

Subject Child care assistance rates

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Overview

The Minnesota Department of Human Services (DHS) administers two child care assistance programs that subsidize the cost of child care for low-income families: Minnesota Family Investment Program (MFIP) child care assistance and Basic Sliding Fee (BSF) child care assistance. Both programs pay a per child rate to providers who care for eligible children. DHS conducts a survey of prices charged by child care providers in Minnesota to inform the rate. Under current law, the rate paid under both programs is the greater of: (a) the 25th percentile of the 2011 child care provider rate survey; or (b) the maximum rate effective November 28, 2011.

Section 1 of H.F. 41 increases the rates paid under both programs, in part to bring the state into compliance with federal laws and regulations that were put in place under the reauthorization of the federal child care development block grant by Congress in 2014. Section 2 provides direction to DHS on how to allocate the additional BSF funds due to the increased rates.

Summary

Section	Description
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| 1 | Subsidy restrictions.
Amends § 119B.13, subd. 1. Increases the child care assistance rate to be the greater of (a) the 30th percentile of the most recent child care provider rate survey; or (b) the rates in effect at the time of the update. Updates the maximum registration fees for child care assistance. The section is effective September 21, 2020. |
| 2 | Direction to commissioner; allocating basic sliding fee funds.
Directs DHS to consider specified factors when allocating the additional BSF funds due to the increased rates provided in section 1. |



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