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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 3778

03/14/2018 Authored by Peterson
The bill was read for the first time and referred to the Committee on Health and Human Services Reform
03/26/2018 Adoption of Report: Re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying child care provisions related to families
1.3 experiencing homelessness; amending Minnesota Statutes 2016, sections 119B.011,
1.4 by adding a subdivision; 119B.03, subdivision 9; Minnesota Statutes 2017
1.5 Supplement, sections 119B.011, subdivision 20; 119B.025, subdivision 1;
1.6 119B.095, by adding a subdivision; 119B.13, subdivision 1.

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

1.8 Section 1. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 13b. Homeless. "Homeless" means a self-declared housing status as defined in
1.11 the McKinney-Vento Homeless Assistance Act and United States Code, title 42, section
1.12 11302, paragraph (a).

1.13 Sec. 2. Minnesota Statutes 2017 Supplement, section 119B.011, subdivision 20, is amended
1.14 to read:

1.15 Subd. 20. Transition year families. "Transition year families" means families who have
1.16 received MFIP assistance, or who were eligible to receive MFIP assistance after choosing
1.17 to discontinue receipt of the cash portion of MFIP assistance under section 256J.31,
1.18 subdivision 12, or families who have received DWP assistance under section 256J.95 for
1.19 at least ~~three~~ one of the last six months before losing eligibility for MFIP or DWP.
1.20 Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2,
1.21 transition year child care may be used to support employment, approved education or training
1.22 programs, or job search that meets the requirements of section 119B.10. Transition year

2.1 child care is not available to families who have been disqualified from MFIP or DWP due
2.2 to fraud.

2.3 Sec. 3. Minnesota Statutes 2017 Supplement, section 119B.025, subdivision 1, is amended
2.4 to read:

2.5 Subdivision 1. **Applications.** (a) Except as provided in paragraph (c), clause (4), the
2.6 county shall verify the following at all initial child care applications using the universal
2.7 application:

2.8 (1) identity of adults;

2.9 (2) presence of the minor child in the home, if questionable;

2.10 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative
2.11 caretaker, or the spouses of any of the foregoing;

2.12 (4) age;

2.13 (5) immigration status, if related to eligibility;

2.14 (6) Social Security number, if given;

2.15 (7) counted income;

2.16 (8) spousal support and child support payments made to persons outside the household;

2.17 (9) residence; and

2.18 (10) inconsistent information, if related to eligibility.

2.19 (b) The county must mail a notice of approval or denial of assistance to the applicant
2.20 within 30 calendar days after receiving the application. The county may extend the response
2.21 time by 15 calendar days if the applicant is informed of the extension.

2.22 (c) For an applicant who declares that the applicant is homeless and who meets the
2.23 definition of homeless in section 119B.011, subdivision 13b, the county must:

2.24 (1) if additional information is needed to determine eligibility, send a request for
2.25 information to the applicant within five working days after receiving the application;

2.26 (2) if the applicant is eligible, send a notice of approval of assistance within five working
2.27 days after receiving the application;

2.28 (3) if the applicant is ineligible, send a notice of denial of assistance within 30 days after
2.29 receiving the application. The county may extend the response time by 15 calendar days if
2.30 the applicant is informed of the extension;

3.1 (4) not require verifications required by paragraph (a) before issuing the notice of approval
 3.2 or denial; and

3.3 (5) follow limits set by the commissioner for how frequently expedited application
 3.4 processing may be used for an applicant who declares that the applicant is homeless.

3.5 (d) An applicant who declares that the applicant is homeless must submit proof of
 3.6 eligibility within three months of the date the application was received. If proof of eligibility
 3.7 is not submitted within three months, eligibility ends. A 15-day adverse action notice is
 3.8 required to end eligibility.

3.9 Sec. 4. Minnesota Statutes 2016, section 119B.03, subdivision 9, is amended to read:

3.10 Subd. 9. **Portability pool.** (a) The commissioner shall establish a pool of up to five
 3.11 percent of the annual appropriation for the basic sliding fee program to provide continuous
 3.12 child care assistance for eligible families who move between Minnesota counties. At the
 3.13 end of each allocation period, any unspent funds in the portability pool must be used for
 3.14 assistance under the basic sliding fee program. If expenditures from the portability pool
 3.15 exceed the amount of money available, the reallocation pool must be reduced to cover these
 3.16 shortages.

