

CHAPTER 119B

CHILD CARE PROGRAMS

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119B.01 Subdivision 1 [Renumbered 119B 011, subdivision 1]

- Subd 2 [Renumbered 119B 011, subd 2]
- Subd 2a [Renumbered 119B 011, subd 3]
- Subd 3 [Renumbered 119B 011, subd 7]
- Subd 4 [Renumbered 119B 011, subd 4]
- Subd 5 [Renumbered 119B 011, subd 8]
- Subd 6 [Renumbered 119B 011, subd 5]
- Subd 7 [Renumbered 119B 011, subd 9]
- Subd 7a [Renumbered 119B 011, subd 10]
- Subd 8 [Renumbered 119B 011, subd 11]
- Subd 9 [Renumbered 119B 011, subd 12]
- Subd 10 [Renumbered 119B 011, subd 13]
- Subd 11 [Renumbered 119B 011, subd 14]
- Subd 12 [Renumbered 119B 011, subd 15]
- Subd 12a [Renumbered 119B 011, subd 17]
- Subd 13 [Renumbered 119B 011, subd 19]
- Subd 14 [Renumbered 119B 011, subd 18]
- Subd 15 [Repealed, 1999 c 205 art 1 s 73]
- Subd 16 [Renumbered 119B 011, subd 20]
- Subd 17 [Renumbered 119B 011, subd 6]
- Subd 18 [Renumbered 119B 011, subd 16]

119B.011 DEFINITIONS.

Subdivision 1 **Scope.** For the purposes of this chapter, the following terms have the meanings given

Subd 2 **Applicant.** "Child care fund applicants" means all parents, stepparents, legal guardians, or eligible relative caregivers who are members of the family and reside in the household that applies for child care assistance under the child care fund

Subd 3 **Application.** "Application" means the submission to a county agency, by or on behalf of a family, of a completed, signed, and dated child care assistance universal application form that indicates the family's desire to receive assistance

Subd 4 **Child.** "Child" means a person 12 years old or younger, or a person age 13 or 14 who is handicapped, as defined in section 125A 02

Subd 5 **Child care.** "Child care" means the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day

Subd 6 **Child care fund.** "Child care fund" means a program under this chapter providing

(1) financial assistance for child care to parents engaged in employment, job search, or education and training leading to employment, or an at-home infant care subsidy, and

(2) grants to develop, expand, and improve the access and availability of child care services statewide

Subd 7 **Child care services.** "Child care services" means child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, head start, and extended day school age child care programs in or out of the child's home

Subd 8 **Commissioner.** "Commissioner" means the commissioner of children, families, and learning

Subd 9 **County board.** "County board" means the board of county commissioners in each county

Subd 10 **Department.** "Department" means the department of children, families, and learning

Subd 11 **Education program.** "Education program" means remedial or basic education or English as a second language instruction, a program leading to a general equivalency or high school diploma, post-secondary programs excluding postbaccalaureate programs, and other education and training needs as documented in an employment plan, as defined in subdivision 12. The employment plan must outline education and training needs of a recipient, meet state requirements for employment plans, meet the requirements of this chapter, and Minnesota Rules, parts 3400 0010 to 3400 0230, and meet the requirements of programs that provide federal reimbursement for child care services

Subd 12 **Employment plan.** "Employment plan" means employment of recipients financially eligible for child care assistance, or other work activities approved in an employability development, job search support plan, or employment plan that is developed by the county agency, if it is acting as an employment and training service provider, or by an employment and training service provider certified by the commissioner of economic security or an individual designated by the county to provide employment and training services. The plans and designation of a service provider must meet the requirements of this chapter and chapter 256J or chapter 256K, Minnesota Rules, parts 3400 0010 to 3400 0230, and other programs that provide federal reimbursement for child care services

Subd 13 **Family.** "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caregivers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities or parents, stepparents, guardians and their spouses, or other relative caregivers and their spouses temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or post-secondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same household

Subd 14 **Human services board.** "Human services board" means a board established under section 402 02, Laws 1974, chapter 293, or Laws 1976, chapter 340

