to a designated organization for a child care resource and referral program that continues to meet state standards.

Subd. 6a. Local match requirement. A local match of 25 percent is required.

Subd. 7. Child care resource and referral programs. Within each region, a child care resource and referral program must:

(1) maintain one database of all existing child care resources and services and one database of family referrals;

(2) provide a child care referral service for families;

(3) develop resources to meet the child care service needs of families;

(4) increase the capacity to provide culturally responsive child care services;

(5) coordinate professional development opportunities for child care and school-age care providers;

(6) administer and award child care services grants;

(7) administer and provide loans for child development education and training; and

(8) cooperate with the Minnesota Child Care Resource and Referral Network and its member programs to develop effective child care services and child care resources.

HIST: 1986 c 404 s 3; 1987 c 403 art 3 s 74; 1988 c 689 art 2 s 231; 1989 c 282 art 2 s 153; 1991 c 199 art 2 s 1; 1991 c 292 art 5 s 64; 1995 c 207 art 4 s 38; 1Sp1995 c 3 art 16 s 13; 1999 c 205 art 5 s 3-7,21

==119B.20

119B.20 Subdivision 1. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 2. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 3. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 4. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 5. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 6. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 7. MS 1998 Renumbered 119B.189, subdivision 1

Subd. 8. MS 1998 Renumbered 119B.189, subd. 2

Subd. 9. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 10. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 11. MS 1998 Repealed, 1999 c 205 art 5 s 22

Subd. 12. MS 1998 Renumbered 119B.189, subd. 4

Subd. 13. MS 1998 Renumbered 119B.189, subd. 3

==119B.21

119B.21 Child care services grants.

Subdivision 1. Distribution of grant funds. (a) The commissioner shall distribute funds to the child care resource and referral programs designated under section 119B.19, subdivision 1a, for child care services grants under subdivision 5 and family child care technical assistance grants under subdivision 10.

(b) Up to ten percent of funds appropriated for grants under this section may be used by the commissioner for statewide child care development initiatives, training initiatives, collaboration programs, and research and data collection. The commissioner shall develop eligibility guidelines and a process to distribute funds under this paragraph. Child care resource and referral programs may apply for funding under this paragraph.

(c) At least 90 percent of funds appropriated for grants under this section may be distributed by the commissioner to child care resource and referral programs under section 119B.19, subdivision 1a, for child care services grants and family child care technical assistance grants based on the following factors:

- (1) the number of children under 13 years of age needing child care in the region;
- (2) the region served by the program;
- (3) the ratio of children under 13 years of age needing child care to the number of licensed spaces in the region;
- (4) the number of licensed child care providers and school-age care programs in the region; and
- (5) other related factors determined by the commissioner.

(d) Child care resource and referral programs must award child care services grants and child care technical assistance grants based on the recommendation of the child care regional proposal review committees under subdivision 3.

(e) The commissioner may distribute funds under this section for a two-year period.

Subd. 2. Renumbered subdivision 1, paragraphs (c), (d), and (e)

Subd. 3. Child care regional proposal review committees. (a) Child care regional proposal review committees must establish regional priorities and review applications for family child care technical assistance grants and child care services grants under this section and make funding recommendations to the child care resource and referral

program designated under section 119B.19, subdivision 1a. Within each region, the committee must allocate available funding between child care services grants and child care technical assistance grants. The committee must also allocate funding for child care services grants for facility financing purposes and provider training purposes. The child care regional proposal review committees must complete their reviews and forward their recommendations to the child care resource and referral program by the date specified by the commissioner.

(b) A child care resource and referral program shall establish a process to select members of the child care regional proposal review committee. Members must represent the following constituent groups: family child care providers, child care center providers, school-age care providers, parents who use child care services, health services, social services, public schools, Head Start, employers, and other citizens with demonstrated interest in child care issues. Members of the proposal review committee with a direct financial interest in a pending grant proposal may not provide a recommendation or participate in the ranking of that grant proposal.

(c) The child care resource and referral program may reimburse committee members for their actual travel, child care, and child care provider substitute expenses for up to six committee meetings per year. The program may also pay a stipend to parent representatives for participating in up to six meetings per year.

Subd. 4. Repealed, 1999 c 205 art 5 s 22

Subd. 5. Child care services grants. (a) A child care resource and referral program designated under section 119B.19, subdivision 1a, may award child care services grants for:

(1) creating new licensed child care facilities and expanding existing facilities, including, but not limited to, supplies, equipment, facility renovation, and remodeling;

(2) improving licensed child care facility programs;

(3) staff training and development services including, but not limited to, in-service training, curriculum development, accreditation, certification, consulting, resource centers, and program and resource materials;

(4) interim financing;

(5) capacity building through the purchase of appropriate technology to create, enhance, and maintain business management systems;

(6) emergency assistance for child care programs;

(7) new programs or projects for the creation, expansion, or improvement of programs that serve ethnic immigrant and refugee communities; and

(8) targeted recruitment initiatives to expand and build the capacity of the child care system and to improve the quality of care provided by legal nonlicensed child care providers.

(b) A child care resource and referral program designated

under section 119B.19, subdivision 1a, may award child care services grants to:

- (1) licensed providers;
- (2) providers in the process of being licensed;
- (3) corporations or public agencies that develop or provide child care services;
- (4) school-age care programs; or
- (5) any combination of clauses (1) to (4).

Unlicensed providers are only eligible for grants under paragraph (a), clause (7).

(c) A recipient of a child care services grant for facility improvements, interim financing, or staff training and development must provide a 25 percent local match.

Subd. 6. Repealed, 1999 c 205 art 5 s 22

Subd. 7. Repealed, 1997 c 162 art 1 s 19

Subd. 8. Renumbered subdivision 5, paragraph (b)

Subd. 9. Renumbered subdivision 5, paragraph (c)

Subd. 10. Family child care technical assistance grants. (a) A child care resource and referral organization designated under section 119B.19, subdivision 1a, may award technical assistance grants of up to \$1,000. These grants may be used for:

- (1) facility improvements, including, but not limited to, improvements to meet licensing requirements;
- (2) improvements to expand a child care facility or program;
- (3) toys and equipment;
- (4) technology and software to create, enhance, and maintain business management systems;
- (5) start-up costs;
- (6) staff training and development; and
- (7) other uses approved by the commissioner.

(b) A child care resource and referral program may award family child care technical assistance grants to:

- (1) licensed family child care providers; or
- (2) child care providers in the process of becoming licensed.

(c) A local match is not required for a family child care technical assistance grant.

Subd. 11. Statewide advisory task force. The

commissioner may convene a statewide advisory task force to advise the commissioner on statewide grants or other child care issues. The following groups must be represented: family child care providers, child care center programs, school-age care providers, parents who use child care services, health services, social services, Head Start, public schools, employers, and other citizens with demonstrated interest in child care issues. Additional members may be appointed by the commissioner. The commissioner may compensate members for their travel, child care, and child care provider substitute expenses for attending task force meetings. The commissioner may also pay a stipend to parent representatives for participating in task force meetings.

Subd. 12. Repealed, 1999 c 205 art 5 s 22

HIST: 1989 c 282 art 2 s 155; 1990 c 426 art 1 s 32,33; 1990 c 568 art 4 s 56-58; 1991 c 292 art 5 s 66,67; 1994 c 465 art 3 s 38; 1997 c 162 art 4 s 47-56; 1999 c 205 art 5 s 12-19,21

==119B.211

119B.211 Child development education and training loans.

The commissioner shall establish a child development education and training loan program to be administered by the regional child care resource and referral programs. The commissioner shall establish application procedures, eligibility criteria, terms, and other conditions necessary to make educational loans under this section. A single applicant may not receive more than \$1,500 per year under this program. All or part of the loan may be forgiven if the applicant continues to provide child care services for a period of 24 months following the completion of all courses paid for by the educational loan.

HIST: 1991 c 292 art 5 s 63; 1997 c 162 art 4 s 43; 1999 c 205 art 1 s 37; art 5 s 21

==119B.22

119B.22 Repealed, 1999 c 205 art 5 s 22

==119B.23

119B.23 Other authorization to make grants.

Subdivision 1. Authority. The county board is authorized to provide child care services or to make grants from the community social service fund, special tax revenue, or its general fund, or other sources to any municipality, or corporation for the cost of providing technical assistance or child care services. The county board is also authorized to contract for services with any licensed child care facility to carry out the purposes of this section.

The county board may also make grants to or contract with any municipality, licensed child care facility, organization designated under section 119B.19, subdivision 1a, or corporation for the following purposes:

(1) creating new licensed child care facilities and expanding existing facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(2) improving licensed child care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and

remodeling, with priority for training grants for child care workers caring for infants, toddlers, sick children, children in low-income families, and children with special needs;

(3) providing supportive child development services, including, but not limited to, in-service training, curriculum development, consulting specialists, resource centers, and program and resource materials;

(4) carrying out programs, including, but not limited to, staff, supplies, equipment, facility renovation, and training;

(5) providing interim financing; or

(6) carrying out the resource and referral program services identified in section 119B.19, subdivision 7.

Subd. 2. Donated materials and services; matching share of cost. For the purposes of this section, donated professional and volunteer services, program materials, equipment, supplies, and facilities may be approved as part of a matching share of the cost, provided that total costs shall be reduced by the costs charged to parents if a sliding fee scale has been used.

Subd. 3. Biennial plan. The county board shall biennially develop a plan for the distribution of money for child care services as part of the community social services plan described in section 256E.09. All licensed child care programs shall be given written notice concerning the availability of money and the application process.

HIST: 1989 c 282 art 2 s 156; 1999 c 205 art 5 s 20

==119B.24

119B.24 Duties of commissioner.

In addition to the powers and duties already conferred by law, the commissioner of children, families, and learning shall:

(1) administer the child care fund, including the basic sliding fee program authorized under sections 119B.011 to 119B.16;

(2) monitor the child care resource and referral programs established under section 119B.19; and

(3) encourage child care providers to participate in a nationally recognized accreditation system for early childhood programs. The commissioner shall reimburse licensed child care providers for one-half of the direct cost of accreditation fees, upon successful completion of accreditation.

HIST: 1989 c 282 art 2 s 157; 1994 c 529 s 15; 1Sp1995 c 3 art 16 s 13; 1999 c 205 art 1 s 38; art 5 s 21

==119B.25

119B.25 Child care improvement grants.

Subdivision 1. Purpose. The purpose of this section is to enhance and expand child care sites, to encourage private investment in child care and early childhood education sites, to promote availability of quality, affordable child care throughout Minnesota, and to provide for cooperation between

private nonprofit child care organizations, family child care and center providers and the department.

Subd. 2. Grants. The commissioner shall distribute money provided by this section through a grant to a nonprofit corporation organized to plan, develop, and finance early childhood education and child care sites. The nonprofit corporation must have demonstrated the ability to analyze financing projects, have knowledge of other sources of public and private financing for child care and early childhood education sites, and have a relationship with the resource and referral programs under section 119B.211. The board of directors of the nonprofit corporation must include members who are knowledgeable about early childhood education, child care, development and improvement, and financing. The commissioners of the departments of children, families, and learning and trade and economic development, and the commissioner of the housing finance agency shall advise the board on the loan program. The grant must be used to make loans to improve child care or early childhood education sites, or loans to plan, design, and construct or expand licensed and legal unlicensed sites to increase the availability of child care or early childhood education. All loans made by the nonprofit corporation must comply with section 363.03, subdivision 8.

Subd. 3. Financing program. A nonprofit corporation that receives a grant under this section shall use the money to:

(1) establish a revolving loan fund to make loans to existing, expanding, and new licensed and legal unlicensed child care and early childhood education sites;

(2) establish a fund to guarantee private loans to improve or construct a child care or early childhood education site;

(3) establish a fund to provide forgivable loans or grants to match all or part of a loan made under this section;

(4) establish a fund as a reserve against bad debt; and

(5) establish a fund to provide business planning assistance for child care providers.

The nonprofit corporation shall establish the terms and conditions for loans and loan guarantees including, but not limited to, interest rates, repayment agreements, private match requirements, and conditions for loan forgiveness. The nonprofit corporation shall establish a minimum interest rate for loans to ensure that necessary loan administration costs are covered. The nonprofit corporation may use interest earnings for administrative expenses.

Subd. 4. Reporting. A nonprofit corporation that receives a grant under this section shall:

(1) annually report by September 30 to the commissioner the purposes for which the money was used in the past fiscal year, including a description of projects supported by the financing, an account of loans made during the calendar year, the financing program's assets and liabilities, and an explanation of administrative expenses; and

(2) annually submit to the commissioner a copy of the report of an independent audit performed in accordance with

generally accepted accounting practices and auditing standards.

HIST: 1997 c 162 art 4 s 57; 1999 c 205 art 1 s 39; art 5 s 21

==119B.26

119B.26 Authority to waive requirements during disaster periods.

