

Subject Basic Sliding Fee Program – Appropriation and Reprioritization

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Summary

The federal-state child care assistance program (CCAP) provides subsidies to low-income families to help with the cost of child care while parents work or participate in education or training activities. In Minnesota, child care assistance is divided into two programs: Minnesota Family Investment Program (MFIP) child care assistance; and Basic Sliding Fee (BSF) child care assistance. The two programs are largely governed and administered in the same way, but the state funds them differently. MFIP child care assistance is fully funded, which means everyone who is eligible for it receives it. In contrast, BSF child care assistance receives a capped allocation, and not everyone who is eligible for it receives it. Families may join a waiting list for BSF if funding is insufficient.

This bill would appropriate a total of \$11.5 million from the state general fund to the Minnesota Department of Human Services (DHS) to address the BSF waiting list in two ways. First, the bill would appropriate \$9.98 million for the BSF program. This onetime appropriation would be used to increase the number of families who can move from the BSF waiting list to receiving BSF child care assistance.

Second, the bill would appropriate about \$1.52 million for transition year extension expenditures that are the result of the temporary changes the bill makes to the eligibility priorities for the BSF program. Under current law, transition year extension families—those that have left MFIP and are receiving MFIP child care assistance until they can be moved from the BSF waiting list to BSF child care assistance—are the second priority group. Under this bill, transition year extension families would be moved down the priority list beginning January 1, 2021, through April 30, 2021. The onetime appropriation would be used to fund the extended time the transition year extension families receive MFIP child care assistance while waiting to receive BSF child care assistance.