



Child Care Assistance Program, Family Child Care Reforms and Child Care Stabilization Grants

Laurie Possin, Child Care Assistance Program, Manager
Deb Swenson-Klatt, Child Development Services, Manager

Child Care Assistance Program - Overview

The Child Care Assistance Program (CCAP):

- Helps pay for child care while parents work or go to school
- Helps ensure children are well cared for and prepared to enter school.

Typically serves 30,000 children throughout the state:

- 69 percent are children of color or American Indian children
- 62 percent are age 5 or younger



Changes in the 2021 Legislative Session- Basic Sliding Fee

- Temporarily reprioritizes the Basic Sliding Fee waiting list to serve additional families
- Additional funds added to the Basic Sliding Fee Program for Calendar Year 2024.
-A total of \$15 million in federal funds were allocated for Calendar Year 2024, in addition to \$40 million in federal funds already allocated toward Calendar Years 2021-2023.
- Nearly 2,000 families and 4,000 children could be served with this additional funding.
- As of November 2021, there were 710 families in 9 counties and tribes on waiting lists (the waiting list in November 2020 was 1,980 families). Counties continue to move families off waiting lists, and wait times are shorter than in the past.

Changes in the 2021 Legislative Session- Maximum Rates

- CCAP reimbursement rates were increased effective Nov. 15, 2021, based on the 2021 survey. Increased reimbursement rates reflect 40th percentiles for infant and toddler groups and 30th percentiles for preschool and school age groups.
 - For child care centers, weekly reimbursement rates increased 16% on average.
 - For family child care, weekly reimbursement rates increased 12.5% on average.
- Increased payment rates for Legal Nonlicensed Providers from 68% to 90% of the county maximum licensed family child care hourly rate
- Maximum rates will be updated in accordance with the 2024 provider rate survey in January 2025.

Background with CCAP Rates and Federal Benchmarks

- The Federal Office of Child Care recommends states set child care payment rates to at least the 75th percentile of the most recent provider rate survey to promote equal access to child care when comparing CCAP families to private pay families
- Minnesota last had CCAP payment rates set to the 75th percentile of the most recent provider rate survey in 2003

CCAP Maximum Rates- Child Care Center Rates

**Child Care Assistance Program Maximum Rates (2021 Market Rates Survey):
Center Toddler Weekly Rates, by County/Cluster and Percentile**

County/Cluster	Rate before Nov. 2021 Update	40 th Percentile (Current Max)	15% Differential	20% Differential
Wilkin County (Cluster 1)	\$140	\$155	\$178.25	\$186
Becker County (Cluster 2)	\$188	\$188	\$216.20	\$248.40
Sherburne County (Cluster 3)	\$188	\$207	\$238.05	\$248.40
Ramsey County (Cluster 4)	\$260	\$314	\$361.10	\$376.80

The 2021 differential maximum reimbursement rates for providers with certain credentials and Three- and Four-Star Parent Aware ratings significantly improve the percentage of private market prices covered by those rates. Most differential maximum rates are equal to or more than prices that providers charge.

CCAP Maximum Rates- Family Child Care

**Child Care Assistance Program Maximum Rates (2021 Market Rates Survey):
Family Child Care Toddler Weekly Rates, by County/Cluster and Percentile**

County/Cluster	Rate before Nov. 2021 Update	40th Percentile (Current Max)	15% Differential	20% Differential
Wilkin County (Cluster 1)	\$100	\$125	\$132.25	\$150
Becker County (Cluster 2)	\$120	\$130	\$149.50	\$156
Sherburne County (Cluster 3)	\$135	\$150	\$172.50	\$180
Ramsey County (Cluster 4)	\$160	\$185	\$212.75	\$222

The 2021 differential maximum reimbursement rates for providers with certain credentials and Three- and Four-Star Parent Aware ratings significantly improve the percentage of private market prices covered by those rates. Most differential maximum rates are equal to or more than prices that providers charge.

Other Changes in the 2021 Legislative Session

DHS is creating a report to the legislature, “Family Supports and Improvement Program Recommendations” by January 2023.

- This report, requested by the legislature and funded by the American Rescue Plan, aims to develop recommendations for implementing an information sharing program to improve effectiveness of public assistance programs.
- CCAP is working with internal and external partners to gather ideas for improving data sharing and build on existing efforts to create better outcomes for families who access multiple programs.
- The report will include work tied to the Preschool Development Grant and DHS partnering with MDE to inform some of the recommendations.

Family Child Care Task Force Reforms

On June 29, Governor Walz signed the Legislature's 2021 Health and Human Services budget bill into law, appropriating American Rescue Plan Act funds to address a number of 2021 recommendations from the Family Child Care Task Force.

- Supports for family child care providers as businesses
- Supports for and reforms related to training and education
- Parent Aware: MN's Quality Rating & Improvement System

Child Care Facility Revitalization Grants

Overview:

- \$22.5 million was appropriated for grants to child care providers for facility improvements, minor renovations, and related equipment and services, including assistance meeting licensing requirements.

Update:

- This program is being administered through a contract with First Children's Finance. The program manual is currently being developed. Applications for this new grant program for child care providers will be available starting in mid to late March.

Child Care One Stop Regional Assistance Network

Overview:

- \$3 million was appropriated to DHS to develop and implement a plan to create a Child Care One-Stop Regional Assistance Network to assist child care providers and individuals interested in becoming child care providers with establishing and sustaining a licensed family child care or group family child care program, or a child care center.

Update:

- Workgroup completed planning December 2021.
- DHS submitted its implementation plan to the legislature on Dec 31, 2021.
- Funding for this activity is being added to contracts for Child Care Resource and Referral agencies operating under 119B.19. Hiring and training of staff, website launch, resource development and a marketing and outreach campaign will occur by April 2022.