The commissioner may waive requirements under this chapter for up to nine months after the disaster in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the senate family and early childhood education budget division, the senate education finance committee, the house family and early childhood education finance division, the house education committee, and the house ways and means committee ten days before the effective date of any waiver granted under this section.

HIST: 1997 c 203 art 1 s 15; 1Sp1997 c 5 s 46; 1998 c 383 s 36

==119B.misc1999 Minn. Stats. repealed, etc. secs in chap 119B

119B.075 Repealed, 1999 c 205 art 1 s 73

119B.17 Repealed, 1999 c 205 art 1 s 73

119B.22 Repealed, 1999 c 205 art 5 s 22

Minnesota Rules, Chapter 3400.

3400.0010 PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** The purpose of parts 3400.0010 to 3400.0230 is to govern the administration of the child care fund and to reduce, according to a sliding fee schedule, the costs of child care services for eligible families to enable them to seek or retain employment or to participate in education or training programs to obtain employment. Parts 3400.0010 to 3400.0230 set eligibility standards for recipients and administrative requirements for agencies administering child care funds.

Subp. 2. **Applicability.** Parts 3400.0010 to 3400.0230 apply to all county and human service boards providing child care assistance to eligible families under Minnesota Statutes, sections 119B.011 to 119B.16.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144; L 1999 c 205 art 5 s 21

Current as of 09/14/99

3400.0020 DEFINITIONS.

Subpart 1. **Scope.** As used in parts 3400.0010 to 3400.0230, the following terms have the meaning given them in this part.

Subp. 2. **ACCESS child care program.** "ACCESS child care program" means the AFDC child care program authorized under Minnesota Statutes, section 119B.05, subdivision 6.

Subp. 3. **ACCESS participant.** "ACCESS participant" means an individual participating in the ACCESS child care program.

Subp. 4. **Administering agency.** "Administering agency" means a county social services agency or a public or nonprofit agency designated by the county board to administer the child care fund.

Subp. 5. **Administrative expenses.** "Administrative expenses" means costs associated with the administration of the child care fund. Administrative expenses include:

- A. salaries, wages, and related payroll expenses

incurred in the administration of the child care fund including direct personnel costs, expenses for general administration and supervision, and expenses for secretarial, clerical, accounting, and other support services;

B. travel and transportation and per diem or subsistence expenses;

C. expenses for materials and office supplies;

D. publication, telephone, postage, and photocopy expenses; and

E. other expenses directly attributable to the child care fund.

Subp. 6. Aid to families with dependent children or AFDC.

"Aid to families with dependent children" or "AFDC" means Aid to Families with Dependent Children program authorized under title IV-A of the Social Security Act and Minnesota Statutes, chapter 256. AFDC provides financial assistance and social services to needy families with dependent children.

Subp. 7. AFDC caretaker. "AFDC caretaker" has the meaning given caretaker in Minnesota Statutes, section 256.736, subdivision 1a, clause (c).

Subp. 8. Allocation. "Allocation" means the share of the total state appropriation of child care funds that a county may earn and be reimbursed for in a state fiscal year. A county's allocation may be raised or lowered during the fiscal year when the commissioner redistributes unexpended or unencumbered allocations.

Subp. 9. Applicant. "Applicant" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 2.

Subp. 10. Child. "Child" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 4.

Subp. 11. Child care. "Child care" means the care of a child in or out of the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day, by someone other than a parent, stepparent, legal guardian, eligible relative caretaker, or their spouses.

Subp. 12. Child care assistance. "Child care assistance" means financial assistance for child care that is funded under Minnesota Statutes, sections 119B.011 to 119B.16.

Subp. 13. Child care fund. "Child care fund" means the child care assistance programs under Minnesota Statutes,

sections 119B.011 to 119B.16.

Subp. 14. **Child care services.** "Child care services" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 7.

Subp. 15. **Commissioner.** "Commissioner" means the commissioner of the Department of Children, Families, and Learning or the commissioner's designated representative.

Subp. 16. **County board.** "County board" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 9.

Subp. 17. **Department.** "Department" means the Department of Children, Families, and Learning.

Subp. 18. **Documentation.** "Documentation" means a written statement or record that substantiates or validates an assertion made by a person or an action taken by an administering agency.

Subp. 19. **Education program.** "Education program" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 11.

Subp. 20. **Eligible relative caretaker.** "Eligible relative caretaker" means a person identified under part 9500.2440, subpart 7, items A to D, who is a caretaker of a dependent child but who is not a member of the assistance unit.

Subp. 21. **Employability development plan or EDP.** "Employability development plan" or "EDP" means a plan developed for an AFDC caretaker by an employment and training service provider or person designated by the county to provide employment and training services. The EDP defines the AFDC caretaker's employment and training goals and outlines the training, education, and support services the AFDC caretaker needs to achieve those goals. All employability development plans must receive county approval and meet the requirements of Public Law Number 100-485, Minnesota Statutes, sections 119B.011 to 119B.16, and parts 3400.0010 to 3400.0230.

Subp. 22. **Employment and training service provider.** "Employment and training service provider" means a provider certified by the commissioner of economic security under Minnesota Statutes, section 268.0122, subdivision 3, to deliver employment and training services.

Subp. 23. **Family.** "Family" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 13.

Subp. 24. **Family copayment fee.** "Family copayment fee" means the unsubsidized portion of the provider charge the family must contribute as its share of child care costs.

Subp. 25. **Full calendar month.** "Full calendar month" means from the first day of a month to the last day of that month.

Subp. 26. **Full-day basis.** "Full-day basis" means child care provided by a provider for more than five hours per day.

Subp. 27. **Half-day basis.** "Half-day basis" means child care provided by a provider for between one and five hours per day.

Subp. 28. **Household status.** "Household status" means the number of individuals residing in the household and the relationship of the individuals to one another.

Subp. 29. **Human services board.** "Human services board" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 14.

Subp. 30. **Income.** "Income" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 16.

Subp. 31. **In kind service.** "In kind service" means a child care payment made on behalf of an AFDC caretaker by a third party to cover the difference between allowable child care costs and the dependent care deduction under part 9500.2580, for employed AFDC caretakers, or to cover the allowable cost of child care without a dependent care deduction for AFDC caretakers participating in education or training programs under Minnesota Statutes, section 119B.05.

Subp. 32. **Legal nonlicensed caregiver.** "Legal nonlicensed caregiver" means a child care provider exempt from licensing under Minnesota Statutes, section 245A.03.

Subp. 33. **Overpayment.** "Overpayment" means the portion of a child care payment that is greater than the amount for which a recipient is eligible.

Subp. 34. **Provider.** "Provider" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 20.

Subp. 35. **Provider rate.** "Provider rate" means the amount the provider charges for child care.

Subp. 36. **Recipient.** "Recipient" means a family receiving child care assistance under the child care fund.

Subp. 37. **Redetermination.** "Redetermination" means the process by which information is collected periodically by the

county and used to determine whether a recipient is eligible for continued assistance under the child care fund.

Subp. 38. **Registration.** "Registration" means the process used by the county to obtain from a legal nonlicensed caregiver the information required under part 3400.0140, subpart 5.

Subp. 39. **State median income.** "State median income" means the state's annual median income for a family of four, adjusted for family size, developed by the Bureau of Census and published annually by the United States Department of Health and Human Services in the Federal Register.

Subp. 40. **Student.** "Student" means an individual enrolled in an educational program as defined in subpart 19. A student is a full-time student if the student is enrolled in the minimum equivalent of 12 credits or 20 hours of classroom training per week. A student is a part-time student if the student is (1) a non-AFDC student enrolled in a minimum equivalent of six credits or ten hours of classroom training per week up to the minimum equivalent of full-time student status; or (2) an AFDC student who is less than a full-time student but is in compliance with the education or training requirements in his or her employability development plan.

Subp. 41. **Transition year child care.** "Transition year child care" means the transition child care assistance guaranteed under United States Code, title 42, section 602(g).

Subp. 42. **Transition year families.** "Transition year families" has the meaning given it in Minnesota Statutes, section 119B.011, subdivision 21.

Subp. 43. **Vendor payment.** "Vendor payment" means a payment made by a county or administering agency directly to a provider of child care services on behalf of a recipient.

Subp. 44. **Weekly basis.** "Weekly basis" means child care provided by a provider for more than 35 hours per week.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144; L 1994 c 483 s 1; L 1Sp1995 c 3 art 16 s 13; L 1999 c 205 art 5 s 21

Current as of 09/14/99

3400.0030 NOTICE OF BASIC SLIDING FEE PROGRAM ALLOCATION.

By June 1 of each year, the commissioner shall notify all county and human services boards of their allocation under the basic sliding fee program.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0040 GENERAL ELIGIBILITY REQUIREMENTS AND ASSISTANCE STANDARDS FOR ALL APPLICANTS.

Subpart 1. **Applicant requirements and standards.** In addition to specific eligibility requirements under parts 3400.0060, 3400.0080, and 3400.0090, all applicants for child care assistance shall be governed by the standards and requirements in subparts 2 to 16.

Subp. 2. **Informational release.** The county shall offer an applicant an opportunity to sign an informational release to permit the county to verify whether an applicant qualifies for child care assistance. The county shall indicate the purpose and intended use of the information, whether the individual may refuse or is legally required to supply the information, any known consequences from supplying or refusing to supply the information, and the identity of other agencies or individuals authorized to receive the data.

Subp. 3. **Documentation of eligibility information.** An applicant requesting child care assistance must document income eligibility, residence, work, and education or training status. The county shall verify an applicant's eligibility to receive child care assistance at the time of the application; when there is a change in household status, family size, employment, income, education or training status; and at each redetermination under part 3400.0180. When contacting third parties to confirm eligibility information, the county shall comply with the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13.

Subp. 4. **Recipient reporting responsibilities.** A recipient must follow the reporting procedures in items A to C.

A. A recipient must notify the county of any changes in marital or household status, address, employment or education status, provider, and any change in income from the amount reported on the application form or the last redetermination, whichever occurred later.

B. A recipient must report the changes listed in item A within ten calendar days after the change. In cases of an income change, the date of change begins on the day that the recipient receives payment at the new rate.

C. A recipient's failure to report any changes under

this subpart or to update information for redetermination is just grounds to terminate child care assistance.

Subp. 5. **Eligible applicants.** In a family with a single parent, or unmarried legal guardian or eligible relative caretaker, the applicant must meet employment, education, or training requirements and other eligibility requirements under the basic sliding fee program or the AFDC child care program.

In a family with two parents, a parent and stepparent, a legal guardian and spouse, or an eligible relative caretaker and spouse, at least one parent, legal guardian, eligible relative caretaker, or spouse must meet employment, education, or training requirements and other eligibility requirements under the basic sliding fee program or the AFDC child care program. The other parent, legal guardian, eligible relative caretaker, or spouse must:

A. meet employment, education, or training requirements and other eligibility requirements under the basic sliding fee program or the AFDC child care program; or

B. be unable to care for the applicant's child or dependent as determined by a medical doctor or by an assessment by the local social services agency.

Subp. 6. **Selection of provider.** An applicant may select a provider at the time of application or within 30 calendar days after the application for child care assistance has been approved.

Subp. 7. **Maximum weekly child care assistance.** A family may not receive more than 60 hours of child care assistance per child per week.

Subp. 8. **Child care assistance during employment.** In addition to other eligibility requirements, employed persons eligible for child care assistance under part 3400.0060, 3400.0080, or 3400.0090 must work ten hours or more per week and receive at least the state minimum wage for all hours worked. Child care assistance during employment shall be granted for the number of hours worked including break and meal time and up to two hours per day for travel time.

Subp. 9. **Child care assistance in support of employment.** A county may grant child care assistance in support of employment for nonwork hours when all of the following conditions exist:

A. child care assistance is not provided under the child care fund during working hours;

B. the family meets the eligibility requirements of subpart 5;

C. the employee cannot reasonably modify his or her nonwork schedule to provide child care; and

D. the child care assistance does not exceed the amount of assistance that would be granted under subpart 8 during employment.

Subp. 10. **Child care assistance during education or training.** To the extent of available allocations, counties shall provide child care assistance to students eligible under part 3400.0060 or 3400.0080 and enrolled in county-approved education or training programs according to items A to C.

A. Counties may grant full-time students:

(1) child care on a half-day or full-day basis for the days of class and on nonclass days, if needed for study, as determined by the county;

(2) child care on a weekly basis; or

(3) child care according to the standards in item B.

Child care assistance granted under item A, subitem (1) shall not be less than the standard under item B and may not exceed 60 hours of child care per child per week.

B. Part-time students shall receive child care for:

(1) all hours of actual class time and credit hours for independent study and internships;

(2) time periods between nonconsecutive classes;

(3) up to two hours per day for travel time; and

(4) two hours per week per credit hour for postsecondary students for study and academic appointments.

When a part-time student has more than one hour between classes on any one day, the study and academic appointment time authorized under subitem (4) shall be reduced by the number of hours between classes.

