

## Child Care Assistance Program Reauthorization

November 2016 Forecast

*thousands*

<b>Federal Requirements - Program Change and Cost</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 18-19</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 20-21</b>
1. Maintain the same amount of care authorized during the entire 12-month eligibility period unless certain things change or the child needs more care.	\$401	\$1,400	\$1,801	\$1,437	\$1,468	\$2,905
2. Child care assistance continues during the 12-month eligibility period when a family temporarily stops working or attending school, or when their work hours fall below the 20 hour per week average currently required.	\$856	\$2,982	\$3,838	\$3,049	\$3,105	\$6,154
3. Extend eligibility with the same amount of care for three months after a family's work or school activity ends permanently.	\$499	\$1,236	\$1,735	\$1,282	\$1,321	\$2,603
4. Eliminate barriers to continued assistance: Families who received Minnesota Family Investment Program/Diversionsary Work Program (MFIP/DWP) for at least one of the last six months will qualify for Transition Year child care. Education is added as an authorized activity for Transition Year child care and Transition Year Extension child care. The six month limit on Portability Pool is eliminated for families who move between counties.	\$1,299	\$5,915	\$7,214	\$6,886	\$7,039	\$13,925
5. Re-determine eligibility every 12 months instead of every six months.	\$1,477	\$3,705	\$5,182	\$4,128	\$4,213	\$8,341
6. Eliminate requirements to report most changes in income and parent's work or school schedule.						
7. Allow continued eligibility during the 12-month eligibility period when there are changes in income, but income remains below the federal exit level (85 percent SMI).	\$467	\$1,265	\$1,732	\$1,284	\$1,300	\$2,584

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8. No increase in copayments during a family's 12-month eligibility period. This is not a federal requirement for all families. This is a federal requirement for families whose income is at or below 47 percent SMI and for families in their first year of eligibility.	\$712	\$2,008	\$2,720	\$2,030	\$2,043	\$4,073
9. Allow parents to search for a job for up to 30 hours per week for three months at initial application, and up to five hours per week during the 12-month eligibility period. Minnesota's current job search policies do not comply with federal requirements.	\$133	\$799	\$932	\$977	\$1,001	\$1,978
10. Create an expedited five business-day application process for families who are homeless. Proof of eligibility would be required within three months (but not prior to approval) or assistance would end.	\$50	\$154	\$204	\$157	\$159	\$316
11. Establish a \$1 million asset limit. Families will be required to certify on the application and redetermination that their assets are not more than \$1 million. Currently there is no asset limit.						
12. Update provider payment policies to pay bills within 21 days.						
13. Allow families to receive assistance until the next redetermination following when a child turns 13 years old, or a child with a disability turns 15.	\$167	\$1,690	\$1,857	\$2,030	\$2,067	\$4,097
14. Update the maximum rates paid to child care providers in February 2018, based on the 2016 market rate survey. Maximum rates would be set at the greater of the 25th percentile of the 2016 market rate survey or the rates in effect at the time of the update. Many maximum rates would increase, some rates would stay the same and no rates would decrease under this proposal.	\$4,798	\$36,058	\$40,856	\$21,649	\$22,127	\$43,776
<b>Total Systems Costs for Federal Requirements</b>	<b>\$483</b>	<b>\$102</b>	<b>\$585</b>	<b>\$102</b>	<b>\$97</b>	<b>\$199</b>
<b>Total Federal Requirements (program and systems costs)</b>	<b>\$11,342</b>	<b>\$57,314</b>	<b>\$68,656</b>	<b>\$45,011</b>	<b>\$45,940</b>	<b>\$90,951</b>

<b>Align with Federal Requirements</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 18-19</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 20-21</b>
1. Limit verification of a parent's work or school schedule and tie authorized hours to the number of hours care is needed for a child, not the specific days and times of the parent's schedule. Not a federal requirement.	\$317	\$1,278	\$1,595	\$1,347	\$1,407	\$2,754
2. Eliminate overpayments caused solely by agency error; overpayments that occurred more than one year prior to discovery, and overpayments under \$500, unless due to fraud or loss of an appeal. Not a federal requirement.	\$125	\$248	\$373	\$259	\$269	\$528
3. Align self-employment income definition with other public assistance programs. Not a federal requirement.	\$0	\$242	\$242	\$270	\$275	\$545
4. Exempt homeless families from activity requirements during the three month period following application. Care would be approved for up to 30 hours per week. Not a federal requirement.	\$373	\$2,212	\$2,585	\$2,636	\$2,752	\$5,388
			\$0			\$0
<b>Total Systems Costs for Non-Federal Requirements</b>	<b>\$6</b>	<b>\$1</b>	<b>\$7</b>	<b>\$1</b>	<b>\$1</b>	<b>\$2</b>
<b>Total Non-Federal Requirements (program and systems costs)</b>	<b>\$821</b>	<b>\$3,981</b>	<b>\$4,802</b>	<b>\$4,513</b>	<b>\$4,704</b>	<b>\$9,217</b>
<b>Total Federal and Non Federal Requirements</b>	<b>\$12,163</b>	<b>\$61,295</b>	<b>\$73,458</b>	<b>\$49,524</b>	<b>\$50,644</b>	<b>\$100,168</b>