Subd 15 **Income.** "Income" means earned or unearned income received by all family members, including public assistance cash benefits and at-home infant care subsidy payments, unless specifically excluded. The following are excluded from income: funds used to pay for health insurance premiums for family members, Supplemental Security Income, scholarships, work-study income, and grants that cover costs or reimbursement for tuition, fees, books, and educational supplies, student loans for tuition, fees, books, supplies, and living expenses, state and federal earned income tax credits, in-kind income such as food

stamps, energy assistance, foster care assistance, medical assistance, child care assistance, and housing subsidies, earned income of full or part-time students, who have not earned a high school diploma or GED high school equivalency diploma including earnings from summer employment, grant awards under the family subsidy program, nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid, and any income assigned to the public authority according to section 256 74 or 256 741

Subd 16 Legal nonlicensed child care provider. "Legal nonlicensed child care provider" means a child care provider who is excluded from licensing requirements under section 245A 03, subdivision 2

Subd 17 MFIP. "MFIP" means the Minnesota family investment program, the state's TANF program under Public Law Number 104-193, Title I, and includes the MFIP program under chapter 256J, the work first program under chapter 256K, and tribal contracts under section 119B 02, subdivision 2, or 256 01, subdivision 2

Subd 18 Post-secondary educational systems. "Post-secondary educational systems" means the University of Minnesota board of regents and the board of trustees of the Minnesota state colleges and universities

Subd 19 Provider. "Provider" means a child care license holder who operates a family child care home, a group family child care home, a child care center, a nursery school, a day nursery, a school age care program, a license-exempt school age care program operating under the auspices of a local school board or a park or recreation board of a city of the first class that has adopted school age care guidelines which meet or exceed guidelines recommended by the department, or a nonlicensed registered provider who is at least 18 years of age, and who is not a member of the MFIP assistance unit or a member of the family receiving child care assistance under this chapter

Subd 20 Transition year families. "Transition year families" means families who have received MFIP assistance, or who were eligible to receive MFIP assistance after choosing to discontinue receipt of the cash portion of MFIP assistance under section 256J 31, subdivision 12, for at least three of the last six months before losing eligibility for MFIP due to increased income from employment or child or spousal support or families participating in work first under chapter 256K who meet the requirements of section 256K 07 Transition year child care may be used to support employment or job search

History: *1Sp1985 c 14 art 9 s 72, 1987 c 403 art 3 s 59, 1988 c 689 art 2 s 223, 1989 c 282 art 2 s 135-140, 1990 c 375 s 3, 1990 c 568 art 4 s 34-38, 1992 c 513 art 8 s 26,27, 1994 c 483 s 1, 1995 c 207 art 4 s 22,23, 1Sp1995 c 3 art 16 s 13, 1996 c 395 s 18, 1997 c 162 art 4 s 1-8, 1998 c 397 art 11 s 3, 1998 c 407 art 6 s 1, 1999 c 159 s 7-12, 1999 c 205 art 1 s 3-10,69, art 5 s 1,2,21*

NOTE Subdivision 17 was also repealed by Laws 1999 chapter 159 section 154

119B.02 DUTIES OF COMMISSIONER.

Subdivision 1 Child care services. The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families The commissioner shall adopt rules to govern the program in accordance with this section The rules must establish a sliding schedule of fees for parents receiving child care services The rules shall provide that funds received as a lump sum payment of child support arrearages shall not be counted as income to a family in the month received but shall be prorated over the 12 months following receipt and added to the family income during those months In the rules adopted under this section, 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 direct the county agency to set limits and pay for absences according to the prevailing market practice in the county County policies for payment of absences shall be subject to the approval of the commissioner The commissioner shall maximize the use of federal money under title I and title IV of Public Law Number 104-193, the Personal Responsibility and

Work Opportunity Reconciliation Act of 1996, and other programs that provide federal or state reimbursement for child care services for low-income families who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

[For text of subd 2, see M S 1998]

Subd 3 Supervision of counties. The commissioner shall supervise child care programs administered by the counties through standard-setting, technical assistance to the counties, approval of county child care fund plans, and distribution of public money for services. The commissioner shall provide training and other support services to assist counties in planning for and implementing child care assistance programs. The commissioner shall adopt rules under chapter 14 that establish minimum administrative standards for the provision of child care services by county boards of commissioners.