C. Child care assistance for remedial classes is subject to county approval under subpart 12. Upon county approval of the remedial class or classes, the county shall

authorize child care assistance necessary to enable the student to attend class and to complete class assignments.

Subp. 11. **Child care assistance during employment and education or training.** Employed students are eligible for child care assistance during employment and education or training. Counties shall use the standards in subparts 8 and 10 to determine the amount of child care assistance. Child care assistance during employment and education may not exceed 60 hours per child per week.

Subp. 12. **Acceptable course of study.** An acceptable course of study for a student eligible under part 3400.0060 is an education or training program approved by the county that will reasonably lead to full-time employment opportunities as determined by the county. An acceptable course of study for a student eligible under part 3400.0080 is an education or training program described in the AFDC caretaker's EDP.

Subp. 13. **Satisfactory progress in education program.** Subject to the limitation in subpart 14, a county shall provide child care assistance to students with an approved education or training program for the length of the education or training program if the student is making satisfactory progress in the education or training program. Satisfactory progress in the education or training program means a student remains in good standing in the education or training program and meets the requirements of the student's education plan under part 3400.0060 or employability development plan under part 3400.0080. If the county determines that a student is not making satisfactory progress towards completion of an education or training program, the county shall notify the student and discontinue child care assistance according to part 9565.5110, subpart 10.

Subp. 14. **Maximum education and training under child care fund.** The maximum length of time a student is eligible for child care assistance under the child care fund for education and training is described in items A to E.

A. A student is eligible for a maximum of 48 months of child care assistance for education or training from the child care fund. A four-year education or training program must be directed towards a baccalaureate degree. The time limit under this item does not apply to basic or remedial educational programs needed to prepare for postsecondary education or employment. Basic or remedial education programs include high school, general equivalency diploma, and English as a second language. Basic or remedial programs that run concurrently with a postsecondary program are not exempt from the time limit under this item.

B. A student who has completed an education or training program under the child care fund may receive child care assistance for a second education or training program if:

- (1) the child care assistance needed to complete

the second program when combined with the child care assistance previously received does not exceed the equivalent of 48 months;

(2) the student has been unable to find full-time employment and the student does not have marketable skills; and

(3) at least one year has passed since the student completed the first program.

C. A student with a baccalaureate degree may obtain child care assistance for continuing education units or certification or coursework necessary to update credentials to obtain or retain employment.

D. A student who has once dropped out of an education or training program or who once failed to complete an education or training program while receiving child care assistance is eligible for child care assistance to enable the student to complete the program or begin a new program if the child care assistance needed to complete the earlier program or new program when combined with the child care assistance previously received does not exceed 48 months. A student applying for child care assistance under this item must be treated as a new applicant.

E. A student may receive child care assistance for a second baccalaureate degree if:

(1) the student did not receive child care assistance under the child care fund for the first baccalaureate degree; and

(2) the student does not have marketable skills.

Subp. 15. **Changes in education and training programs.** A proposed change in an education or training program is subject to county approval before the change may be made.

Subp. 16. **Ineligibility for failure to pay fees under the child care fund.** A family that fails to pay the provider charge or family copayment fee under the child care fund shall lose eligibility for child care assistance as long as such fees are owed unless satisfactory arrangements for repayment are made that are acceptable to the provider and the county. If a county is aware that fees are owed under the child care fund and satisfactory repayment is not being made, the county shall not authorize child care assistance until satisfactory repayment arrangements are made.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0050 JOB SEARCH.

To the extent of available allocations, counties shall provide persons eligible under part 3400.0060 who are seeking employment and persons eligible under part 3400.0080 who have an approved EDP including job search as an authorized activity, up to 240 hours of child care during job search. At the option of the individual in job search and with prior county approval, child care may be used at a rate that is less than full time provided the total child care assistance does not exceed 240 hours of child care per calendar year. For the purpose of this part, job search includes locating, contacting, and interviewing with potential employers and preparing for job interviews.

STAT AUTH: MS s 256H.02; 256H.035; 256H.055

HIST: 18 SR 1144

Current as of 09/14/99

3400.0060 BASIC SLIDING FEE PROGRAM.

Subpart 1. **Basic sliding fee program; funding sources.** The basic sliding fee program includes funding from federal, state, and county sources. Federal funds available under United States Code, title 42, sections 602(i) and 9858, that are allocated to the basic sliding fee program shall be expended as provided in this part.

Subp. 2. **Basic sliding fee allocation.** The commissioner shall allocate child care funds for the basic sliding fee program as provided in Minnesota Statutes, section 119B.03, subdivisions 6 to 8.

Subp. 3. **Federal funding.** Counties shall claim, in the manner prescribed by the commissioner, federal funding for child care expenditures for all eligible recipients who are in employment, education, training, or other preemployment activities allowed under the federal grant and reimbursement programs. The commissioner shall allocate any federal earnings to the county that claimed the federal funding and the county shall use the earnings to expand funding for child care services under the basic sliding fee program.

Subp. 4. **Reallocation of unexpended or unencumbered funds.** The commissioner shall reallocate unexpended or unencumbered funds according to items A to D.

A. The commissioner may reallocate unexpended or unencumbered funds following the first, second, and third quarters as provided in Minnesota Statutes, section 119B.03,

subdivision 5. Following the fourth quarter, the commissioner shall review county expenditures under the basic sliding fee program and shall reallocate unearned allocations to counties that earned their full allocation.

B. The amount reallocated to any county shall be based on earnings in excess of its allocation. The amount reallocated shall not be greater than the earnings in excess of allocation minus the county's maintenance of effort required under Minnesota Statutes, section 119B.11, subdivision 4.

C. If the amount of funds available for reallocation is less than total county earnings in excess of allocations, the reallocated funds shall be prorated to each county based on the ratio of the county's earnings in excess of its allocation to the total of all county earnings in excess of their allocation.

D. If the amount of funds available for reallocation is greater than total county earnings in excess of allocations under the basic sliding fee program, the funds remaining after the basic sliding fee reallocation shall be carried forward to the second year in the biennium in proportion to the county earnings.

Subp. 5. **Families eligible for assistance under the basic sliding fee program.** To the extent of available allocations, a family is eligible for child care assistance under the basic sliding fee program if:

A. the applicant meets eligibility requirements under part 3400.0040;

B. the applicant is not an AFDC caretaker; and

C. the family has an annual gross income that does not exceed 75 percent of the state median income for a family of four, adjusted for family size.

Subp. 6. **Basic sliding fee program waiting lists.** Counties must keep a written record of families who have requested child care assistance. When a family requests information about child care assistance, the county shall perform a preliminary determination of eligibility. If it appears that a family is or will be eligible for child care assistance and funds are not immediately available, the family shall be placed on a child care waiting list. The county shall provide a means of identifying students placed on the basic sliding fee waiting list. If it appears that a family is eligible for child care assistance and funds are available or if a family requests an application, the family shall be given a child care assistance application.

Subp. 7. **Waiting list; transfer of transition year families to the basic sliding fee program.** The county shall place transition year families on the county's basic sliding fee

program waiting list effective the earliest of the following dates:

- A. the date the family became eligible for transition year child care assistance;
- B. the date the family began participating in the ACCESS child care program under part 3400.0080, subpart 2; or
- C. the date the family enrolled in Project STRIDE.

If a transition year family moves to a new county, the waiting list date established under items A to C shall transfer with the family. If a transition year family comes to the top of the county's basic sliding fee program waiting list before the transition year ends, the county shall encumber basic sliding fee program funds for those months remaining in the state fiscal year after the transition year ends. When the transition year ends, the county shall move the transition year family into the basic sliding fee program. A transition year family that does not come to the top of the county's basic sliding fee program waiting list before completion of the transition year shall be moved into the basic sliding fee program as funding becomes available according to the priority under Minnesota Statutes, section 119B.03, subdivision 4.

Subp. 8. **Application for child care assistance.** A family must apply for child care assistance in the family's county of residence.

Subp. 9. **County child care responsibility when family moves.** When a family that is receiving child care assistance from the basic sliding fee program moves to a new county within Minnesota, the original county must continue to provide child care assistance for two full calendar months if child care is needed and the family remains eligible for child care assistance under the basic sliding fee program. The new county shall treat a family that moves to the county and requests child care assistance as a new applicant.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0070 CONTINUED ELIGIBILITY UNDER THE BASIC SLIDING FEE PROGRAM.

To the extent of available allocations, a county may not refuse continued child care assistance to a family receiving assistance under the basic sliding fee program when there is a change in the family's financial or household status. However,

the family's annual gross income may not exceed 75 percent of the state median income for a family of four, adjusted for family size, and the family must meet all other eligibility requirements under the basic sliding fee program. Except for the education time limit under part 3400.0040, subpart 14, and the job search time limit under part 3400.0050, counties may not set a time limit for eligibility under the basic sliding fee program.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0080 AFDC CHILD CARE PROGRAM.

Subpart 1. **Families guaranteed child care assistance under the AFDC child care program.** Except as provided in subpart 2, families eligible for guaranteed child care assistance under the AFDC child care program are families listed under Minnesota Statutes, section 119B.05.

Subp. 2. **ACCESS child care program.** AFDC caretakers who are recipients of AFDC and not part of an assistance unit eligible or required to participate in Project STRIDE are eligible for child care assistance under the ACCESS child care program if enrolled in an education, training, or job search program authorized in their EDP. Each county shall enroll participants in the ACCESS child care program to the extent of the county's entitlement of family slots authorized under Minnesota Statutes, section 119B.05, subdivision 6. Counties shall prioritize eligibility for child care assistance under the ACCESS child care program in the county's child care fund allocation plan under part 3400.0150.

Subp. 3. **Approved EDP required under ACCESS.** Before a county may grant child care assistance under subpart 2, the ACCESS participant must have an EDP approved by the county. The EDP must meet the requirements under Minnesota Statutes, section 256.736, subdivision 10.

Subp. 4. **Conversion to Project STRIDE.** Subject to the time limitations of parts 3400.0040, subpart 14, and 3400.0050, child care assistance must continue under the ACCESS child care program until the participant loses AFDC eligibility or is enrolled in Project STRIDE. When an ACCESS participant is enrolled in Project STRIDE, the ACCESS participant's EDP shall continue as the approved EDP for Project STRIDE.

Subp. 5. **AFDC caretakers required to have EDP.** All AFDC caretakers applying for child care assistance to support training or preemployment activities including job search must have an EDP authorizing the child care assistance.

Subp. 6. **Child care assistance in support of employment.** AFDC caretakers applying for child care assistance to support employment are guaranteed assistance for allowable child care costs above any dependent care deductions if the provider is eligible for payment under the child care fund.

Subp. 7. **AFDC federal program reimbursement.** Counties shall claim, in the manner prescribed by the commissioner, federal reimbursement under appropriate federal programs for child care expenditures for all eligible AFDC caretakers who are in activities allowed under the federal reimbursement programs. The commissioner shall allocate any federal earnings to the county that claimed the federal reimbursement.

Subp. 8. **County child care responsibility when a family moves to another county.** Except for families with an EDP in effect, a county is responsible for providing child care assistance to an AFDC family that moves to another county within Minnesota according to Minnesota Statutes, section 256G.07.

If an EDP is in effect, the county responsible for the EDP must provide child care assistance, if needed and the family remains eligible, through completion of the EDP or two full calendar months, whichever is longer. After completion of the EDP or two full calendar months, whichever is longer, if the family has applied for and is eligible for child care assistance under the AFDC child care program, the family shall receive child care assistance from the new county.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0090 TRANSITION YEAR CHILD CARE.

Subpart 1. **Notice to family of eligibility.** The department must notify a family, in writing, at the time the family becomes ineligible for AFDC of its potential eligibility for transition year child care under this part. The notification must include information on how to establish eligibility for transition year child care and on the family's rights and responsibilities under the transition year child care program.

Subp. 2. **Eligibility.** Transition year child care assistance may only be used to support employment-related expenses. A family is eligible for transition year child care if the conditions in items A to E are met.

A. The family is no longer eligible for AFDC due to increased hours of, or increased income from, employment or the

loss of income disregards due to the time limitations.

B. The family received AFDC in at least three of the six months immediately preceding the first month of ineligibility and at least the last month of AFDC was paid by Minnesota.

C. The family requests transition year child care, provides the county information necessary for determining eligibility and fees, and the family's income does not exceed 75 percent of the state median income for a family of four, adjusted for family size.

D. The child retains its "dependent child" status throughout the transition year. A "dependent child" is one who meets an AFDC basis of eligibility due to an absent, incapacitated, or unemployed parent. Transition year child care may be paid only for the care of a child who would be a dependent child if the family was receiving an AFDC grant, or for children who would have been eligible for AFDC except for the child's receipt of SSI or Title IV-E foster care benefits.

E. The former AFDC caretaker who applies for transition year child care must continue to cooperate with child support enforcement throughout the transition year period.

