

1.1 A bill for an act
1.2 relating to early education; modifying the child care assistance program;
1.3 appropriating money; amending Minnesota Statutes 2008, section 119B.13,
1.4 subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2008, section 119B.13, subdivision 1, is amended to read:

1.7 Subdivision 1. **Subsidy restrictions.** (a) Beginning July 1, ~~2006~~ 2009, the maximum
1.8 rate paid for child care assistance in any county or multicounty region under the child care
1.9 fund shall be the 75th percentile rate for like-care arrangements in the county ~~effective~~
1.10 ~~January 1, 2006, increased by six percent.~~ Beginning July 1, 2010, maximum provider
1.11 rates must be annually adjusted to reflect the 75th percentile for like-care arrangements
1.12 in the county or region.

1.13 (b) Rate changes shall be implemented for services provided in September ~~2006~~
1.14 2008 unless a participant eligibility redetermination or a new provider agreement is
1.15 completed between July 1, ~~2006~~ 2009, and August 31, ~~2006~~ 2009.

1.16 As necessary, appropriate notice of adverse action must be made according to
1.17 Minnesota Rules, part 3400.0185, subparts 3 and 4.

1.18 New cases approved on or after July 1, ~~2006~~ 2009, shall have the maximum rates
1.19 under paragraph (a), implemented immediately.

1.20 (c) Every year, the commissioner shall survey rates charged by child care providers in
1.21 Minnesota to determine the 75th percentile for like-care arrangements in counties. When
1.22 the commissioner determines that, using the commissioner's established protocol, the
1.23 number of providers responding to the survey is too small to determine the 75th percentile
1.24 rate for like-care arrangements in a county or multicounty region, the commissioner may

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2.1 establish the 75th percentile maximum rate based on like-care arrangements in a county,
2.2 region, or category that the commissioner deems to be similar.

2.3 (d) A rate which includes a special needs rate paid under subdivision 3 or under a
2.4 school readiness service agreement paid under section 119B.231, may be in excess of the
2.5 maximum rate allowed under this subdivision.

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

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

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

2.15 Sec. 2. **APPROPRIATIONS.**

2.16 \$..... is appropriated from the general fund in fiscal year 2010 to the commissioner
2.17 of human services to eliminate the basic sliding fee waiting list under Minnesota Statutes,
2.18 section 119B.03, subdivision 2. For calendar year 2010, funds available under this
2.19 appropriation shall be allocated by the commissioner in proportion to each county's most
2.20 recently reported number of families on the waiting list, except those in the second priority
2.21 as defined in Minnesota Statutes, section 119B.03, subdivision 4. This appropriation shall
2.22 be made notwithstanding Minnesota Statutes, section 119B.03, subdivision 6a, and is
2.23 added to the department's base.