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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 2114**

02/25/2014 Authored by Clark and Kahn

The bill was read for the first time and referred to the Committee on Early Childhood and Youth Development Policy

1.1 A bill for an act  
1.2 relating to human services; modifying child care assistance maximum rates,  
1.3 absent days, registration fees, and activity fees; amending Minnesota Statutes  
1.4 2013 Supplement, section 119B.13, subdivisions 1, 7.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2013 Supplement, section 119B.13, subdivision 1, is  
1.7 amended to read:

1.8 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~February 3~~ July 1, 2014, the  
1.9 maximum rate paid for child care assistance in any county or county price cluster under  
1.10 the child care fund ~~shall be the greater of the 25th percentile of the 2011 child care~~  
1.11 ~~provider rate survey or the maximum rate effective November 28, 2011~~ may not exceed  
1.12 the 75th percentile rate for like-care arrangements as surveyed by the commissioner in the  
1.13 most recent biennial child care market rate survey under section 119B.02, subdivision 7.

1.14 The commissioner may: (1) assign a county with no reported provider prices to a similar  
1.15 price cluster; and (2) consider county level access when determining final price clusters.

1.16 (b) A rate which includes a special needs rate paid under subdivision 3, a provider  
1.17 rate differential under subdivision 3a or 3b, or under a school readiness service agreement  
1.18 paid under section 119B.231, may be in excess of the maximum rate allowed under this  
1.19 subdivision.

1.20 (c) The department shall monitor the effect of this paragraph on provider rates. The  
1.21 county shall pay the provider's full charges for every child in care up to the maximum  
1.22 established. The commissioner shall determine the maximum rate for each type of care  
1.23 on an hourly, full-day, and weekly basis, including special needs and disability care. The

maximum payment to a provider for one day of care must not exceed the daily rate. The maximum payment to a provider for one week of care must not exceed the weekly rate.

~~(d) Child care providers receiving reimbursement under this chapter must not be paid activity fees or an additional amount above the maximum rates for care provided during nonstandard hours for families receiving assistance. If, in addition to a provider's base rate, a provider charges activity fees that are not optional, the activity fees shall be incorporated into the base rate and the provider may be paid up to the maximum provider rate for the county or county price cluster, from the child care fund.~~

(e) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(f) All maximum provider rates changes shall be implemented on the Monday following the effective date of the maximum provider rate.

~~(g) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum Registration fees in effect on January 1, 2013, shall remain in effect shall be paid according to Minnesota Rules, part 3400.0130, subpart 7.~~

(h) Not less than once every two years, the commissioner shall evaluate market practices for payment of absences and shall establish policies for payment of absent days that reflect current market practices.

Sec. 2. Minnesota Statutes 2013 Supplement, section 119B.13, subdivision 7, is amended to read:

Subd. 7. **Absent days.** ~~(a) Licensed child care providers and license-exempt centers must not be reimbursed for more than 25 full-day absent days per child, excluding holidays, in a fiscal year, or for more than ten consecutive full-day absent days. Legal nonlicensed family child care providers must not be reimbursed for absent days. If a child attends for part of the time authorized to be in care in a day, but is absent for part of the time authorized to be in care in that same day, the absent time must be reimbursed but the time must not count toward the absent days limit. Child care providers must only be reimbursed for absent days if the provider has a written policy for child absences and charges all other families in care for similar absences.~~

~~(b) Notwithstanding paragraph (a), children with documented medical conditions that cause more frequent absences may exceed the 25 absent days limit, or ten consecutive full-day absent days limit. Absences due to a documented medical condition of a parent or sibling who lives in the same residence as the child receiving child care assistance do not count against the absent days limit in a fiscal year. Documentation of medical~~

conditions must be on the forms and submitted according to the timelines established by the commissioner. A public health nurse or school nurse may verify the illness in lieu of a medical practitioner. If a provider sends a child home early due to a medical reason, including, but not limited to, fever or contagious illness, the child care center director or lead teacher may verify the illness in lieu of a medical practitioner.

(e) Notwithstanding paragraph (a), children in families may exceed the absent days limit if at least one parent: (1) is under the age of 21; (2) does not have a high school or general equivalency diploma; and (3) is a student in a school district or another similar program that provides or arranges for child care, parenting support, social services, career and employment supports, and academic support to achieve high school graduation, upon request of the program and approval of the county. If a child attends part of an authorized day, payment to the provider must be for the full amount of care authorized for that day.

(d) Child care providers must be reimbursed for up to ten federal or state holidays or designated holidays per year when the provider charges all families for these days and the holiday or designated holiday falls on a day when the child is authorized to be in attendance. Parents may substitute other cultural or religious holidays for the ten recognized state and federal holidays. Holidays do not count toward the absent days limit.

(e) A family or child care provider must not be assessed an overpayment for an absent day payment unless (1) there was an error in the amount of care authorized for the family, (2) all of the allowed full-day absent payments for the child have been paid, or (3) the family or provider did not timely report a change as required under law.

(f) The provider and family shall receive notification of the number of absent days used upon initial provider authorization for a family and ongoing notification of the number of absent days used as of the date of the notification.

(g) For purposes of this subdivision, "absent days limit" means 25 full-day absent days per child, excluding holidays, in a fiscal year; and ten consecutive full-day absent days. In the rules adopted under section 119B.02, subdivision 1, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall require child care providers to notify the county if the child is absent five consecutive days or ten days in a calendar month.