Eligibility for transition year child care begins the first month the family is ineligible for AFDC for the reasons identified in item A, and continues for 12 consecutive months. A former AFDC caretaker may apply for transition year child care any time during the year after losing eligibility for AFDC and, notwithstanding the application date, shall receive transition year child care assistance for all eligible months. Eligibility for transition year child care cannot extend beyond 12 months after the initial date of eligibility for that transition year child care.

Subp. 3. Loss of transition year child care eligibility.
A family is not eligible for transition year child care for any remaining portion of the 12-month period if the former AFDC caretaker fails to cooperate with the county to establish payments and enforce child support obligations, or the former AFDC caretaker terminates employment without good cause. Termination of employment for the reasons in items A to E is considered to be for good cause.

A. The job is not suited to the physical or mental capacity of the AFDC caretaker or it has had an adverse effect on the AFDC caretaker's physical or mental health. A claim made under this item must be documented by a licensed physician or licensed psychologist.

B. The job site is unsafe under health and safety standards established by the Occupational Safety and Health Administration and the Minnesota Department of Economic Security.

C. The former AFDC caretaker documents discrimination at the job site on the basis of age, sex, race, religion, or place of national origin.

D. The gross hourly employment earnings are less than the federal or state minimum wage, whichever applies, for that type of employment.

E. The former AFDC caretaker has accepted other employment that provides equal or better income or benefits.

Subp. 4. **Reestablishment of AFDC eligibility during transition year period.** If a transition year family reestablishes eligibility for AFDC during the transition year period and subsequently meets the conditions in subpart 2, the family qualifies for a new 12-month transition year period. If the family received AFDC for only one or two of the previous six months, but meets the requirements in subpart 2, items A and C to E, the family is entitled to the remaining months of the transition year, treating the month or months on AFDC as a suspension of the child care benefit but not the transition year period. To receive child care assistance while receiving AFDC, the family must meet the AFDC child care requirements under part 3400.0080.

Subp. 5. **Breaks during transition year when child care is not needed.** If there are breaks during the transition year when child care is not needed, there is a suspension of the child care benefit but not the transition year period.

Subp. 6. **Family copayment fee.** A transition year family must pay a family copayment fee based on the family's gross income according to the sliding fee program schedule established under part 3400.0100.

Subp. 7. **County child care responsibility when a family moves to another county.** Except for families with an EDP in effect, a county is responsible for providing child care assistance to a transition year family that moves to another county within Minnesota according to Minnesota Statutes, section 256G.07.

If an EDP is in effect, the county responsible for the EDP must provide child care assistance, if needed and the family remains eligible, through completion of the EDP or two full calendar months, whichever is longer. After completion of the EDP or two full calendar months, whichever is longer, if the family has applied for and is eligible for child care assistance under the transition year program, the family shall receive child care assistance from the new county.

Subp. 8. **County denial of transition year child care application.** A county shall deny an application for transition year child care when the information submitted by the former AFDC caretaker is insufficient to determine eligibility or if

the information indicates ineligibility. When an application is denied, the county must send a notice to the applicant. The notice must state the reason for denial and inform the applicant of the right to appeal under Minnesota Statutes, section 256.045.

Subp. 9. **Continuation of child care pending appeal.** If a transition year family appeals a suspension, reduction, discontinuation, or termination of child care assistance before the effective date of the proposed action, the action shall not be taken until the appeal has had a fair hearing as provided under part 3400.0230, subpart 1. Child care assistance payments made pending a fair hearing are subject to recovery, when, as a result of the hearing, the commissioner finds that the transition year family was not eligible for continued child care assistance. The county shall recoup an overpayment under this subpart as provided in part 3400.0140, subpart 19.

STAT AUTH: MS s 256H.02; 256H.035; 256H.055

HIST: 18 SR 1144; L 1994 c 483 s 1

Current as of 09/14/99

3400.0100 FAMILY COPAYMENT FEE SCHEDULE.

Subpart 1. **Non-AFDC family copayment fees.** Non-AFDC families participating in the sliding fee program with an income greater than the federal poverty level must pay a family copayment fee for child care services as provided in subpart 4. Non-AFDC families participating in the sliding fee program with an income less than or equal to the federal poverty level must pay a family copayment fee for child care services as provided in subpart 3.

Subp. 2. **AFDC family copayment fees.** AFDC families participating in the AFDC child care programs shall be governed by AFDC program rules regarding child care costs. Employed AFDC recipients must use their dependent care disregard before using the child care fund except as federal and state waivers allow. The child care fund shall cover the cost of child care for unemployed AFDC recipients in education, training, or preemployment activities up to the maximum amount set under part 3400.0130 without applying a disregard. If the provider's charge for child care is greater than the maximum provider rate allowed under part 3400.0130, AFDC families shall pay, in addition to the dependent care disregard, the difference between the maximum provider rate allowed and the provider charge.

Subp. 3. **Non-AFDC family copayment fee for families with incomes less than or equal to the federal poverty level.** Subject to the maximum provider rate established under part 3400.0130, a family whose income is less than or equal to the federal poverty level for a family of that size shall pay a monthly copayment fee as provided in items A and B.

A. If the family is a transition year family, the monthly family copayment fee is \$1. If federal regulations permit a state to waive a family's contribution, there is no family copayment fee.

B. If the family is not a transition year family, there is no family copayment fee.

If the provider's charge for child care is greater than the maximum provider rate allowed under part 3400.0130, non-AFDC families shall pay, in addition to any monthly copayment fee, the difference between the maximum provider rate allowed and the provider charge.

Subp. 4. Calculation of non-AFDC family copayment fee.

Except as provided in subpart 3, a non-AFDC family's monthly copayment fee is a fixed percent of its annual gross income. The fixed percent is based on the relationship of the family's annual gross income to 100 percent of state median income for a family of four, adjusted for family size. The fixed percent is set forth in item C.

The monthly family copayment fee for families with annual incomes greater than the federal poverty level is determined as follows:

A. The family's annual gross income is converted into a percentage of state median income for a family of four, adjusted for family size, by dividing the family's annual gross income by 100 percent of the state median income for a family of four, adjusted for family size. The percentage must be carried out to the nearest 100th of a percent.

B. If the family's annual gross income is greater than the federal poverty level for a family of the same size but less than 42.01 percent of the state median income for a family of four, adjusted for family size, the family's monthly copayment fee is 50 percent of the rate under item C, subitem (1), rounded to the nearest whole dollar.

C. If the family's annual gross income is greater than the federal poverty level and between 42.01 and 75.00 percent of the state median income (SMI) for a family of four, adjusted for family size, the monthly copayment fee is the fixed percentage established for that income range in subitems (1) to (58) multiplied by the highest possible income within that income range, divided by 12, and rounded to the nearest whole dollar.

(1) 42.01 to 43.00 percent of SMI -- 2.60%

(2) 43.01 to 44.00 percent of SMI -- 2.80%

(3) 44.01 to 45.00 percent of SMI -- 3.00%

- (4) 45.01 to 46.00 percent of SMI -- 3.20%
- (5) 46.01 to 47.00 percent of SMI -- 3.40%
- (6) 47.01 to 48.00 percent of SMI -- 3.60%
- (7) 48.01 to 49.00 percent of SMI -- 3.80%
- (8) 49.01 to 50.00 percent of SMI -- 4.00%
- (9) 50.01 to 50.50 percent of SMI -- 4.20%
- (10) 50.51 to 51.00 percent of SMI -- 4.40%
- (11) 51.01 to 51.50 percent of SMI -- 4.60%
- (12) 51.51 to 52.00 percent of SMI -- 4.80%
- (13) 52.01 to 52.50 percent of SMI -- 5.00%
- (14) 52.51 to 53.00 percent of SMI -- 5.20%
- (15) 53.01 to 53.50 percent of SMI -- 5.40%
- (16) 53.51 to 54.00 percent of SMI -- 5.60%
- (17) 54.01 to 54.50 percent of SMI -- 5.80%
- (18) 54.51 to 55.00 percent of SMI -- 6.00%
- (19) 55.01 to 55.50 percent of SMI -- 6.25%
- (20) 55.51 to 56.00 percent of SMI -- 6.50%
- (21) 56.01 to 56.50 percent of SMI -- 6.75%
- (22) 56.51 to 57.00 percent of SMI -- 7.00%
- (23) 57.01 to 57.50 percent of SMI -- 7.25%
- (24) 57.51 to 58.00 percent of SMI -- 7.50%

- (25) 58.01 to 58.50 percent of SMI -- 7.75%
- (26) 58.51 to 59.00 percent of SMI -- 8.00%
- (27) 59.01 to 59.50 percent of SMI -- 8.25%
- (28) 59.51 to 60.00 percent of SMI -- 8.50%
- (29) 60.01 to 60.50 percent of SMI -- 8.75%
- (30) 60.51 to 61.00 percent of SMI -- 9.00%
- (31) 61.01 to 61.50 percent of SMI -- 9.25%
- (32) 61.51 to 62.00 percent of SMI -- 9.50%
- (33) 62.01 to 62.50 percent of SMI -- 9.75%
- (34) 62.51 to 63.00 percent of SMI -- 10.00%
- (35) 63.01 to 63.50 percent of SMI -- 10.30%
- (36) 63.51 to 64.00 percent of SMI -- 10.60%
- (37) 64.01 to 64.50 percent of SMI -- 10.90%
- (38) 64.51 to 65.00 percent of SMI -- 11.20%
- (39) 65.01 to 65.50 percent of SMI -- 11.50%
- (40) 65.51 to 66.00 percent of SMI -- 11.80%
- (41) 66.01 to 66.50 percent of SMI -- 12.10%
- (42) 66.51 to 67.00 percent of SMI -- 12.40%
- (43) 67.01 to 67.50 percent of SMI -- 12.70%
- (44) 67.51 to 68.00 percent of SMI -- 13.00%
- (45) 68.01 to 68.50 percent of SMI -- 13.30%

- (46) 68.51 to 69.00 percent of SMI -- 13.60%
- (47) 69.01 to 69.50 percent of SMI -- 13.90%
- (48) 69.51 to 70.00 percent of SMI -- 14.20%
- (49) 70.01 to 70.50 percent of SMI -- 14.50%
- (50) 70.51 to 71.00 percent of SMI -- 14.80%
- (51) 71.01 to 71.50 percent of SMI -- 15.10%
- (52) 71.51 to 72.00 percent of SMI -- 15.40%
- (53) 72.01 to 72.50 percent of SMI -- 15.70%
- (54) 72.51 to 73.00 percent of SMI -- 16.00%
- (55) 73.01 to 73.50 percent of SMI -- 16.30%
- (56) 73.51 to 74.00 percent of SMI -- 16.60%
- (57) 74.01 to 74.50 percent of SMI -- 16.90%
- (58) 74.51 to 75.00 percent of SMI -- 17.20%

D. If the provider's charge for child care is greater than the maximum provider rate allowed under part 3400.0130, families shall pay, in addition to the family copayment fee, the difference between the maximum provider rate and the provider charge. If the remaining monthly provider charge is less than \$20 per month upon payment of the family copayment fee, the family shall pay the remainder of the provider charge.

E. During the start-up month, the county shall prorate the copayment fee based on the number of calendar days remaining in the month.

Subp. 5. **Publication of state median income and fee schedule in State Register.** The department shall publish in the State Register the state median income for a family of four, adjusted for family size, and a fee schedule based on the formula in subpart 4, item C, within 120 days from the date the state median income is published in the Federal Register by the Department of Health and Human Services. Once published in the State Register, the department shall distribute a copy of the fee schedule and the updated estimate of state median income to each county. The updated fee schedule shall be used by the county to determine the family copayment fee for new

applications and at a participating family's next redetermination beginning on the first day of the state fiscal year or, if published after July 1, the first day of the first full quarter that follows publication of the state median income in the State Register.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0110 CHILD CARE ASSISTANCE PAYMENTS.

Subpart 1. **Payment options.** The county may make child care payments to the child care provider or directly to an eligible family to reimburse the family for child care expenditures. If the county makes child care payments directly to an eligible family, it shall establish appropriate documentation procedures to ensure that funds are used for child care.

Subp. 2. **Registration of legal nonlicensed caregivers.** Before a county makes a child care payment to a legal nonlicensed caregiver, the legal nonlicensed caregiver must be registered with the county. After the registration requirement for a legal nonlicensed caregiver is satisfied, payment shall be made retroactive to the beginning date of authorized child care for employment, education, or training; the date the child care application was signed; or the date the family began using the legal nonlicensed caregiver, whichever is later.

Subp. 3. **County authorization of child care.** A county may authorize child care on an hourly, half-day, full-day, or weekly basis. Combinations of hourly, half-day, or full-day child care may be paid when 11 hours or more of child care are authorized in a 24-hour period. If a family selects a child care provider who charges for child care on a basis greater than the amount of child care authorized by a county, the family is responsible for the cost of child care that exceeds the amount authorized by the county.

