Overview of the Child Care Assistance Program

Laurie Possin, Program Manager
February 4, 2021
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.

30,000 children served throughout the state:

• 69 percent are children of color or American Indian children

• 60 percent are age 5 or younger
What do local CCAP agencies do?

- Administer the program
- Work directly with families
- Register providers
- Pay bills

What does the Department of Human Services (DHS) do?

- Oversee the program and develop policy, and/or analyze new policy ideas
- Help local CCAP agencies, issue guidance and offer technical assistance
- Make sure federal, state and county laws are followed
Child Care Assistance Program direct services funding for SFY2020 was $245.9 million. This includes:

- $140.1 million, including federal and state funding for Minnesota Family Investment Program child care assistance.
- $105.8 million, including federal, state and county funding for Basic Sliding Fee child care assistance.
CCAP subprograms

**MFIP/DWP Child Care**
- For families receiving MFIP/DWP
- Fully funded – no waiting list

**Transition Year (TY and TYE)**
- For families after their MFIP/DWP case closes
- Serves families until BSF funding is available
- Fully funded – no waiting list

**Basic Sliding Fee (BSF)**
- Other families with low incomes who haven’t recently been on cash assistance
- Capped allocation – some areas have waiting lists
Families served and assistance amount averages – SFY2020

• Avg. monthly assistance per family on **MFIP/Transition Year/TYE** receiving CCAP was $1,598

  ➢ Monthly avg. of 14,975 children from 7,308 families received MFIP CCAP

• Avg. monthly assistance per family on **Basic Sliding Fee (BSF)** was $1,198;

  ➢ Monthly avg. of 14,228 children from 7,361 families received BSF CCAP

  ➢ In Nov. 2020, about 1,900 families were on the BSF waiting list
Who can get CCAP?

General eligibility requirements

- Income under program limits
- Authorized activity
- Cooperate with child support services
- Children under age 13 or 15 with special needs
- Complete and verify application
- Children meet immigration or citizenship requirements
• Families earning 47% of the state median income or less are eligible to enter the Basic Sliding Fee program.

• Beginning October 2020, that income level was set at $42,920 for a family of three.

• Families leave the Child Care Assistance Program when earnings are greater than 67% of state median income at redetermination, or 85% of state median income during the eligibility period, or when their copayment exceeds their cost of care.

• For information on entrance and exit limits for other family sizes, refer to copayment schedules at https://edocs.dhs.state.mn.us/lfsserver/Public/DHS-6413I-ENG
• All families receiving CCAP and earning 75% or more of the federal poverty guideline make copayments based on family income.

• A family of three earning $45,660 (50% of the state median income) has a biweekly child care copayment of $105.

• A family of three exiting the Minnesota Family Investment Program and earning $28,968 (approximately 32% of the state median income) has biweekly child care copayment of $34.

• For more information on entrance and exit limits, and copayment schedules, see https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6413I-ENG
Where can families use CCAP?

- Licensed centers
- Legal child care programs
- Licensed family child care homes
- Certified license exempt centers
- Family, friends and neighbors (legal nonlicensed family care)
In SFY2020, provider types registered include:

• Licensed Centers = 1180

• Certified Centers = 582

• Licensed Family Child Care = 2095

• Legal non-licensed (also known as Family, Friends & Neighbor) = 181

• More about providers serving CCAP children can be found here: FY2020 CCAP provider profile/DHS-7819D-ENG
Reduce or temporarily fund CCAP Basic Sliding Fee waiting list using existing statutory authorities

- Infuse $15 million, $10 M in CY 21 and $5 M in CY22
- Serve up to 780 new families
- Estimated 82% of families eligible for CCAP work in critical sectors
- Counties and tribes received notice on January 21, 2021 and can begin to add families now.
Recent Federal Compliance- Making Progress

• Maximum Rates
  • 25<sup>th</sup> percentile, as of Sept. 2021, based on 2018 market rate data
  • Need to update every 3 years aligned with market rates to keep minimum compliance
  • Governor’s budget ties to the 2021 market rate survey that is underway in MN now

• Expedited child care for families experiencing homelessness
  • Allow children to begin receiving care sooner
  • Faster application processing (within 5 days)
  • More time for families to obtain verifications (up to 3 months)
To become compliant with Federal Law, CCAP Maximum Rates must be set to at least the 25th percentile of most recent Market Rate Survey.

Currently, the CCAP Maximum Rate is set to the 25th percentile of the 2018 Market Rate Survey.

The Governor’s Proposal includes an increase to the 30th percentile of the most recent Market Rate Survey.

Benefits of Increasing Maximum Rates

- Reduce families out-of-pocket expenses
- Increase providers’ willingness to accept families receiving CCAP
- Help providers improve the quality of their services
- Avoid losing federal funds
Prices fully covered by Standard and Quality Differential
Maximum Rates- September 2020

Expected Outcomes - Access to high quality care
CCAP can impact racial and economic inequities

**Race and Ethnicity of children—SFY2020**

<table>
<thead>
<tr>
<th>Race and Ethnicity</th>
<th>Percent of CCAP caseload, SFY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black/African American</td>
<td>54.4</td>
</tr>
<tr>
<td>American Indian</td>
<td>1.0</td>
</tr>
<tr>
<td>Asian/Pacific Islander</td>
<td>1.4</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>5.3</td>
</tr>
<tr>
<td>Multiple Races</td>
<td>6.9</td>
</tr>
<tr>
<td>White</td>
<td>26.3</td>
</tr>
<tr>
<td>Other</td>
<td>4.7</td>
</tr>
</tbody>
</table>

**CCAP Goals:**

- Help ensure families and children continue to receive child care assistance and can access child care
- Increase access to affordable, quality child care for families
- Support families and help parents and legal guardians pursue employment and educational opportunities
- Support providers who serve families receiving child care assistance by ensuring they receive payment comparable to what they would receive from private pay families.

• More information in Family Profile: [https://edocs.dhs.state.mn.us/lfsserver/Public/DHS-6664H-ENG](https://edocs.dhs.state.mn.us/lfsserver/Public/DHS-6664H-ENG)
Thank You!