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## 2000 Child Care Assistance Legislation

This information brief summarizes child care assistance programs and describes child care assistance legislation enacted during the 2000 regular legislative session. The information brief includes information on appropriations for child care assistance programs, policy changes to child care assistance programs, and directions to the Department of Children, Families and Learning regarding child care assistance programs.

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### Child Care Programs

**Two child care assistance programs subsidize the child care choices for eligible families.**

- The **Basic Sliding Fee** program provides a child care subsidy to working families who are not getting cash assistance through the Minnesota Family Investment Program (MFIP). The Basic Sliding Fee program includes a state-level set-aside for the At Home Infant Child Care program, which helps families with children under one year of age cover some of the costs of staying home and caring for their infant. Assistance through the Basic Sliding Fee program is limited by available funding. Consequently, 26 counties have waiting lists with 4,175 families seeking subsidized child care.
- The **MFIP child care** program subsidizes the child care costs of MFIP families and provides child care assistance for eligible families for the first 12 months after the family leaves MFIP (known as transition year care).

Counties administer both child care assistance programs under supervision of the state Department of Children, Families and Learning (CFL).

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## **Child care providers are licensed by the Department of Human Services.**

The Department of Human Services (DHS) is responsible for licensing child care centers, group family day care, and family day care providers. DHS regulates each type of child care provider based on legislative specifications for caregiver qualifications, capacity and child-staff ratios, and activities and equipment.

There are also two types of legal unlicensed child care in Minnesota, legal unlicensed family child care and school-age child care. Legal unlicensed family child care is limited to care by an unrelated person to children of a single family. These child care providers must register with the county to be eligible for child care assistance payments. School-age child care programs are sponsored by school districts for the care of children, from kindergarten through age 12, when school is not in session. Standards for these programs are established by the local school board.

## **Federal TANF funds may be used for child care assistance.**

States may fund child care services with the federal welfare block grant Temporary Assistance for Needy Families (TANF). TANF allows states to transfer up to 30 percent of their federal welfare allocation to child care. States can also transfer up to 10 percent of this 30 percent to the Social Services Block Grant, which states use to improve children's services, including child care. The Minnesota Legislature transferred \$37.985 million in fiscal year 2000 and \$40.525 million in fiscal year 2001 to the Basic Sliding Fee program along with smaller amounts for the MFIP and transition year child care programs. Some of these transfers are included in the 2000 Legislative Actions section below.

Any changes made to these programs during the 2000 legislative session are described below. Funding for these programs is described in Appendix 1.

## **2000 Legislative Actions**

### **Application Process**

CFL is now required to provide technical assistance to counties on ways to expedite the child care assistance application process for minor parents participating in school-based child care and school-based adolescent parenting programs.

*Ch. 489, art. 1, sec. 37, effective July 1, 2000*

### **Eligibility**

The 2000 Legislature made MFIP participants who are involved in any work activity as defined in the MFIP statutes eligible for MFIP social services child care subject to the June 2003 sunset in chapter 489, article 1, section 36, and the appropriation limit in section 45.

*Ch. 489, art. 1, sec. 2, amending Minn. Stat. § 119B.011, subd. 12, effective July 1, 2000*

The legislature amended the definition of “income” in the child care statutes to clarify that earned income of a student is excluded, provided the student is 19 years of age or younger.

*Ch. 489, art. 1, sec. 3, amending Minn. Stat. § 119B.011, subd. 15, as amended by Laws 2000, ch. 260, sec. 19, effective July 1, 2000*

The legislature modified the eligibility requirements for transition year child care assistance. Under the change, families who leave MFIP after participating for three of the last six months are eligible for 12 months of transition year child care. This change clarifies that families who are disqualified from MFIP due to fraud are not eligible for transition year care. Under current law, families are eligible for transition year child care only if they reach the exit income level for MFIP.

*Ch. 489, art. 1, sec. 4, amending Minn. Stat. § 119B.011, subd. 20, effective July 1, 2000*

Under the new law, MFIP participants who are involved with any work activity, as defined in the MFIP statute including social services activities, are eligible for MFIP child care. Before the change, social services activities had been excluded by the child care assistance law.

*Ch. 489, art. 1, sec. 7, amending Minn. Stat. § 119B.05, subd. 1, effective July 1, 2000*

MFIP social service child care sunsets on June 30, 2003, and is limited to the amount of specific TANF appropriations. Priority must be given to mental health and chemical dependency services. A report on the effectiveness of social services child care is required by January 15, 2003.