Subp. 4. **Maximum child care payments.** Child care assistance payments under the child care fund may not exceed the 75th percentile rate for like care arrangements in the county. Payment for child care rates that exceed the 75th percentile is the responsibility of the family. When a provider's rate is less than the 75th percentile, the county shall pay the provider's rate.

Subp. 5. **Standard for converting authorized care into hours used.** Under part 3400.0040, subpart 7, a family may not receive more than 60 hours of child care assistance per child per week. For the purpose of converting child care authorized on a half-day, full-day, or weekly basis into hours, the

counties shall use the standards in items A to C.

A. When a county authorizes child care on a half-day basis, a half day is equal to five hours of child care.

B. When a county authorizes child care on a full-day basis, a full day is equal to ten hours of child care.

C. When a county authorizes child care on a weekly basis, a week is equal to 50 hours of child care.

Subp. 6. **Notification of vendor payment procedures.** If the method of payment is vendor payment, the county shall inform both the family and child care provider of the payment amount and how and when payment shall be received. When a county sends a family a notice that child care assistance will be terminated, the county shall inform the vendor that unless the family requests to continue to receive assistance pending an appeal, child care payments will no longer be made. The notice to a vendor shall not contain any private data on the family or information on why payments will no longer be made.

Subp. 7. **County payment schedule.** The county shall make payments at least monthly.

Subp. 8. **Sick child care.** Sick child care means child care services provided to children who as a result of illness cannot attend the family's regular provider. In addition to making payments for regular child care, the county may make payments for sick child care. If the county chooses to pay sick child care, payment for sick child care shall be at a rate comparable to like care arrangements in the county. The county's sick child care policy and rate shall be included in the county's biennial allocation plan required under part 3400.0150.

Subp. 9. **Payment during child absences.** Under Minnesota Statutes, section 119B.02, counties are authorized to establish policies for payment of child care spaces for absent children when the payment is required by the child's regular provider. If the county establishes policies for the payment of child care spaces for absent children, the county shall set limits and pay for the absences according to the prevailing market practice in the county. County policies for payment of absences shall be included in the county's allocation plan required under part 3400.0150. Provider charges for absent days in excess of the amount established by the county are the responsibility of the family receiving child care assistance.

Subp. 10. **Payment during medical leaves of absence.** Counties may establish policies for child care assistance during a parent's medical leave of absence from education or employment if the parent is incapable of providing child care during the medical leave of absence. Child care assistance provided under this subpart shall only be granted if:

A. the parent is expected to return to the parent's current employment or education or training program within 90 calendar days;

B. the necessity of the medical leave and the inability to provide child care is documented by a physician; and

C. the amount of child care during the leave of absence does not exceed the equivalent of one month of full-time child care.

The county's policy on medical leaves of absence shall be included in the allocation plan required under part 3400.0150.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0120 ELIGIBLE PROVIDERS AND PROVIDER REQUIREMENTS.

Subpart 1. **Eligible providers.** Providers eligible for payments under the child care fund are providers as defined in Minnesota Statutes, section 119B.011, subdivision 20. Parents may choose child care providers that best meet the needs of their family subject to the limitation in Minnesota Statutes, section 119B.09, subdivision 5.

Subp. 2. **Registration before payment.** A legal nonlicensed caregiver must be registered with the county before the caregiver may receive a provider payment under the child care fund.

Subp. 3. **Parental access to children in care.** Providers must permit parents unlimited access to their children and to the provider caring for their children during normal hours of provider operation and when the children are in the care of the provider.

Subp. 4. **Complaints, record, and disclosure.** Legal nonlicensed caregivers must permit counties to maintain a record of substantiated parental complaints concerning the health and safety of children in the legal nonlicensed caregiver's care and to allow the disclosure to the public on request of that information subject to Minnesota Statutes, chapter 13. Information governing maltreatment of minors shall be maintained and disclosed according to Minnesota Statutes, section 626.556.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144; L 1999 c 205 art 5 s 21

Current as of 09/14/99

3400.0130 CHILD CARE PROVIDER RATES.

Subpart 1. **Rate determination.** Not less than once every two years, the commissioner shall determine the 75th percentile provider rate for infants, toddlers, preschool children, and school age children in day care centers and family day care homes in each county. The rates surveyed shall include a survey of registration fees when it is usual and customary for a category of provider to charge registration fees. When the sample size for determining provider rates is too small to provide a valid statistical sample, the commissioner may establish child care provider rates based on like care arrangements in similar areas.

Subp. 2. **Rate determination for registered legal nonlicensed caregivers.** Beginning in 1994 and every two years thereafter, the counties shall conduct a survey of registered nonlicensed caregivers to determine the 75th percentile rate for infants, toddlers, preschool, and school age children. The survey shall be conducted in a manner prescribed by the commissioner.

Subp. 3. **Rate determination; handicapped or special needs.** The county shall set the maximum child care rate for a provider providing child care to a handicapped or special needs child based on like care arrangements in the county. When four or more providers offer child care for children with a handicap or special needs, the county shall identify the 75th percentile rate. A rate established under this subpart must be included in the child care allocation plan.

Subp. 4. **Payment rate differential, same category.** The differential between maximum payment rates for child care assistance in the same category of care may not exceed ten percent.

Subp. 5. **Child care rate, provider's county of residence.** Child care payments shall be based on the allowable rates in the provider's county of residence when the provider resides in Minnesota.

Subp. 6. **Provider rates under child care fund.** Providers may not charge families receiving assistance under Minnesota Statutes, chapter 119B, a provider rate that is higher than the private, full-paying client rate.

Subp. 7. **Payment of registration fees.** If a licensed provider or license-exempt center charges families a registration fee to enroll children in the program and the

registration fee is not included in the provider rate, the county shall pay the provider registration fee or the 75th percentile of the registration fees surveyed in subpart 1, whichever is less. The county may not pay for more than two registrations per child in a 12-month period. Registration fees greater than the standard set forth in this subpart are the responsibility of the family.

Subp. 8. **Payment of activity fees.** If, in addition to a provider's base rate, a provider charges optional activity fees, the family is responsible for payment of the optional activity fees. If the provider's activity fees are not optional, the activity fees shall be incorporated into the base rate and the provider may be paid up to the 75th percentile provider rate from the child care fund. When the combined base rate and the activity fees exceed the 75th percentile provider rate for like care arrangements, the family is responsible for the amount in excess of the 75th percentile provider rate.

Subp. 9. **Maximum county child care assistance rate.** Counties shall pay the provider's rate to cover all authorized hours of child care up to the maximum of 60 hours per child per week. The maximum rate that a county shall pay for child care assistance is the provider rate or the 75th percentile rate determined by the commissioner under subpart 1, whichever is less.

Subp. 10. **Maximum state participation.** The state payment is limited to the difference between the family copayment fee and the provider's rate up to a maximum of the 75th percentile rate determined by the department for like care arrangements in the county. When the provider's rate for each child in care is more than the 75th percentile rate for like care arrangements in the county, the state's payment is limited to the difference between the 75th percentile rate for like care arrangements in the county and the family's copayment fee.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0140 COUNTY RESPONSIBILITIES.

Subpart 1. **County child care assistance policies and procedures.** Counties shall adopt policies and procedures for providing child care assistance to enable eligible applicants to seek or retain employment or to participate in education or training programs. All county policies that apply to child care assistance must be in writing and must be included in the county's biennial allocation plan required under part 3400.0150.

Subp. 2. **Child care assistance information.** The county shall provide information on child care assistance to child care

service providers, social service agencies, and the local news media as it deems necessary to ensure the full use of its child care fund allocation. The county shall inform individuals who inquire about child care of the availability of child care assistance and child care resource and referral services.

Subp. 3. **County termination of application approval for failure to select a provider.** A county may terminate approval of the child care assistance application for a family that fails to select a provider within 30 calendar days from the date the application is approved. The county must provide notice to a family under subpart 20 when terminating approval of the child care assistance application.

Subp. 4. **Determination of providers eligible for payments.** The county's process for approving providers eligible for payments under the child care fund may not exceed 30 calendar days, or 45 calendar days with the approval of the applicant, from the date the child care application is approved or the date the child care provider is selected by the applicant, whichever is later. Reimbursement for child care expenses must begin retroactive to the date of the signed application for eligible services, the beginning date of participation in an authorized education or employment activity, or the date the applicant selected the eligible provider, whichever is later. If the county determines that a provider chosen by an applicant is not eligible to receive child care payments under the child care fund, the applicant may appeal the county's determination under part 3400.0230.

Subp. 5. **Registration of legal nonlicensed caregivers.** Before the county issues a provider payment to a legal nonlicensed caregiver, the caregiver must be registered with the county. To be registered with the county, the provider is required to supply the county with the provider's name, social security number, age, and address of the caregiver, the provider rate, and a release to permit information on substantiated parental complaints concerning the health and safety of children in their care to be disclosed to the public subject to Minnesota Statutes, chapter 13. In addition to other registration requirements, legal nonlicensed caregivers must comply with state and local health ordinances and building and fire codes applicable to the premise where child care is provided. The county shall provide each registered caregiver health and safety material supplied by the department and shall refer the registered caregiver to the child care resources and referral agency. A county shall not authorize the payment of child care assistance to a legal nonlicensed caregiver who is not registered.

Subp. 6. **Parental complaints against legal nonlicensed caregivers.** Within 24 hours of receiving a parental complaint concerning the health or safety of children under the care of a legal nonlicensed caregiver, a county must relay the complaint to:

A. the county's child protection agency if the parental complaint alleges child maltreatment as defined in Minnesota Statutes, section 626.556, subdivision 10e;

B. the county's public health agency if the parental complaint alleges a danger to public health due to communicable disease, unsafe water supply, sewage or waste disposal, or building structures;

C. local law enforcement if the parental complaint alleges criminal activity that may endanger the health or safety of children under care; or

D. other agencies with jurisdiction to investigate complaints relating to the health and safety of a child.

If a complaint is substantiated under item A, the county must keep a record of the substantiated complaint as provided in Minnesota Statutes, section 626.556. If a complaint is substantiated under items B to D, the county must keep a record of the substantiated complaint for three years. Upon request, information governing substantiated complaints shall be released to the public as authorized under Minnesota Statutes, chapter 13. Upon receiving notice of a substantiated complaint under items A to D, the county shall not make subsequent payments to that provider from the child care fund.

Subp. 7. **County contracts and designation of administering agency.** Counties may contract for the administration of the child care fund or may arrange for child care funds to be used by other designated programs. The county shall designate the agency authorized to administer the child care fund.

Subp. 8. **Agreement with employment and training service providers.** The county shall develop cooperative agreements with employment and training service providers to coordinate child care funding with employment, training, and education programs for all AFDC Project STRIDE caretakers. The cooperative agreement shall specify that AFDC caretakers eligible for Project STRIDE who are receiving employment, training, and education services under an EDP shall be guaranteed child care assistance from the county responsible for the AFDC caretaker's EDP.

Subp. 9. **Local match.** The county shall provide a local match equal to 15 percent of the basic sliding fee program allocation during the grant year. The local match may include in kind materials and services furnished by the county and required for the administration of the program. The local match may not include the family copayment fee.

Subp. 10. **Eligibility priorities for beginning assistance.** If a county's basic sliding fee program allocation for child care is insufficient to fund all applications for child care assistance, the county shall prioritize eligibility among the groups that remain to be served after the county has complied with the priority requirements set forth in Minnesota Statutes, section 119B.03, subdivision 4. The county shall include its rationale for the prioritization of eligibility for beginning

assistance in its biennial allocation plan. To the extent of available allocations, no eligible family may be excluded from receiving child care assistance.

Subp. 11. **Funding waiting list for basic sliding fee.** If it appears that a family is or will be eligible for child care assistance and funds are not immediately available, the county shall place the family on a basic sliding fee waiting list. Families on the waiting list shall be moved into the basic sliding fee program as funding permits based on the county priorities adopted under subpart 10. Transition year child care families must be put on the basic sliding fee program waiting list as provided in part 3400.0060, subpart 7.

Subp. 12. **Waiting list, non-STRIDE AFDC caretakers.** Counties must keep a written list of AFDC caretakers not eligible for Project STRIDE who request ACCESS child care assistance.

Subp. 13. **Intermittent assistance.** For no more than 90 days for employed recipients and one academic quarter for recipients in an education or training program, the county may reserve a family's position under the child care fund if the family has been receiving or is approved to receive child care assistance but is temporarily ineligible for assistance due to income, education, or family status. The county's policy for reserving the position of families temporarily ineligible for child care assistance must be in writing and must be included in the biennial allocation plan required in part 3400.0150. If there are temporary breaks during the year when child care is not needed but the family remains eligible for child care assistance, there is a suspension of the child care benefit but not child care eligibility.

Subp. 14. **Child care fund reports.** The county shall complete a child care fund program fiscal report each quarter on forms approved by the commissioner. The county must submit the child care fund program report to the commissioner no later than 20 calendar days following the end of a quarter.

Subp. 15. **Just cause for terminating child care assistance.** Items A to C constitute just cause for terminating child care assistance.

