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Overview

This bill makes changes to the Minnesota child care assistance programs to put the programs in compliance with the federal Child Care and Development Block Grant (CCDBG) Act of 2014. The CCDBG provides federal funds for child care assistance and child care quality initiatives.

The federal CCDBG Act of 2014 reauthorized the child care program and made several changes to the program including:

- establishing a 12-month eligibility determination period;
- requiring an expedited application process for homeless families;
- requiring an extended eligibility and authorization process; and
- requiring provider reimbursement rates to be based on a survey of market rates and to be updated regularly.

There are other federal requirements included in the CCDBG Act of 2014 that are not included in this bill related to health and safety requirements, consumer and provider education, and increasing access for children to high quality care.

Currently, the state is operating the child care assistance programs under a federal waiver that expires on September 30, 2017. If the state does not come into compliance with the federal law and regulations, the state may be penalized by the federal government.

Section

- 1 **Child care fund.** Amends § 119B.011, subd. 6. Modifies the definition of “child care fund.” Makes this section effective the day following final enactment.
- 2 **Homeless.** Amends § 119B.011, subd. 13b. Defines “homeless.” Makes this section effective December 18, 2017.
- 3 **Transition year families.** Amends § 119B.011, subd. 20. Modifies the definition of “transition year families” to allow transition year child care to be used to support approved education or training programs. Makes this section effective October 23, 2017.
- 4 **Transition year extension families.** Amends § 119B.011, subd. 20a. Modifies the definition of “transition year extension families” to allow transition year extension child care to be used to support approved education or training programs. Makes this section effective October 23, 2017.
- 5 **Child care services.** Amends § 119B.02, subd. 1. Allows the commissioner to establish limits on how frequently expedited application processing timelines are used for homeless applicants. Makes this section effective December 18, 2017.
- 6 **Applications.** Amends § 119B.025, subd. 1. Paragraph (a) clarifies that counted income must be verified at the time of initial application.

Paragraph (b) removes language related to redeterminations of eligibility. Requires the county to mail a notice of approval or denial of assistance to the applicant within 30 calendar days after receiving the application. Allows the county to extend the response time by 15 calendar days if the applicant is informed of the extension.

Paragraph (c) removes language related to redetermination forms, and change report forms and specifies the expedited application process the county must use for homeless applicants. Makes paragraphs (a) and (b) effective the day following final enactment and paragraph (c) effective December 18, 2017.
- 7 **Redeterminations.** Amends § 119B.025, by adding subd. 3. Specifies the process a county must use in redetermining eligibility for child care assistance. Limits redeterminations to occurring no more frequently than every 12 months. Makes this section effective October 23, 2017.
- 8 **Changes in eligibility.** Amends § 119B.025, by adding subd. 4. Paragraphs (a) to (g) lay out the requirements a county must meet in processing a change in eligibility form. Requires the commissioner to establish standards for verifying a change. Makes paragraphs (a) and (b) effective the day following final enactment. Makes paragraphs (c) to (g) effective October 23, 2017.
- 9 **Eligible participants.** Amends § 119B.03, subd. 3. Removes a cross-reference that is repealed in section 25. Makes this section effective December 18, 2017.
- 10 **Portability pool.** Amends § 119B.03, subd. 9. Removes the six month time limit on receipt of portability pool assistance. Makes this section effective October 23, 2017.
- 11 **Eligible participants.** Amends § 119B.05, subd. 1. Modifies MFIP child care eligibility by including certain student parents. Makes this section effective October 23, 2017.