*Ch. 489, art. 1, sec. 36, effective July 1, 2000*

## **Child Care Licensing**

Church or religious organizations are now permitted to operate a day care program under the rules governing family day care and group family day care. Before the change, a church or religious organization would be required to operate under the rules for a child care center.

*Ch. 489, art. 1, sec. 20, amending Minn. Stat. § 245A.14, subd. 4, effective July 1, 2000*

Aides in child care centers who are at least 20 years old, with at least two years of child care experience are now allowed to work with children without direct supervision for a portion of the day. Annual notification to the commissioner and the parents is required by the centers using experienced aides. Parents must also be notified upon enrollment of a child. Child care centers have three main classifications of employees who work directly with children: aides, assistant teachers, and teachers. Responsibilities and required qualifications increase from

aide to teacher. Before the change, aides were not permitted to work with children during regular classroom activities without being directly supervised.

*Ch. 489, art. 1, sec. 21, adding Minn. Stat. § 245A.14, subd. 8, effective July 1, 2000*

Three different levels of in-service training are required annually for teachers, assistant teachers, and aides at child care centers based on their prior education, licensing, and certification. The number of required training hours is allowed to be prorated for individuals not employed full time or for an entire year. Before the change, 40 hours of in-service training was required for all teachers and aides.

*Ch. 489, art. 1, sec. 22, adding Minn. Stat. § 245A.14, subd. 9, effective July 1, 2000*

### **Funding & Funding Priorities**

The legislature clarified the Basic Sliding Fee program funding priorities by providing that child care assistance is available to individuals without a high school degree who actually need the child care in order to participate in the education program.

*Ch. 489, art. 1, sec. 5, amending Minn. Stat. § 119B.03, subd. 4, effective July 1, 2000*

The Basic Sliding Fee program was amended to provide for the distribution of funding when funding increases occur within a calendar year.

*Ch. 489, art. 1, sec. 6, adding Minn. Stat. § 119B.03, subd. 6a, effective July 1, 2000*

The legislature increased the 2001 appropriation for school-age care aid by \$29,000 due to a forecast change.

*Ch. 489, art. 1, sec. 28, amending Laws 1999, ch. 205, art. 1, sec. 71, subd. 7, effective July 1, 2000*

The legislature decreased the 2000 appropriation for MFIP child care by \$19,794,000 and the 2001 appropriation for MFIP child care by \$9,837,000 due to a forecast change.

*Ch. 489, art. 1, sec. 29, amending Laws 1999, ch. 205, art. 1, sec. 71, subd. 9, effective July 1, 2000*

### **TANF Funds**

The legislature transferred \$2,539,000 in fiscal year 2001, \$2,138,000 in fiscal year 2002, and \$1,738,000 in fiscal year 2003 in TANF funds for Basic Sliding Fee child care assistance.

*Ch. 489, art. 1, sec. 45, subd. 2, effective July 1, 2000*

The legislature transferred \$3,233,000 in fiscal year 2001, \$3,297,000 in fiscal year 2002, and \$2,865,000 in fiscal year 2003 in TANF funds for social service child care costs of eligible MFIP participants.

*Ch. 489, art. 1, sec. 45, subd. 3, effective July 1, 2000*

The legislature transferred \$1,080,000 in fiscal year 2001, \$3,620,000 in fiscal year 2002, and \$4,040,000 in fiscal year 2003 in TANF funds to provide uninterrupted assistance for families completing transition year child care assistance.

*Ch. 489, art. 1, sec. 45, subd. 4, effective July 1, 2000*

**Directions to CFL**

The commissioner of CFL was directed to request a waiver from the Department of Agriculture so that group family day care facilities are allowed to participate in the federal child and adult care food program.

*Ch. 489, art. 1, sec. 40, effective July 1, 2000*

The commissioner of CFL was directed to ensure that licensed family child care providers are represented in policy discussions and task forces that impact child care.

*Ch. 489, art. 1, sec. 41, effective July 1, 2000*

**Appendix 1: Total State Child Care Assistance Appropriations\***

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
<b>Basic Sliding Fee</b>	\$41,751,000	\$54,001,000	\$59,606,000	\$62,902,000
<b>MFIP**</b>	34,331,000	64,838,000	66,524,000	81,839,000
<b>Transition Year</b>			2,500,000	1,080,000
<b>School Age Care Aid</b>	347,000	304,000	274,000	245,000
<b>Administration</b>	826,000	232,000	***	***

\* Appropriations include general fund money and federal TANF transfers.

\*\* Includes appropriation for transition year child care.

\*\*\* Administration is included in the appropriation for the Department of Children, Families and Learning.