Subd 4 Universal application form. The commissioner must develop and make available to all counties a universal application form for child care assistance under this chapter. The application must provide notice of eligibility requirements for assistance and penalties for wrongfully obtaining assistance.

Subd 5 Program integrity. For child care assistance programs under this chapter, the commissioner shall enforce, in cooperation with the commissioner of human services, the requirements for program integrity and fraud prevention investigations under sections 256 046, 256 98, and 256 983.

History: 1999 c 159 s 13, 1999 c 205 art 1 s 11-14

119B.03 BASIC SLIDING FEE PROGRAM.

Subdivision 1 Allocation period; notice of allocation. When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their child care fund plans required under section 119B 08, subdivision 3, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. By October 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Subd 2 Waiting list. Each county that receives funds under this section must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy or have requested child care assistance. Counties shall perform a preliminary determination of eligibility when a family requests child care assistance. At a minimum, a county must make a preliminary determination of eligibility based on family size, income, and authorized activity. A family seeking child care assistance must provide the required information to the county. A family that appears to be eligible must be put on a waiting list if funds are not immediately available. The waiting list must identify students in need of child care. Counties must review and update their waiting list at least every six months.

Subd 3 Eligible participants. Families that meet the eligibility requirements under sections 119B 07, 119B 09, and 119B 10, except MFIP participants, work first participants, and transition year families are eligible for child care assistance under the basic sliding fee program. Families enrolled in the basic sliding fee program shall be continued until they are no longer eligible. Child care assistance provided through the child care fund is considered assistance to the parent.

Subd 4 Funding priority. (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-MFIP families who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents,
- (2) child care needs of parents under 21 years of age, and
- (3) child care needs of other parents within the priority group described in this paragraph

(b) Second priority must be given to parents who have completed their MFIP or work first transition year

(c) Third priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9

[For text of subd 5, see M S 1998]

Subd 6 Allocation formula. The basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 8, with any remaining available funds allocated according to the following formula

(a) One-fourth of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation

(b) One-fourth of the funds shall be allocated based on the number of families participating in the transition year child care program as reported during the most recent quarter completed at the time of the notice of allocation

(c) One-fourth of the funds shall be allocated in proportion to each county's most recently reported first, second, and third priority waiting list as defined in subdivision 2

(d) One-fourth of the funds must be allocated in proportion to each county's most recently reported waiting list as defined in subdivision 2

Subd 7 [Repealed, 1999 c 205 art 1 s 73]

[For text of subd 8, see M S 1998]

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

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

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

(2) notify the new county of residence within 30 days of moving and apply for basic sliding fee assistance in the new county of residence

(c) The receiving county must

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

(2) continue basic sliding fee assistance for the lesser of six months or until the family is able to receive assistance under the county's regular basic sliding program, and

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

[For text of subd 10, see M S 1998]

History: 1999 c 159 s 14,15, 1999 c 205 art 1 s 15-20,69

119B.04 FEDERAL CHILD CARE AND DEVELOPMENT FUND.

Subdivision 1 Commissioner to administer program. The commissioner is authorized and directed to receive, administer, and expend funds available under the child care and development fund under Public Law Number 104-193, Title VI

[For text of subd 2, see M S 1998]

History: 1999 c 205 art 1 s 21

119B.05 MFIP CHILD CARE ASSISTANCE PROGRAM.