Section

- 12** **General eligibility requirements.** Amends § 119B.09, subd. 1. Paragraphs (a) and (c) clarify income eligibility requirements.
- Paragraph (d) requires all applicants and current recipients of child care assistance to pay the co-payment fee as a condition of eligibility. Allows the co-payment fee to include additional recoupment fees due to a child care assistance program overpayment.
- Paragraph (e), at application and redetermination, requires families to self-certify that the value of the family's assets is less than or equal to \$1,000,000 as a condition of eligibility. Requires the value of countable assets to be less than or equal to \$1,000,000 as a condition of eligibility at application and redetermination.
- Paragraph (f) specifies that families remain eligible until redetermination if the family has one child with a child care authorization and the child turns 13 years of age or the child has a disability and turns 15 years of age.
- Makes paragraphs (a) and (c) effective October 23, 2017. Makes paragraph (d) effective the day following final enactment. Makes paragraph (e) effective February 26, 2018. Makes paragraph (f) effective December 18, 2017.
- 13** **Eligibility; annual income; calculation.** Amends § 119B.09, subd. 4. Paragraph (a) makes a technical change.
- Paragraph (b) modifies the calculation of self-employment income.
- Paragraph (c) specifies how income changes are processed.
- Makes paragraph (a) effective the day following final enactment. Makes paragraph (b) effective July 30, 2018. Makes paragraph (c) effective October 23, 2017.
- 14** **Child care authorizations.** Creates § 119B.095.
- Subd. 1. General authorization requirements.** Establishes general requirements a county must follow when authorizing child care assistance.
- Subd. 2. Maintain steady child care authorizations.** Requires the amount of child care authorized for employment, education, or and MFIP or DWP employment plan to continue at the same number of hours or more hours until redetermination. Allows the county to increase the amount of child care authorized at any time if the participant verifies the need for increased hours for authorized activities. Allows the county to reduce the amount of child care authorized if a parent requests a reduction because of specified changes. Requires the amount of child care authorized to continue at the same number of hours or more hours until redetermination if a child reaches 13 years of age or a child with a disability reaches 15 years of age. Requires the amount of child care authorized for a family that requests care from more than one provider per child to change when the participant's activity schedule changes.
- Subd. 3. Assistance for persons who are homeless.** Specifies the amount of assistance a homeless applicant may receive.
- Makes this section effective December 18, 2017.

Section

- 15 Assistance for persons seeking and retaining employment.** Amends § 119B.10, subd. 1. Paragraphs (a) to (d) modify requirements related to persons seeking and retaining employment.
- Paragraph (e) modifies the calculation of the amount of child care assistance provided for persons who do not work an hourly wage.
- Makes paragraphs (a) to (d) effective December 18, 2017. Makes paragraph (e) effective July 30, 2018.
- 16 Assistance for persons attending an approved education or training program.** Amends § 119B.10, by adding subd. 3. Lays out child care eligibility and authorization requirements for persons attending an approved education or training program. Makes this section effective December 18, 2017.
- 17 Extended eligibility and authorization.** Creates § 119B.105.
- Subd. 1. Three-month extended eligibility period.** Establishes a three-month extended eligibility period for families meeting certain criteria.
- Subd. 2. Extended eligibility and redetermination.** Specifies continued eligibility, redetermination, and child care authorization requirements for families who have received the three-month extended eligibility. Makes this section effective December 18, 2017.
- 18 Recovery of overpayments.** Amends § 119B.11, subd. 2a. Modifies recoupment of overpayments by establishing a lower limit of overpayments that must be established or collected, prohibiting establishment or collection of overpayments from families due to agency error, and prohibiting establishment or collection of overpayments that occurred more than one year before the date of overpayment determination. Creates overpayment establishment and collection requirements for: (1) overpayments to providers due to agency error; and (2) wrongfully obtaining benefits. Makes this section effective October 23, 2017.
- 19 Parent fee.** Amends § 119B.12, subd. 2. Requires parent fees to be established for the family's 12-month eligibility period at initial application. Requires the parent fee to be recalculated at redetermination for the next 12-month eligibility period. Prohibits a parent fee from increasing during the 12-month eligibility period. Makes this section effective October 23, 2017.
- 20 Subsidy restrictions.** Amends § 119B.13, subd. 1. Sets the maximum child care assistance provider reimbursement rates at the greater of the 25th percentile of the 2016 child care provider rate survey or the maximum rate effective February 3, 2014, beginning February 26, 2018. Currently, maximum child care assistance provider reimbursement rates are based on the 2011 child care provider rate survey. Makes this section effective February 26, 2018.
- 21 Provider payments.** Amends § 119B.13, subd. 6. Limits providers to only billing for documented services. Requires payments to be made to providers within 21 days of receiving a complete bill from the provider. Makes this section effective September 25, 2017.
- 22 Exempted programs.** Amends § 256P.05, subd. 1. Makes technical changes. Subjects a participant who qualifies for child care assistance to self-employment income determinations. Makes this section effective July 30, 2018.

Section

- 23** **Changes that must be reported.** Amends § 256P.07, subd. 3. Creates an exception for child care assistance programs to certain reporting requirements under the economic assistance program eligibility and verification statutes. Makes this section effective December 18, 2017.
- 24** **Child care assistance programs-specific reporting.** Amends § 256P.07, subd. 6. Makes changes to the list of items a family receiving child care assistance must report within ten days of the change. Requires a family who uses more than one provider per child to report a change in the family's authorized activity status. Requires a family to notify the county when the family wants to reduce the number of authorized hours for children in the family. Makes this section effective December 18, 2017.
- 25** **Repealer.** Repeals Minnesota Statutes, section 119B.07 (use of money), effective December 18, 2017.