3.17 ~~(b) To be eligible for portable basic sliding fee assistance,~~ A family that has moved from
 3.18 a county in which it was receiving basic sliding fee assistance to a county with a waiting
 3.19 list for the basic sliding fee program must:

3.20 (1) meet the income and eligibility guidelines for the basic sliding fee program; and

3.21 ~~(2) notify the new county of residence within 60 days of moving and submit information~~
 3.22 ~~to the new county of residence to verify eligibility for the basic sliding fee program~~ the
 3.23 family's previous county of residence of the family's move to a new county of residence.

3.24 (c) The receiving county must:

3.25 (1) accept administrative responsibility for applicants for portable basic sliding fee
 3.26 assistance at the end of the two months of assistance under the Unitary Residency Act;

3.27 (2) continue portability pool basic sliding fee assistance ~~for the lesser of six months or~~
 3.28 until the family is able to receive assistance under the county's regular basic sliding program;
 3.29 and

3.30 (3) notify the commissioner through the quarterly reporting process of any family that
 3.31 meets the criteria of the portable basic sliding fee assistance pool.

4.1 Sec. 5. Minnesota Statutes 2017 Supplement, section 119B.095, is amended by adding a
4.2 subdivision to read:

4.3 Subd. 3. **Assistance for persons who are experiencing homelessness.** An applicant
4.4 who is homeless and eligible for child care assistance under this chapter is eligible for 60
4.5 hours of child care assistance per service period for three months from the date the county
4.6 receives the application. Additional hours may be authorized as needed based on the
4.7 applicant's participation in employment, education, or MFIP or DWP employment plan. To
4.8 continue receiving child care assistance after the initial three months, the parent must verify
4.9 that the parent meets eligibility and activity requirements for child care assistance under
4.10 this chapter.

4.11 Sec. 6. Minnesota Statutes 2017 Supplement, section 119B.13, subdivision 1, is amended
4.12 to read:

4.13 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014,~~ The maximum
4.14 rate paid for child care assistance in any county or county price cluster under the child care
4.15 fund shall be the greater of the 25th percentile of the ~~2011~~ most recent child care provider
4.16 rate survey under section 119B.02, subdivision 7, or the ~~maximum rate effective November~~
4.17 ~~28, 2011.~~ rates in effect at the time of the update. The first maximum rate update must be
4.18 based on the 2018 rate survey and take effect February 22, 2019. The second maximum
4.19 rate update must be based on the 2020 rate survey and take effect February 23, 2021.
4.20 Thereafter, maximum rate updates take effect February 22 in the year following the most
4.21 recent rate survey. For a child care provider located within the boundaries of a city located
4.22 in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid
4.23 for child care assistance shall be equal to the maximum rate paid in the county with the
4.24 highest maximum reimbursement rates or the provider's charge, whichever is less. The
4.25 commissioner may: (1) assign a county with no reported provider prices to a similar price
4.26 cluster; and (2) consider county level access when determining final price clusters.

4.27 (b) A rate which includes a special needs rate paid under subdivision 3 may be in excess
4.28 of the maximum rate allowed under this subdivision.

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

5.1 (d) If a child uses one provider, the maximum payment for one day of care must not
5.2 exceed the daily rate. The maximum payment for one week of care must not exceed the
5.3 weekly rate.

5.4 (e) If a child uses two providers under section 119B.097, the maximum payment must
5.5 not exceed:

5.6 (1) the daily rate for one day of care;

5.7 (2) the weekly rate for one week of care by the child's primary provider; and

5.8 (3) two daily rates during two weeks of care by a child's secondary provider.

5.9 (f) Child care providers receiving reimbursement under this chapter must not be paid
5.10 activity fees or an additional amount above the maximum rates for care provided during
5.11 nonstandard hours for families receiving assistance.

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

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

5.17 (i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration
5.18 fees in effect on January 1, 2013, shall remain in effect.

5.19 **Sec. 7. EFFECTIVE DATE.**

5.20 Sections 1 to 6 are effective contingent upon receipt of federal child care and development
5.21 funds in an amount sufficient to cover the cost associated with the amendments to those
5.22 sections and satisfactory completion of the requirements in Minnesota Statutes, section
5.23 3.3005. The commissioner of human services shall notify the revisor of statutes when
5.24 sections 1 to 6 are effective.