

1.1 moves to amend H.F. No. 723, the first engrossment, as follows:

1.2 Page 1, after line 5, insert:

1.3 "Section 1. Minnesota Statutes 2016, section 119B.03, subdivision 4, is amended to read:

1.4 Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic
1.5 sliding fee program must be given to eligible non-MFIP families who do not have a high
1.6 school or general equivalency diploma or who need remedial and basic skill courses in order
1.7 to pursue employment or to pursue education leading to employment and who need child
1.8 care assistance to participate in the education program. This includes student parents as
1.9 defined under section 119B.011, subdivision 19b. Within this priority, the following
1.10 subpriorities must be used:

1.11 (1) child care needs of minor parents;

1.12 (2) child care needs of parents under 21 years of age; and

1.13 (3) child care needs of other parents within the priority group described in this paragraph.

1.14 (b) Second priority must be given to ~~parents who have completed their MFIP or DWP~~
1.15 ~~transition year, or parents who are no longer receiving or eligible for diversionary work~~
1.16 ~~program supports.~~

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

1.19 ~~(d) Fourth~~ (c) Third priority must be given to families in which at least one parent is a
1.20 veteran as defined under section 197.447.

1.21 (d) Fourth priority must be given to eligible families who do not meet the specifications
1.22 of paragraph (a), (b), (c), or (e).

2.1 (e) Fifth priority must be given to eligible families receiving services under section
 2.2 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
 2.3 year, or the parents are no longer receiving or eligible for DWP supports.

2.4 ~~(e)~~ (f) Families under paragraph ~~(b)~~ (e) must be added to the basic sliding fee waiting
 2.5 list on the date they begin the transition year under section 119B.011, subdivision 20, ~~and~~
 2.6 ~~must be moved into the basic sliding fee program as soon as possible after they complete~~
 2.7 ~~their transition year.~~

2.8 **EFFECTIVE DATE.** This section is effective July 1, 2017.

2.9 Sec. 2. Minnesota Statutes 2016, section 119B.03, subdivision 6, is amended to read:

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

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

2.17 (b) Up to one-fourth of the funds shall be allocated in proportion to the number of families
 2.18 participating in the transition year child care program as reported during and averaged over
 2.19 the most recent six months completed at the time of the notice of allocation. Funds in excess
 2.20 of the amount necessary to serve all families in this category shall be allocated according
 2.21 to paragraph ~~(f)~~ (e).

2.22 ~~(e) Up to one-fourth of the funds shall be allocated in proportion to the average of each~~
 2.23 ~~county's most recent six months of reported first, second, and third priority waiting list as~~
 2.24 ~~defined in subdivision 2 and the reinstatement list of those families whose assistance was~~
 2.25 ~~terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183,~~
 2.26 ~~subpart 1. Funds in excess of the amount necessary to serve all families in this category~~
 2.27 ~~shall be allocated according to paragraph (f).~~

2.28 ~~(d)~~ (c) Up to ~~one-fourth~~ one-half of the funds shall be allocated in proportion to the
 2.29 average of each county's most recent ~~six~~ 12 months of reported waiting list as defined in
 2.30 subdivision 2 and the reinstatement list of those families whose assistance was terminated
 2.31 with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1.
 2.32 Funds in excess of the amount necessary to serve all families in this category shall be
 2.33 allocated according to paragraph ~~(f)~~ (e).

3.1 ~~(e)~~ (d) The amount necessary to serve all families in paragraphs (b), ~~(e)~~, and ~~(d)~~ (c) shall
3.2 be calculated based on the basic sliding fee average cost of care per family in the county
3.3 with the highest cost in the most recently completed calendar year.

3.4 ~~(f)~~ (e) Funds in excess of the amount necessary to serve all families in paragraphs (b);
3.5 ~~(e)~~, and ~~(d)~~ (c) shall be allocated in proportion to each county's total expenditures for the
3.6 basic sliding fee child care program reported during the most recent fiscal year completed
3.7 at the time of the notice of allocation.

3.8 (f) For calendar year 2018, the initial allocation shall be the average of the final allocation
3.9 for calendar year 2017 and the amount that would otherwise be the initial allocation using
3.10 the revised formula for calendar year 2018, adjusted proportionately up or down to match
3.11 the funds available.

3.12 **EFFECTIVE DATE.** This section is effective January 1, 2018."

3.13 Renumber the sections in sequence and correct the internal references

3.14 Amend the title accordingly