Shared Services Innovation Grants

Overview:

- \$200,000 was appropriated and direction was provided to DHS to establish a grant program to test strategies by which family child care providers may share services and thereby achieve economies of scale.

Update:

- A request for proposals (RFP) has been posted. The deadline for responders to submit proposals is February 4, 2022. The goal is to pilot 2 – 4 approaches for family child care shared services. Contracts will be in place by early April 2022, and will conclude in September 2023.

Child Care Business Training

Overview:

- \$3 million was appropriated to expand availability of business training and consultation for individuals working in family child care and centers to build, strengthen, and acquire business skills.

Update:

- Funding for this activity was added to an existing contract for First Children's Finance. This service is available now.

Workforce Development Grants

Overview:

- \$3 million was appropriated to provide economically challenged individuals the jobs skills training, career counseling, and job placement assistance needed for a career path in child care.

Update:

- Funding for this activity is being added to contracts for Child Care Resource and Referral agencies operating under 119B.19. This new program is in the process of being rolled out statewide and will be fully implemented by July 1.

TEACH Scholarships

Overview:

- TEACH scholarships provide funding to cover 85% of the cost of tuition and books for early childhood professions pursuing a degree in Child Development or Early Childhood Education
- An additional \$2 million over 3 years was provided for the TEACH Early Childhood Scholarship program. For FY22 the funding will increase from \$1 million to \$1.4 million.
- Small updates were made to the authorizing language for the TEACH program that provides higher education scholarships for early educators.

Update:

- Funding for this activity was added to contract for Child Care Aware of Minnesota. This service is currently available.

Overview:

- The Retaining Early Educators through Attaining Incentives Now (REETAIN) retention grant program was established in state statute to provide competitive grants to incentivize well-trained child care professionals to remain in the workforce. REETAIN bonuses can be used for program supplies, professional development, or personal expenses.
- \$1 million was appropriated beginning FY22, up from \$437,000 in FY21, to expand availability of these grants over a three year period.
- Grants range from \$500-\$3,500 per recipient based on education attainment

Update:

- Funding for this activity was added to contract for Child Care Aware of Minnesota. This service is currently available.
- Thirty percent of qualified early educators who applied for REETAIN in FY 2021 were turned down due to lack of funding. In the first round of funding in FY22, every eligible applicant received support.

Family Child Care Training Advisory Committee

Overview:

- Beginning in 2022, the newly created Family Child Care Training Advisory Committee will convene to advise DHS on training requirements for licensed family and group family child care providers.
- \$59,000 was appropriated to form and support the committee, which will meet from January 2022 to December 2025.

Update:

- A contract for a facilitator has been established. Advisory Committee members have been appointed. The first meeting will be in February 2022.

Active Supervision Training

Overview:

- License holders and second adult caregivers will now have the ability to choose to complete:
 - 1) a two-hour active supervision course developed by DHS, or
 - 2) any courses in the ensuring safety competency area under the health, safety, and nutrition standard of the Knowledge and Competency Framework that DHS has identified as an active supervision training course.

Update:

- 40 additional courses have been approved to meet this training requirement and identified for providers in the Develop data system. A communication about these additional courses was sent to all licensed providers by DHS Licensing.

Parent Aware evaluation and equity report

Overview:

- \$1.435 million to evaluate Parent Aware and conduct engagement needed for a Parent Aware equity report that explores child care provider barriers to Parent Aware participation.

Update:

- Evaluation of Parent Aware -- A request for proposal (RFP) process was conducted Fall 2021. DHS is on track to finalize a contract with the selected vendor in February 2022. The evaluation activities will be carried out for several years, with a final report delivered June 2024.
- Parent Aware equity report -- A consultant to carry out engagement and outreach was secured. Intensive outreach and engagement with diverse populations of providers occurred November 2021 – January 2022. On track to deliver a report with findings and a plan on March 1, 2022.

Child Care Stabilization Grants

The 2021 Minnesota Legislature created Minnesota's Child Care Stabilization Grant Program to stabilize Minnesota's child care industry during and after the COVID-19 pandemic.

- Established in federal law as a part of the federal Child Care Development Block Grant and through the American Rescue Plan Act (ARP).
- State statute provides further direction on purpose and uses.
- Legislature allocated a total of \$304 million in ARP funds for this program, of which \$299.4 million is available for grants to child care providers.
- In December 2021, the Governor's Office and DHS prioritized an additional \$20 million from the COVID-19 Flexible Response Account for Minnesota's child care providers in response to rising new COVID-19 case totals in Minnesota.

Grant types

There are four types of Child Care Stabilization Program Grants:

	Transition Grants	Base Grants	Financial Hardship Grants	One Time Supplemental Grants
Current Status	Complete	Started	Started	Complete
Duration	2 months	22 months	Started	1 month
Start Date	June 2021	September 2021	January 2022	January 2022

Funds Allocated and Grant Award Amounts

	Transition Grants	Base Grants	Financial Hardship Grants	One Time Supplemental Grants
Funds allocated	\$17.3 million	\$211.6 million	\$70 million	\$20 million
Funding source	ARPA Child Care Stabilization	ARPA Child Care Stabilization	ARPA Child Care Stabilization	ARPA Flexible Response Account
Grant monthly award amounts (estimated)	FCC: \$600 Small centers: \$4,250 Large centers: \$5,500 Certified centers: \$1,500	\$430 per FTE 10% increase for CCAP and ELS	FCC tier 1: \$1,500 FCC tier 2: \$4,500 Centers: \$8,000 – 70,000 Certified: \$14,500	FCC: \$1,459 Small centers: \$6,688 Large centers: \$10,336 Certified centers: \$3,648

Questions? Thank you!