A. The failure of a recipient to:

(1) select a provider within the time limit under part 3400.0040, subpart 6;

(2) provide the administering agency required information or documentation;

(3) report changes required under part 3400.0040, subpart 4; or

(4) pay the provider charge if the state share of the child care assistance is paid directly to the family or to pay the family copayment fee if the state share of the child care assistance is vendor paid.

B. The recipient wrongfully obtains child care assistance due to fraud.

C. A county may terminate child care assistance if the county's child care allocation is insufficient to fund the child care needs of families currently receiving child care assistance. When available child care funds are insufficient to permit continued child care assistance to all families currently receiving assistance, the county may terminate assistance to families in the order of last on, first off. The county must consult with the commissioner before terminating assistance under this item. When funds become available, counties must reinstate families that remain eligible for child care assistance and whose child care assistance was terminated due to insufficient funds before the county accepts new applications. Those families whose child care assistance was most recently terminated due to insufficient funds shall be reinstated first.

Subp. 16. **Notice of termination of child care assistance to recipients.** The county shall notify a recipient, in writing, of termination of child care assistance. The notice shall state the reason or reasons the assistance is being terminated. The notice shall inform the recipient of the right to appeal the adverse action and the procedure for doing so. The notice shall inform the recipient that if the recipient appeals the proposed action before the effective date of termination, the action shall not be taken until the appeal has had a fair hearing and that benefits paid during the appeal process will be subject to recovery if the termination is upheld. Except for cases of suspected fraud, the notice must be mailed to the recipient's last known address at least 15 calendar days before terminating assistance. In cases of suspected fraud, the termination notice must be mailed at least five working days before the effective date of the termination.

Subp. 17. **Notice of termination of child care assistance to vendors.** If the child care assistance is made by vendor payment, the county shall inform the child care provider that unless the family requests to continue to receive assistance pending an appeal, child care payments will no longer be made. The notice to a vendor shall not contain any private data on the family or information on why payments will no longer be made.

Subp. 18. **Child care payments when termination is appealed.** If the recipient appeals the proposed action before the effective date of termination, the action shall not be taken until the appeal has had a fair hearing as provided under part 3400.0230, subpart 1. Child care assistance paid pending a fair hearing is subject to recovery to the extent that the commissioner finds on appeal that the recipient was not eligible for the amount of child care assistance paid. The county shall seek voluntary repayment or initiate civil court proceedings to recover child care assistance payments under this subpart. A

recipient may appeal the termination of child care assistance and choose not to receive child care assistance pending the appeal. If the commissioner finds on appeal that child care assistance should not have been terminated, the county shall reimburse the recipient for documented child care payments made pending the appeal.

Subp. 19. **Recoupment of overpayments.** When a county discovers that a family has received an overpayment for one or more months, the county shall recoup the overpayment even when the overpayment is due to agency error or to other circumstances outside the responsibility or control of the family. The county shall recoup overpayments that occurred up to 12 months before the month the overpayment is discovered according to items A to C. A county may pursue recovery of an overpayment that extends beyond the 12-month period through means of collection other than recoupment.

A. The county shall notify the family of the overpayment in writing. A notice of overpayment must specify the reason for the overpayment, the time period in which the overpayment occurred, the amount of the overpayment, and the family's right to appeal the county's recoupment of the overpayment.

B. The county shall redetermine the family's eligibility for child care assistance. If the family remains eligible for child care assistance, the county shall recoup the overpayment under subitem (1), (2), or (3).

(1) Except as provided in subitem (3), when the family's income is less than or equal to the federal poverty level, the county shall reduce child care assistance by \$20 per month until the debt is retired.

(2) Except as provided in subitem (3), if a family's income is greater than the federal poverty level the county shall reduce monthly child care assistance by the larger of eight percent of the overpayment or \$20, not to exceed two times the family copayment fee under part 3400.0100, subpart 4, until the debt is retired.

(3) A county shall reduce child care assistance by an amount equal to 16 percent of the overpayment until the debt is retired when an overpayment is due to a family's failure to provide accurate information on household status, income, or employment or education status; a family's failure to report a change under part 3400.0040, subpart 4, on two or more occasions and the failure to report caused the overpayment; or the amount of the overpayment is greater than \$1,000.

C. If the family no longer remains eligible for child care assistance, the county may choose to initiate efforts to recover overpayments from the family for overpayment less than \$50. When the amount of the overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of the overpayment from the family. If the county is unable to recoup

the overpayment through voluntary repayment, the county shall initiate civil court proceedings to recover the overpayment unless the county's costs to recover the overpayment will exceed the amount of the overpayment. A family with an outstanding debt under this item is not eligible for child care assistance until the debt is paid in full or satisfactory arrangements are made with the county to retire the debt.

Subp. 20. **Notice to recipients of adverse actions.** In addition to providing recipients notice of termination under subpart 16, the county must give recipients notice of any adverse actions affecting the recipient. Actions requiring notice include:

A. termination of an application for failure to select a provider;

B. a reduction in hours of service;

C. an increase in copayment;

D. a denial of an education plan;

E. an adverse determination of provider eligibility;
and

F. county intent to recoup an overpayment.

The notice shall describe the action and the reason the action is being taken. The notice shall be in writing and shall inform the recipient of the effective date of the change, the right to appeal any adverse action, and the procedure for doing so.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0150 CHILD CARE FUND ALLOCATION PLAN.

Subpart 1. **Submittal of plan.** By the date established by the commissioner, the county shall submit to the commissioner a biennial child care fund allocation plan. The commissioner may require updates of information in the allocation plan as necessary to comply with parts 3400.0010 to 3400.0230, Minnesota Statutes, sections 119B.011 to 119B.16, and federal law.

Subp. 2. **Plan content.** The allocation plan shall contain:

A. a narrative of the county's total program for child care services for job search, employment, and education or training purposes, including the amount and sources of all other funds used to provide child care services;

B. information regarding the number of families that requested child care assistance in the year immediately preceding the period covered by the allocation plan, the number of eligible families the county is able to serve in each program, the county's procedure for prioritizing child care assistance, and the number of families on a waiting list for child care assistance;

C. methods the county uses to inform families of the availability of child care assistance and copies of county policies regarding child care services;

D. information, as requested, on provider rates paid by provider type;

E. the county's policy for approving and extending child care assistance for parents whose education programs change;

F. the county's policy for providing child care assistance to families needing intermittent child care assistance under part 3400.0140, subpart 11;

G. a statement that the county has not reduced child care funding as required under Minnesota Statutes, section 119B.11, subdivision 4;

H. copies of all subcontracts governing program administration if the administering agency is not the county;

I. the county's eligibility priority for ACCESS child care; and

J. other information, as requested by the commissioner, that describes the county's policies and procedures used to administer the child care fund.

Subp. 3. **Plan approval and amendments.** The commissioner shall inform each county of the approval of its allocation plan within 60 calendar days after the submission deadline. If the plan is not approved, the commissioner shall inform the county why the plan was not approved. No child fund allocations shall be made to a county until it has an approved allocation plan. The county may request approval to amend its child care allocation plan at any time. If approved by the commissioner, the amendment is effective on the date requested by the county unless a different effective date is set by the commissioner.

Plan amendments must be approved or disapproved by the commissioner within 60 days after receipt of the amendment request.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144; L 1999 c 205 art 5 s 21

Current as of 09/14/99

3400.0160 DUTIES OF ADMINISTERING AGENCY.

Subpart 1. **Child care assistance information.** The administering agency shall provide families with information supplied by the department regarding the availability of federal and state child care tax credits and federal earned income tax credits. At the time of the request for child care assistance, the administering agency shall inform the family of the following:

A. eligibility requirements under the child care fund and documentation necessary to confirm eligibility;

B. the existence of a child care assistance waiting list and the number of families on the waiting list;

C. the procedure for applying for child care assistance;

D. the family copayment fee schedule and how the fee is computed; and

E. the family's rights and responsibilities when choosing a provider.

Subp. 2. **Application procedure.** An administering agency must follow the application procedures in items A to D.

A. If it appears that a family is eligible for child care assistance and funds are available or if a family requests an application, the administering agency shall mail or hand the family a child care assistance application.

B. If a family requests child care assistance and funds are not available, the administering agency shall inform the family of a waiting list, screen the family for potential eligibility, and place the family on the waiting list if they appear eligible.

C. If child care funds become available, the

administering agency shall inform the family at the head of the waiting list and ask the family to complete an application. The administering agency shall accept signed and dated applications that are submitted by mail or delivered to the agency within 15 calendar days after the date of signature. The administering agency shall mail a notice of approval or denial of assistance to the applicant within 30 calendar days after receiving the application. With the consent of the applicant, the administering agency may extend the response time by 15 calendar days.

D. The administering agency shall document the reason or reasons for denying an application for child care assistance, shall inform the applicant of the reason for denial, and shall inform the applicant of the right to a fair hearing under part 3400.0230.

Subp. 3. **Date of eligibility for assistance.** The date of eligibility for child care assistance under parts 3400.0060 and 3400.0080 is the later of the date the application was signed; the beginning date of employment, education, or training; or the date a determination has been made that the applicant is a participant in employment and training programs under part 3400.0080, subpart 2, or Minnesota Statutes, section 256.736. The date of eligibility for child care assistance under part 3400.0090 is the date the family ceased to be eligible for AFDC as a result of increased hours of employment, increased income from employment, or the loss of disregards due to time limitations. Upon approval of the application for assistance under part 3400.0090, child care assistance shall be made retroactive to the date the family ceased to be eligible for AFDC if all other provisions of parts 3400.0010 to 3400.0230 are met.

The notice of approval of the application must state the following:

- A. the beginning date of eligibility;
- B. that any change in income, address, family size, marital status, provider, or employment, education, or training status must be reported within ten calendar days from the date the change occurs; and
- C. that, if child care assistance is terminated, the recipient will be informed of the reason for the termination and providers who receive vendor payments will be informed that, unless the family requests to continue to receive assistance pending an appeal, child care payments will no longer be made.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0170 DETERMINATION OF INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subpart 1. **Proof of income eligibility.** An applicant requesting child care assistance must provide proof of income eligibility. For the purpose of determining income eligibility, annual income is the income of the family for the current month multiplied by 12, the income for the 12-month period immediately preceding the date of application, or the income for the time period that provides the most accurate assessment of annual income available to the family. The administering agency must use the method that provides the most accurate assessment of annual income currently available to the family. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of income.

Subp. 2. **Evaluation of income of AFDC families.** The administering agency shall determine the income of AFDC families based on AFDC requirements under parts 9500.2000 to 9500.2880.

Subp. 3. **Evaluation of income of non-AFDC families.** The administering agency shall determine income received or available to a non-AFDC family according to subparts 4 to 13. All income, unless specifically excluded in subpart 6, must be counted as income.

Subp. 4. **Determination of annual gross income.** The income standard for determining eligibility for child care assistance is annual gross income. Annual gross income is the sum of gross earned income, self-employment income, unearned income, and lump sum payments. Gross earned income, self-employment income, unearned income, and lump sum payments must be calculated separately.

Subp. 5. **Gross earned income of wage and salary employees.** Gross earned income means earned income from employment before mandatory and voluntary payroll deductions. Gross earned income includes, but is not limited to, salaries, wages, tips, gratuities, commissions, incentive payments from work or training programs, payments made by an employer for regularly accrued vacation or sick leave, and profits from other activity earned by an individual's effort or labor. Gross earned income includes uniform and meal allowances if federal income tax is deducted from the allowance. Gross earned income includes flexible work benefits received from an employer if the employee has the option of receiving the benefit or benefits in cash. Gross earned income received by persons employed on a contractual basis must be prorated over the period covered by the contract even when payments are received over a lesser period of time. When housing is provided as part of the total work compensation, the fair market value of such housing shall be considered as if it were paid in cash.

Subp. 6. **Excluded income.** The administering agency shall exclude items A to G from annual gross income:

A. scholarships, work-study income, and grants that cover costs for tuition, fees, books, and educational supplies;

B. student loans for tuition, fees, books, supplies, and living expenses;

C. earned income tax credits, in-kind noncash public assistance income such as food stamps, energy assistance, child care assistance, medical assistance, and housing subsidies;

D. income from summer or part-time employment of 16, 17, and 18-year-old full-time secondary school students;

E. grant awards under the family subsidy program;

F. nonrecurring lump sum income that is earmarked and used for the purpose for which it is paid; and

G. child or spouse support paid to a person or persons who live outside of the household.

Subp. 7. **Earned income from self-employment.** In determining annual gross income for purposes of eligibility under this part, the administering agency shall determine earned income from self-employment. Earned income from self-employment is the difference between gross receipts and authorized self-employment expenses which may not include expenses under subpart 8. Self-employment business accounts must be kept separate from the family's personal checking and savings accounts. If the person's business is a partnership or a corporation and that person is drawing a salary, the salary shall be treated as gross earned income under subpart 5.