Subdivision 1 **Eligible participants.** Families eligible for child care assistance under the MFIP child care program are

- (1) MFIP participants who are employed or in job search and meet the requirements of section 119B 10,
- (2) persons who are members of transition year families under section 119B 011, subdivision 20,
- (3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under chapter 256K,
- (4) MFIP families who are participating in work activities as required in their job search support or employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J Child care assistance to support work activities as described in section 256J 49 must be available according to sections 119B 011, subdivision 11, 124D 13, 256E 08, and 611A 32 and titles IVA, IVB, IVE, and XX of the Social Security Act, and
- (5) families who are participating in programs as required in tribal contracts under section 119B 02, subdivision 2, or 256 01, subdivision 2

[For text of subds 4 and 5, see M S 1998]

Subd 6 [Repealed, 1999 c 159 s 154, 1999 c 205 art 1 s 73]

Subd 7 [Repealed, 1999 c 205 art 1 s 73]

History: 1999 c 86 art 1 s 32, 1999 c 159 s 16, 1999 c 205 art 1 s 21,22,69,70

119B.06 FEDERAL CHILD CARE AND DEVELOPMENT BLOCK GRANT.

Subdivision 1 **Commissioner to administer block grant.** The commissioner is authorized and directed to receive, administer, and expend child care funds available under the child care and development block grant authorized under Public Law Number 101-508

[For text of subd 2, see M S 1998]

History: 1999 c 205 art 1 s 23

119B.061 AT-HOME INFANT CHILD CARE PROGRAM.

Subdivision 1 **Establishment.** A family in which a parent provides care for the family's infant child may receive a subsidy in lieu of assistance if the family is eligible for, or is receiving assistance under the basic sliding fee program. An eligible family must meet the eligibility factors under section 119B 09, the income criteria under section 119B 12, and the requirements of this section. Subject to federal match and maintenance of effort requirements for the child care and development fund, the commissioner shall establish a pool of up to seven percent of the annual appropriation for the basic sliding fee program to provide assistance under the at-home infant child care program. At the end of a fiscal year, the commissioner may carry forward any unspent funds under this section to the next fiscal year within the same biennium for assistance under the basic sliding fee program.

Subd 2 **Eligible families.** A family with an infant under the age of one year is eligible for assistance if

- (1) the family is not receiving MFIP, other cash assistance, or other child care assistance,
- (2) the family has not previously received all of the one-year exemption from the work requirement for infant care under the MFIP program,
- (3) the family has not previously received a life-long total of 12 months of assistance under this section, and

(4) the family is participating in the basic sliding fee program or provides verification of participation in an authorized activity at the time of application and meets the program requirements

Subd 3 Eligible parent. A family is eligible for assistance under this section if one parent cares for the family's infant child. The eligible parent must

(1) be over the age of 18,

(2) care for the infant full-time in the infant's home, and

(3) care for any other children in the family who are eligible for child care assistance under this chapter

For the purposes of this section, "parent" means birth parent, adoptive parent, or step-parent

Subd 4 Assistance. (a) A family is limited to a lifetime total of 12 months of assistance under this section. The maximum rate of assistance is equal to 75 percent of the rate established under section 119B 13 for care of infants in licensed family child care in the applicant's county of residence. Assistance must be calculated to reflect the parent fee requirement under section 119B 12 for the family's income level and family size

(b) A participating family must report income and other family changes as specified in the county's plan under section 119B 08, subdivision 3. The family must treat any assistance received under this section as unearned income

(c) Persons who are admitted to the at-home infant care program retain their position in any basic sliding fee program or on any waiting list attained at the time of admittance. If they are on the waiting list, they must advance as if they had not been admitted to the program. Persons leaving the at-home infant care program re-enter the basic sliding fee program at the position they would have occupied or the waiting list at the position to which they would have advanced. Persons who would have attained eligibility for the basic sliding fee program must be given assistance or advance to the top of the waiting list when they leave the at-home infant care program. Persons admitted to the at-home infant care program who are not on a basic sliding fee waiting list may apply to the basic sliding fee program, and if eligible, be placed on the waiting list

(d) The time that a family receives assistance under this section must be deducted from the one-year exemption from work requirements under the MFIP program

(e) Assistance under this section does not establish an employer-employee relationship between any member of the assisted family and the county or state

