

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 823**

(SENATE AUTHORS: HOFFMAN, Relph and Hayden)

DATE  
02/09/2017

D-PG  
558

Introduction and first reading  
Referred to Human Services Reform Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to human services; modifying child care assistance program maximum  
1.3 reimbursement rates; appropriating money; amending Minnesota Statutes 2016,  
1.4 section 119B.13, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2016, section 119B.13, subdivision 1, is amended to read:

1.7 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014,~~ The maximum  
1.8 rate paid for child care assistance in any county or county price cluster under the child care  
1.9 fund shall be the greater of the 25th percentile of the ~~2011~~ most recent biennial child care  
1.10 provider rate survey under section 119B.02, subdivision 7, or the maximum rate effective  
1.11 ~~November 28, 2011~~ the day before the effective date of the rate change. The commissioner  
1.12 may: (1) assign a county with no reported provider prices to a similar price cluster; and (2)  
1.13 consider county level access when determining final price clusters.

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

1.16 (c) The department shall monitor the effect of this paragraph on provider rates. The  
1.17 county shall pay the provider's full charges for every child in care up to the maximum  
1.18 established. The commissioner shall determine the maximum rate for each type of care on  
1.19 an hourly, full-day, and weekly basis, including special needs and disability care. The  
1.20 maximum payment to a provider for one day of care must not exceed the daily rate. The  
1.21 maximum payment to a provider for one week of care must not exceed the weekly rate.

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

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

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

2.9 (g) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration  
2.10 fees in effect on January 1, 2013, shall remain in effect.

2.11 **EFFECTIVE DATE.** This section is effective July 3, 2017.

2.12 Sec. 2. **APPROPRIATION; BASIC SLIDING FEE CHILD CARE PROGRAM.**

2.13 \$..... in fiscal year 2018 and \$..... in fiscal year 2019 are appropriated from the general  
2.14 fund to the commissioner of human services for the purposes of the basic sliding fee child  
2.15 care program under Minnesota Statutes, section 119B.03.