Subp. 8. **Self-employment deductions which are not allowed.** In determining eligibility under this part, self-employment expenses must be subtracted from gross receipts. However, the expenses listed in items A to M shall not be subtracted from gross receipts:

A. purchases of capital assets;

B. payments on the principal of loans for capital assets;

C. depreciation;

D. amortization;

E. the wholesale costs of items purchased, processed,

or manufactured that are unsold inventory with a deduction for the costs of those items allowed at the time they are sold;

F. transportation costs that exceed the amount allowed for use of a personal car in the United States Internal Revenue Code;

G. the cost of transportation between the individual's home and his or her place of employment;

H. salaries and other employment deductions made for members of a family for whom an employer is legally responsible, provided family income is only counted once;

I. monthly expenses greater than \$71 for each roomer;

J. monthly expenses greater than \$86 for each boarder;

K. monthly expenses greater than \$157 for each roomer-boarder;

L. annual expenses greater than \$103 or two percent of the estimated market value on a county tax assessment form, whichever is greater, as a deduction for upkeep and repair against rental income; and

M. expenses not allowed by the United States Internal Revenue Code for self-employment income.

Subp. 9. **Self-employment budget period.** Gross receipts from self-employment must be budgeted in the month in which they are received. Expenses must be budgeted against gross receipts in the month the expenses are paid except for items A to C.

A. The purchase cost of inventory items, including materials that are processed or manufactured, must be deducted as an expense at the time payment is received for the sale of those inventory items, processed materials, or manufactured items, regardless of when those costs are incurred or paid.

B. Expenses to cover employee FICA, employee tax withholding, sales tax withholding, employee worker's compensation, employee unemployment compensation, business insurance, property rental, property taxes, and other costs that are commonly paid at least annually, but less often than monthly, must be prorated forward as deductions from gross receipts over the period they are intended to cover, beginning with the month in which the payment for these items is made.

C. Gross receipts from self-employment may be prorated forward to equal the period of time over which the

expenses were incurred. However, gross receipts must not be prorated over a period that exceeds 12 months. This provision applies only when gross receipts are not received monthly but expenses are incurred on an ongoing monthly basis.

Subp. 10. **Determination of farm income.** Farm income must be determined for a one-year period. Farm income is gross receipts minus operating expenses, except for expenses listed in subpart 8. Gross receipts include sales, rents, subsidies, soil conservation payments, production derived from livestock, and income from the sale of home-produced foods.

Subp. 11. **Determination of rental income.** Income from rental property is considered self-employment earnings when the owner spends an average of 20 or more hours per week on maintenance or management of the property. The administering agency shall deduct an amount for upkeep and repairs according to subpart 8, item L, for real estate taxes, insurance, utilities, and interest on principal payments. When a family lives on the rental property, the administering agency shall divide the expenses for upkeep, taxes, insurance, utilities, and interest by the number of units to determine the expense per unit. The administering agency shall deduct expenses from rental income only for the number of units rented, not for units occupied by family members. When an owner does not spend an average of 20 or more hours per week on maintenance or management of the property, income from rental property is considered unearned income. The deductions described in this subpart are subtracted from gross rental receipts.

Subp. 12. **Determination of unearned income.** Unearned income includes, but is not limited to, interest, dividends, unemployment compensation, disability insurance payments, veteran benefits, pension payments, child support and spousal support received or anticipated to be received by a family, insurance payments or settlements, and severance payments. Expenditures necessary to secure payment of unearned income are deducted from unearned income. Payments for illness or disability, except for those payments described as earned income in subpart 5, are considered unearned income whether the premium payments are made wholly or in part by an employer or by a recipient.

Subp. 13. **Treatment of lump sum payments.** Lump sum payments received by a family must be considered earned income under subparts 7 to 11 or unearned income according to subpart 12.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0180 REDETERMINATION OF ELIGIBILITY.

The county shall redetermine a family's eligibility for child care assistance and the family's copayment fee when notified by the family of a change in the information required to be reported in part 3400.0040, subpart 4, or at least every six months, whichever occurs first.

A redetermination of eligibility shall not be treated as a new application for child care assistance. If, as a result of redetermination of eligibility, a family is found to be ineligible for further child care assistance, the county shall terminate the child care assistance as provided in part 9565.5110, subpart 10.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0190 QUARTERLY FINANCIAL AND PROGRAM ACTIVITY REPORTS.

Counties shall submit, in the manner prescribed by the commissioner, a quarterly financial and program activity report. The report is due within 20 calendar days after the end of each quarter. The financial and program activity report must include:

A. a detailed accounting of the expenditures and revenues for the child care fund during the preceding quarter by funding source and eligibility group;

B. a description of child care activities and expenditures that are reimbursable under state and federal reimbursement programs; and

C. other information concerning financial or program activity as requested by the department.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0200 QUARTERLY PAYMENTS.

The commissioner shall make payments to the counties in quarterly installments. The commissioner may certify an advance to the counties for the first quarter of the fiscal year.

Payments made to the counties after the first quarter shall be based on actual expenditures as reported by the counties in the quarterly financial and program activity report required under part 3400.0190.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519

Current as of 09/14/99

3400.0210 NOTICE OF NONCOMPLIANCE; FUNDING SANCTIONS.

If the commissioner finds that a county is not complying with parts 3400.0010 to 3400.0230, the procedures in items A to F apply.

A. The commissioner shall notify the county, by certified mail, of the rule part that the county has not complied with.

B. Within 30 days after receiving the notice, the county must demonstrate to the commissioner that it is in compliance with the rule or must develop a correction plan to address the noncompliance. If the county can demonstrate compliance, the commissioner shall not take any further action.

C. If the county submits a correction plan, the commissioner shall approve or disapprove the correction plan within 30 days after the date that it is received. If the commissioner approves the correction plan submitted by the county, the county shall have 90 days after the date of approval to implement the correction plan.

D. If the county fails to demonstrate compliance or fails to implement the correction plan approved by the commissioner, the commissioner may withhold the county's child care fund allocations until the county is in compliance with the statute or rule.

E. Funds withheld from a county under this part may be reallocated to other counties based on the formula in Minnesota Statutes, section 256H.03, subdivision 2.

F. Counties may appeal the sanction in accordance with Minnesota Statutes, chapter 14, for contested cases.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519

Current as of 09/14/99

3400.0220 AUDIT EXCEPTIONS.

The commissioner shall recover from counties state or federal money spent for child care that is ineligible under parts 3400.0010 to 3400.0230. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519

Current as of 09/14/99

3400.0230 FAIR HEARING PROCESS.

Subpart 1. **Hearing request.** An applicant or recipient of child care assistance adversely affected by an administering agency's action may request a fair hearing according to Minnesota Statutes, section 256.045, subdivision 3.

Subp. 2. **Informal conference.** The administering agency shall offer an informal conference to applicants or recipients adversely affected by an agency action to attempt to resolve the dispute. The administering agency shall advise adversely affected applicants and recipients that a request for a conference with the agency is optional and does not delay or replace the right to a fair hearing under subpart 1.

STAT AUTH: MS s 256H.01 to 256H.19

HIST: 14 SR 519; 18 SR 1144

Current as of 09/14/99

3400.0235 AT-HOME INFANT CHILD CARE PROGRAM.

Subpart 1. **Purpose and applicability.** This part governs the administration of the at-home infant child care program. Beginning July 1, 1998, a family in which a parent provides care for the family's infant child may receive a subsidy in lieu of child care assistance if the family is eligible for, or is receiving assistance under, the basic sliding fee program governed by parts 3400.0010 to 3400.0230.

Subp. 2. **Administration of at-home infant child care**

program. The commissioner shall establish a funding pool of up to seven percent of the annual appropriation for the basic sliding fee program to provide assistance under the at-home infant child care program. Within the limits of available funding, the commissioner shall make payments to counties for expenditures under the at-home infant child care program. Participation in the statewide pool shall be determined based on the order in which requests are received from counties. Following the birth of an infant, counties shall submit family requests for participation in the at-home infant child care program on forms provided by the commissioner. The commissioner shall respond within seven days to county inquiries about the availability of funds. The commissioner shall monitor the use of the pool and if the available funding is obligated, the commissioner shall create a waiting list of at-home infant child care referrals from the counties. As funds become available to the pool, the commissioner shall notify counties in which eligible families on the waiting list reside.

At the end of the state fiscal year, any unspent funds must be used for child care assistance under the basic sliding fee program.

Subp. 3. **General eligibility requirements.** Items A to E govern eligibility for the program.

A. Eligible families must meet the requirements of Minnesota Statutes, section 119B.061, subdivision 2. For purposes of this subpart, "other cash assistance" under Minnesota Statutes, section 119B.061, subdivision 2, means other public cash assistance and includes the work first program under Minnesota Statutes, chapter 256K. "Other child care assistance" under Minnesota Statutes, section 119B.061, subdivision 2, means MFIP child care assistance, transition year child care assistance, subsidized adoption payments designated to cover child care costs associated with participating in job search, employment, or education, and the postsecondary child care grant program administered by the Minnesota Higher Education Services Office under Minnesota Statutes, section 136A.125.

B. A family is eligible to receive assistance under the at-home infant child care program if one parent provides full-time care for the infant. The eligible parent must meet the requirements of Minnesota Statutes, section 119B.061, subdivision 3. The requirements of caring for the infant full-time may be met by one or both parents. Eligible parents include parents, stepparents, guardians and their spouses. Nonfamily members may provide regular care for the child but are limited to a maximum of ten hours of care per week.

C. A family may apply for the at-home infant child care program before the child is born or anytime during the infant's first year. Following the birth of a child, a family is eligible to receive a subsidy under the at-home infant child care program when application to the program is made and when funding is available. A family shall only receive subsidy payments through the infant's twelfth month. "Infant" means a child from birth through 12 months of age and includes adopted infants.

D. A family is limited to a lifetime total of 12 months of at-home infant child care assistance. At the time of application to the program, the parent or parents must declare whether they have previously participated in the at-home infant child care program or used any portion of the MFIP one-year infant exemption under Minnesota Statutes, chapter 256J. If the parent or parents declare that they have participated in the at-home infant child care program or used the MFIP one-year infant exemption, the commissioner shall, at the request of the county, inform the county of the remaining months of eligibility for the at-home infant child care program.

E. At the time of application to the at-home infant child care program, the family must be eligible according to part 3400.0040, subpart 5, and Minnesota Statutes, section 119B.061, subdivision 2, clause (4), and be income-eligible based on these activities. When a family is placed on a waiting list for the basic sliding fee program after a preliminary determination of eligibility under part 3400.0060, subpart 6, the family will be eligible to apply for the at-home infant child care program when the family's name moves to the top of the waiting list. If a family is still on the waiting list after leaving an authorized activity due to the birth or impending birth of the infant, the family will be eligible to apply for the at-home infant child care program when the family's name moves to the top of the waiting list.

F. During the period a family receives a subsidy under the at-home infant child care program, the family is not eligible to receive basic sliding fee child care assistance for the infant or any other child in the family.

Subp. 4. **Continued eligibility under basic sliding fee program.** When families end their participation in the at-home infant child care program, they must be served under the basic sliding fee program if they request continued child care assistance and otherwise meet all eligibility factors for the basic sliding fee program.

Subp. 5. **Assistance payments.** Items A to C govern assistance payments under the at-home infant child care program.

A. The number of months of at-home infant child care participation used shall be credited to the eligible parent. If the eligible parent later forms a new family, the number of months of at-home infant child care subsidy received in combination with the months of the MFIP infant exemption used under Minnesota Statutes, chapter 256J, shall be subtracted from the maximum assistance available under this part.

B. The maximum subsidy must be at 75 percent of the rate established under Minnesota Statutes, section 119B.13, for full-time care of infants in licensed family day care in the applicant's county of residence. There is no additional subsidy for infants with special needs. The maximum subsidy for full-time care shall be converted to a monthly amount. From

that monthly amount, the county must subtract the family's monthly copayment required by part 3400.0100 to determine the final at-home infant child care monthly subsidy for the family.

C. Family income shall be determined or redetermined at the time a family applies for the at-home infant child care program. Family income shall be annualized from the beginning of the month in which the family would first participate in the at-home infant child care program. Family income includes:

(1) subsidy payments received as part of the at-home infant child care program. According to Minnesota Statutes, section 119B.061, subdivision 4, paragraph (b), counties shall use the copayment amount the family was paying or would have paid under the basic sliding fee program to estimate the subsidy payment;

(2) income from vacation leave;

(3) sick or temporary disability benefit payments; and

(4) other income the family may receive while participating in the at-home infant child care program, as determined under part 3400.0170 and Minnesota Statutes, section 119B.011, subdivision 16.

Excluded income is defined in part 3400.0170, subpart 6, and Minnesota Statutes, section 119B.011, subdivision 16. The calculation of the family copayment fee is described in part 3400.0100, subpart 4.

