



# Overview of the Child Care Assistance Program

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# 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.

30,000 children served throughout the state:

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



# CCAP Administration- County/tribal level and interaction with local agencies

## 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.

## 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



# Income Eligibility

- 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/lfserver/Public/DHS-6413I-ENG>



# Parent copayments

- 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?



# Providers Registered to serve children getting CCAP

## 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](#)

# CCAP - use of new Federal Funds

## **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)

# 2021 Legislative Session Budget Request

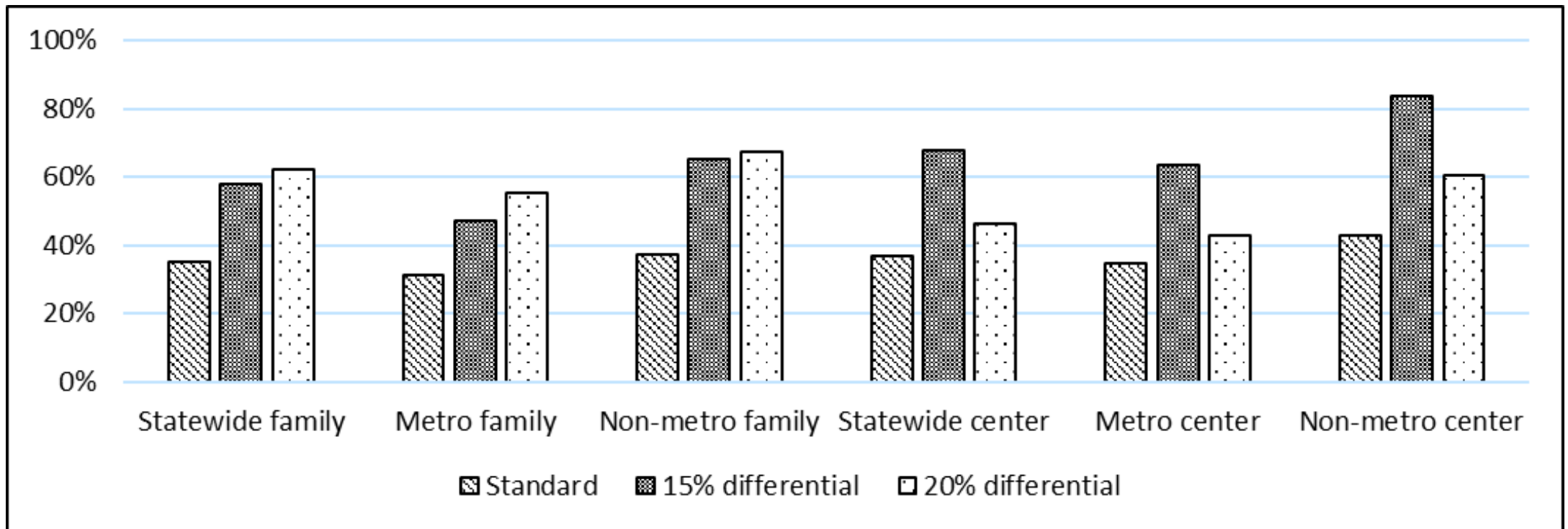
- To become compliant with Federal Law, CCAP Maximum Rates must be set to at least the 25<sup>th</sup> percentile of most recent Market Rate Survey.
- Currently, the CCAP Maximum Rate is set to the 25<sup>th</sup> percentile of the 2018 Market Rate Survey.
- The Governor's Proposal includes an increase to the 30<sup>th</sup> 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

# Expected Outcomes- Access to high quality care

Prices fully covered by Standard and Quality Differential  
Maximum Rates- September 2020



# CCAP can impact racial and economic inequities

Race and Ethnicity of children—SFY2020	Percent of CCAP caseload, SFY2020
Black/African American	54.4
American Indian	1.0
Asian/Pacific Islander	1.4
Hispanic/Latino	5.3
Multiple Races	6.9
White	26.3
Other	4.7

## 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/lfserver/Public/DHS-6664H-ENG>



Thank You!