Subd 5 Implementation. (a) The commissioner shall implement the at-home infant child care program under this section through counties that administer the basic sliding fee program under section 119B 03. The commissioner must develop and distribute consumer information on the at-home infant care program to assist parents of infants or expectant parents in making informed child care decisions

(b) The commissioner shall evaluate this program and report the impact to the legislature by January 1, 2000. The evaluation must include data on the number of families participating in the program, the number of families continuing to pursue employment or education while participating in the program, the average income of families prior to, during, and after participation in the program, family size, and single parent and two-parent status

History: 1999 c 205 art 1 s 24

119B.07 USE OF MONEY.

Money for persons listed in sections 119B 03, subdivision 3, and 119B 05, subdivision 1, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employment plan in the case of an MFIP participant, and county policies included in the child care fund plan. The maximum length of time a student is eligible for child care assistance under the child care fund for education and train-

ing is no more than the time necessary to complete the credit requirements for an associate or baccalaureate degree as determined by the educational institution, excluding basic or remedial education programs needed to prepare for post-secondary education or employment. To be eligible, the student must be in good standing and be making satisfactory progress toward the degree. Time limitations for child care assistance do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. If an MFIP participant who is receiving MFIP child care assistance under this chapter moves to another county, continues to participate in educational or training programs authorized in their employment plans, and continues to be eligible for MFIP child care assistance under this chapter, the MFIP participant must receive continued child care assistance from the county responsible for their current employment plan, under section 256G 07.

History: 1999 c 159 s 17, 1999 c 205 art 1 s 25,69

119B.074 SPECIAL REVENUE ACCOUNT FOR CHILD CARE.

A child support collection account is established in the special revenue fund for the deposit of collections through the assignment of child support under section 256 741, subdivision 2. The commissioner of human services must deposit all collections made under section 256 741, subdivision 2, in the child support collection account. Money in this account is appropriated to the commissioner for assistance under section 119B 03 and is in addition to other state and federal appropriations.

History: 1999 c 205 art 1 s 26

119B.075 [Repealed, 1999 c 205 art 1 s 73]

NOTE This section was also amended by Laws 1999 chapter 159 section 18 to read as follows:

119B 075 Reserve account

A reserve account must be created within the general fund for all unexpended basic sliding fee child care, TANF child care, or other child care funds under the jurisdiction of the commissioner. Any funds for those purposes that are unexpended at the end of a biennium must be deposited in this reserve account and may be appropriated on an ongoing basis by the commissioner for basic sliding fee child care or MFIP child care.

119B.08 REPORTING AND PAYMENTS.

[For text of subs 1 and 2, see M S 1998]

Subd 3 Child care fund plan. The county and designated administering agency shall submit to the commissioner an annual child care fund plan in its biennial community social services plan. The commissioner shall establish the dates by which the county must submit the plans. The plan shall include:

- (1) a narrative of the total program for child care services, including all policies and procedures that affect eligible families and are used to administer the child care funds,
- (2) the methods used by the county to inform eligible families of the availability of child care assistance and related services,
- (3) the provider rates paid for all children with special needs by provider type,
- (4) the county prioritization policy for all eligible families under the basic sliding fee program, and
- (5) other information as requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

The commissioner shall notify counties within 60 days of the date the plan is submitted whether the plan is approved or the corrections or information needed to approve the plan. The commissioner shall withhold a county's allocation until it has an approved plan. Plans not approved by the end of the second quarter after the plan is due may result in a 25 percent reduction in allocation. Plans not approved by the end of the third quarter after the plan is due may result in a 100 percent reduction in the allocation to the county. Counties are to maintain services despite any reduction in their allocation due to plans not being approved.

[For text of subd 4, see M S 1998]

History: 1999 c 159 s 19, 1999 c 205 art 1 s 27,69

119B.09 FINANCIAL ELIGIBILITY.