D. For purposes of counting the number of months that a family has participated in the at-home infant child care program, any portion of a month in which a family receives a subsidy under the at-home infant child care program is considered a full month of participation in the at-home infant child care program.

For purposes of calculating the at-home infant child care program copayment and subsidy in the first month, the county shall use the method described in part 3400.0100, subpart 4, item E. In addition, the county shall prorate the subsidy received in the first and last month of participation according to subitems (1) to (4).

(1) If the family participates in the at-home infant child care program during the month in which the infant is born, the subsidy must be prorated to cover the number of calendar days from the date of birth until the end of the month.

(2) If the family participates in the at-home infant child care program during the month of the infant's first birthday, the subsidy must be prorated to cover the number of

calendar days from the beginning of the month to the date of the infant's first birthday.

(3) If the eligible parent leaves employment or another authorized activity in order to participate in the at-home infant child care program, the subsidy must be prorated to cover the number of calendar days from the date the eligible parent leaves the authorized activity to the end of the month.

(4) If the eligible parent returns to an authorized activity and will no longer be participating in the at-home infant child care program, the subsidy must be prorated to cover the number of calendar days from the beginning of the month to the date the parent returns to the authorized activity. If all other eligibility conditions are met, the family shall be eligible to receive basic sliding fee child care assistance beginning on the day the eligible parent returns to the authorized activity.

Subp. 6. **County responsibilities.** Items A to D govern county responsibilities for the program.

A. In addition to duties required under parts 3400.0140 and 3400.0160, counties shall perform the following functions to administer the at-home infant child care program:

- (1) establish the subsidy amount;
- (2) determine an estimated length of time the family will participate;
- (3) determine availability of and encumber ongoing basic sliding fee funding;
- (4) consult with the commissioner on the availability of funds;
- (5) forward applicant information as designated to the commissioner;
- (6) issue payments under the at-home infant child care program; and
- (7) notify the commissioner when a family's participation in the at-home infant child care program ends.

B. A county may not accept a family as a participant in the at-home infant child care program without sufficient basic sliding fee program funds to pay for the family's anticipated cost of child care assistance after a family's participation in the at-home infant child care program ends.

C. During program participation, the county shall apply billing procedures established under Minnesota Statutes, chapter 119B, to issue the monthly at-home infant child care subsidy to families.

D. When a family's participation in the at-home infant child care program ends, the county shall send the family and the commissioner a notice indicating the number of months the family participated in the at-home infant child care program in that county.

Subp. 7. **Data collection.** The commissioner shall develop and implement an evaluation plan for the at-home infant child care program. Counties must participate in data collection for the evaluation and must adjust their data collection to reflect changes in the evaluation plan.

STAT AUTH: MS s 119B.02; 119B.061

HIST: 23 SR 1625; L 1999 c 205 art 5 s 21

Current as of 09/14/99

PARENT RESPONSES TO AHIC EVALUATION

Answers to open-ended questions

Why did you choose to participate in the At-Home Infant Child Care Program?

Of the nineteen parents who responded to this question about what initially motivated them to participate in AHIC, nine gave developmental and bonding reasons for participating.

- I thought it would be a great opportunity for my kids and I to spend a little more time together especially with a new baby.
- We felt that it was extremely important to have a parent stay home with our child for the first year, the developmental advantages of a child staying at home are undeniable.
- Because I wanted to stay home with my child.
- I chose it because I like to stay at home with my baby since she was so young. But now I am working. I also chose it because it was helpful to me.
- Because I had one month without pay during my maternity leave from work and I would also be able to stay home a couple weeks longer with my infant.
- I wanted to be home with my child.
- To benefit my child. I felt it was better for my child to be cared for by me rather than daycare.
- So I could stay home with my daughter.
- Because I feel the first two years of a child's life are the most important to have at least one parent always there. Day care is so expensive and I don't trust anyone who watches more than one baby. A baby is a 24 hours job alone.

Another five gave financial reasons.

- I knew that my child care bills would be more than I could afford at the time.
- Supplement my income while on maternity leave
- I was not being paid my full salary while on leave and I needed the help financially.
- Financial help.
- Supplemental family income because I quit work when I had my baby.

Two merely stated that they participated because it was available.

- Because it was offered to me.
- Day care assistance worker notified me of the program while waiting for BSF.

The final three gave reasons that were either a combination of the above reasons, or ambiguous.

- AHIC sounded like a program that would help absorb some of the financial burden of being a stay at home mom. Cost of daycare is very expensive. Emotionally financially. So it is wonderful to be able to stay home during the first months.
- Maternity leave.
- To make it easier on my children and myself.

What were the benefits for you, your family and your infant in participating in the At-Home Infant Child Care Program?

Again, when listing the actual benefits, seven families stated bonding and developmental issues.

- Spending time with child/child spending time with me.
- My kids and I were able to spend more time together and more mother and newborn bonding.
- Having as much time as possible with my baby before returning to work.
- The benefits were that I got to stay home with my son and he didn't have to be in daycare. He would be at home with me.
- Able to take complete care of my child. Able to watch his first year of development. Child was healthier. Able to care for myself better. Less stress. It was wonderful! I loved and will cherish those memories forever, wish it lasted longer.
- No daycare.
- To see her grow.
- I got to stay home with my daughter. My husband know his daughter was in good hands and didn't have to worry about strangers watching her. My family says our daughter is so relaxed. I believe because she know mommy is there for her every need.

Six listed financial benefits.

- Income for my family while on maternity leave.
- Provided financial support for child's needs.
- Getting extra money.
- It was income to help pay for baby supplies while I was home with son without child support or work benefits.
- Helped out financially with rent while on maternity leave.
- I was able to stay home longer with my children and I was not under as much stress to get my bills paid for the month.

Four listed a combination of benefits, both bonding and financial.

- Financial made it possible to have a parent stay home with our child. It gave the "stay-at-home dad" a feeling of still financially providing for our household. It has been obvious that our baby was impacted, he is secure and developmentally excels. We have three other children that did not have to attend child care centers during the time on the program.
- It has made it possible to spend more time at home with my son [rather] than more time at work. It has also helped me to continue to go to college full-time.
- The benefits were that I got to stay home with my child and take care of her and it helped us buy stuff for our baby.
- So I didn't have to work -cash - spending more time together as a family.

One parent did not answer this question.

Was it difficult to participate in AHIC? If so why?

Two parents listed reasons why it was difficult (or somewhat difficult) to participate:

- Besides my not liking to get help from the county or other people nothing was difficult to participate.
- It was difficult because my income was substantially lower.

The other fifteen parents did not indicate that it had been difficult.

How could this program be improved?

Ten parents responded to the question about how this program could be improved.

Five made do not think it needs improvement:

- I don't think this program needs any improvement.
- AHIC is a good experience for me. I have no suggestions for improvement.
- It worked fine for me.
- I thought it was great program. It helped us so I could spend more time with my children and not a friend or family member to stay with them.
- I liked the program.

One indicated that more information needs to be distributed:

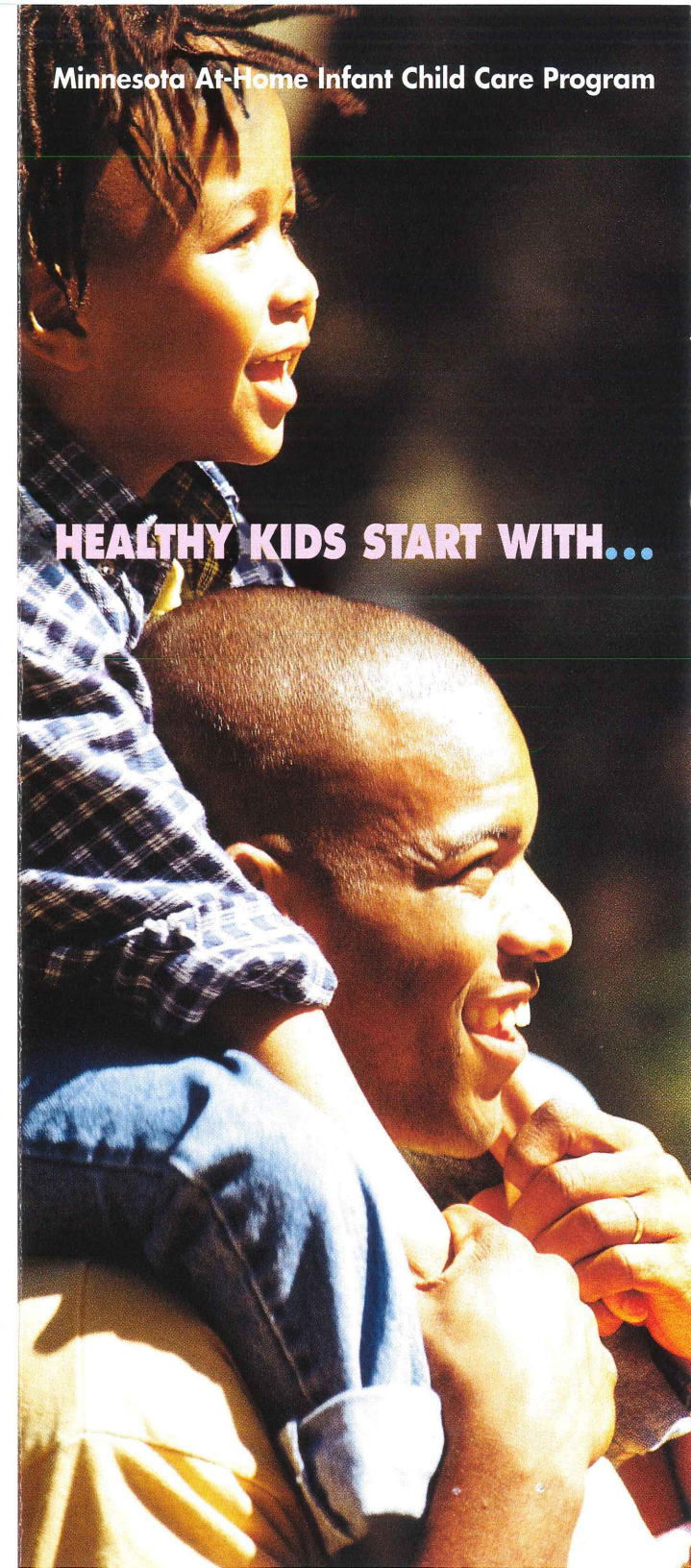
- More understanding of what AHIC is.

One stated that the age limit of twelve months should be extended.

- Extend it to 18 months.
- Go for at least two years and also have it for every child (newborn) in a family, instead of only one child.

Three stated that the subsidy level should be raised:

- Although the financial assistance made it possible to stay home with our children, we definitely struggled financially during this time period. An increase in subsidy may have made it possible to stay home the full first year. When our child was 10 months old, we financially had to have both parents work.
- I feel that parents should stay home with their children for the first year. I think this program would be improved by raising income per month so more parents can stay home with their children.
- Maybe you could pay more than \$1.80 per hour. It just doesn't seem like a whole lot.



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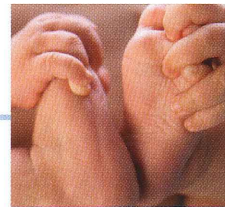
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What is the At-Home Infant Child Care Program?

The At-Home Infant Child Care Program (AHIC) helps families with children under one year of age cover some of the costs of staying home and caring for their infant.

AHIC provides child care assistance funding to families who qualify to stay home for the first year of the baby's life.

How will this help my baby?

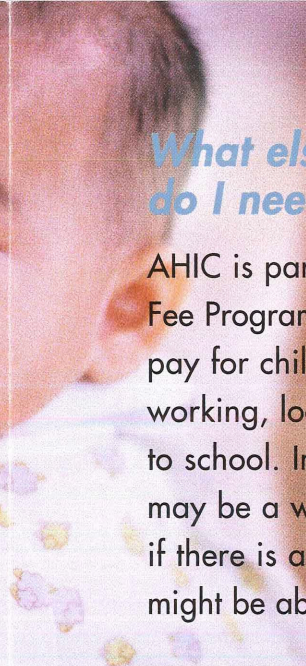
A baby's first year is an important time of learning and growth. Babies learn best from familiar people and things.

Spending time with your baby during these early months is one way to help your baby learn and grow.



What else do I need to know?

AHIC is part of the Basic Sliding Fee Program (BSF) that helps parents pay for child care while they are working, looking for work or going to school. In some counties, there may be a waiting list for BSF. Even if there is a waiting list, you still might be able to get help from AHIC.



Does my family qualify for AHIC?

To qualify for AHIC, a family must:



Be working, going to school, or looking for work before the child is born,



Meet income guidelines and care for their infant full-time in their home,



Not currently receive Minnesota Family Investment Program (MFIP) cash assistance,



Not currently receive child care assistance.

Check with your county child care office to find out if you qualify for AHIC.



If you qualify, you can participate in AHIC for a total of twelve months. The time can be spent with one baby or divided up between more than one infant.



To qualify for AHIC, the parent staying home must be 18 years of age or older.

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