Subdivision 1 **General eligibility requirements for all applicants for child care assistance.** (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who

(1) meet the requirements of section 119B 05, receive MFIP assistance, and are participating in employment and training services under chapter 256J or 256K,

(2) have household income below the eligibility levels for MFIP, or

(3) have household income within a range established by the commissioner

(b) Child care services must be made available as in-kind services

(c) All applicants for child care assistance and families currently receiving child care assistance must be assisted and required to cooperate in establishment of paternity and enforcement of child support obligations for all children in the family as a condition of program eligibility For purposes of this section, a family is considered to meet the requirement for cooperation when the family complies with the requirements of section 256 741

[For text of subd 2, see M S 1998]

Subd 3 **Priorities; allocations.** If a county projects that its child care allocation is insufficient to meet the needs of all eligible families, it may prioritize among the families that remain to be served after the county has complied with the priority requirements of section 119B 03 Counties that have established a priority for families who are not MFIP participants beyond those established under section 119B 03 must submit the policy in the annual child care fund plan

[For text of subd 4, see M S 1998]

Subd 5 **Provider choice.** Parents may choose child care providers as defined under section 119B 011, subdivision 19, that best meet the needs of their family Counties shall make resources available to parents in choosing quality child care services Counties may require a parent to sign a release stating their knowledge and responsibilities in choosing a legal provider described under section 119B 011, subdivision 19 When a county knows that a particular provider is unsafe, or that the circumstances of the child care arrangement chosen by the parent are unsafe, the county may deny a child care subsidy A county may not restrict access to a general category of provider allowed under section 119B 011, subdivision 19

[For text of subd 6, see M S 1998]

Subd 7 **Date of eligibility for assistance.** The date of eligibility for child care assistance under this chapter is the later of the date the application was signed, the beginning date of employment, education, or training, or the date a determination has been made that the applicant is a participant in employment and training services under Minnesota Rules, part 3400 0080, subpart 2a, or chapter 256J or 256K The date of eligibility for the basic sliding fee at-home infant child care program is the later of the date the infant is born or, in a county with a basic sliding fee waiting list, the date the family applies for at-home infant child care Payment ceases for a family under the at-home infant child care program when a family has used a total of 12 months of assistance as specified under section 119B 061 Payment of child care assistance for employed persons on MFIP is effective the date of employment or the date of MFIP eligibility, whichever is later Payment of child care assistance for MFIP or work first participants in employment and training services is effective the date of commencement of the services or the date of MFIP or work first eligibility, whichever is later Payment of child care assistance for transition year child care must be made retroactive to the date of eligibility for transition year child care

[For text of subd 8, see M S 1998]

History: 1999 c 159 s 20-22, 1999 c 205 art 1 s 28-30, 69, art 5 s 21

119B.10 EMPLOYMENT OR TRAINING ELIGIBILITY.

Subdivision 1 **Assistance for persons seeking and retaining employment.** (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive up to 240 hours of child care assistance per calendar year

(b) Employed persons who work at least an average of 20 hours and full-time students who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance for employment. For purposes of this section, work-study programs must be counted as employment. Child care assistance during employment must be authorized as provided in paragraphs (c) and (d).

(c) When the person works for an hourly wage and the hourly wage is equal to or greater than the applicable minimum wage, child care assistance shall be provided for the actual hours of employment, break, and mealtime during the employment and travel time up to two hours per day.

(d) When the person does not work for an hourly wage, child care assistance must be provided for the lesser of

(1) the amount of child care determined by dividing gross earned income by the applicable minimum wage, up to one hour every eight hours for meals and break time, plus up to two hours per day for travel time, or

(2) the amount of child care equal to the actual amount of child care used during employment, including break and mealtime during employment, and travel time up to two hours per day.

[For text of subd 2, see M S 1998]

History: 1999 c 205 art 1 s 31

119B.11 COUNTY CONTRIBUTION.

[For text of subd 1, see M S 1998]

Subd 2a Recovery of overpayments. An amount of child care assistance paid to a recipient in excess of the payment due is recoverable by the county agency. If the family remains eligible for child care assistance, the overpayment must be recovered through recoupment as identified in Minnesota Rules, part 3400.0140, subpart 19. If the family no longer remains eligible for child care assistance, the county may choose to initiate efforts to recover overpayments from the family for overpayment less than \$50. If the overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of the overpayment from the family. If the county is unable to recoup the overpayment through voluntary repayment, the county shall initiate civil court proceedings to recover the overpayment unless the county's costs to recover the overpayment will exceed the amount of the overpayment. A family with an outstanding debt under this subdivision is not eligible for child care assistance until (1) the debt is paid in full, or (2) satisfactory arrangements are made with the county to retire the debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and the family is in compliance with the arrangements.

[For text of subds 3 and 4, see M S 1998]

History: 1999 c 205 art 1 s 32

119B.12 SLIDING FEE SCALE.

[For text of subd 1, see M S 1998]

Subd 2 Parent fee. A family's monthly parent fee must be a fixed percentage of its annual gross income. Parent fees must apply to families eligible for child care assistance under sections 119B.03 and 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed percent is based on the relationship of the family's annual gross income to 100 percent of state median income. Beginning January 1, 1998, parent fees must begin at 75 percent of the poverty level. The minimum parent fees for families between 75 percent and 100 percent of poverty level must be \$5 per month. Parent fees must be established in rule and must provide for graduated movement to full payment.

History: 1999 c 205 art 1 s 33, art 5 s 21

119B.13 CHILD CARE RATES.

Subdivision 1 Subsidy restrictions. The maximum rate paid for child care assistance under the child care fund may not exceed the 75th percentile rate for home-care arrangements.

in the county as surveyed by the commissioner. A rate which includes a provider bonus paid under subdivision 2 or a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision. The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care. 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 practice.

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 copayment fee.

Subd 2 Provider rate bonus for accreditation. A family child care provider or child care center shall be paid a ten percent bonus above the maximum rate established in subdivision 1, if the provider or center holds a current early childhood development credential approved by the commissioner, up to the actual provider rate.

Subd 3 Provider rate for care of children with handicaps or special needs. Counties shall reimburse providers for the care of children with handicaps or special needs, at a special rate to be approved by the county for care of these children, subject to the approval of the commissioner.

Subd 4 Rates charged to publicly subsidized families. Child care providers receiving reimbursement under this chapter may not charge a rate to clients receiving assistance under this chapter that is higher than the private, full-paying client rate.

Subd 5 Provider notice. The county shall inform both the family receiving assistance under this chapter and the child care provider of the payment amount and how and when payment will be received. If the county sends a family a notice that child care assistance will be terminated, the county shall inform the provider that unless the family requests to continue to receive assistance pending an appeal, child care payments will no longer be made. The notice to the provider must not contain any private data on the family or information on why payment will no longer be made.

Subd 6 Provider payments. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses. If payments for child care assistance are made to providers, the provider shall bill the county for services provided within ten days of the end of the month of service. If bills are submitted in accordance with the provisions of this subdivision, a county shall issue payment to the provider of child care under the child care fund within 30 days of receiving an invoice from the provider. Counties may establish policies that make payments on a more frequent basis. A county's payment policies must be included in the county's child care plan under section 119B 08, subdivision 3.

History: 1999 c 205 art 1 s 34

119B.14 EXTENSION OF EMPLOYMENT OPPORTUNITIES.

The county board shall ensure that child care services available to eligible residents are well advertised and that everyone who receives or applies for MFIP assistance is informed of training and employment opportunities and programs, including child care assistance and child care resource and referral services.

History: 1999 c 159 s 23, 1999 c 205 art 1 s 35,69

119B.15 ADMINISTRATIVE EXPENSES.

The commissioner shall use up to 1/21 of the state and federal funds available for the basic sliding fee program and 1/21 of the state and federal funds available for the MFIP child care program for payments to counties for administrative expenses.

History: 1999 c 159 s 24, 1999 c 205 art 1 s 36,69

119B.17 [Repealed, 1999 c 205 art 1 s 73]

119B.18 Subdivision 1 [Repealed, 1999 c 205 art 5 s 22]

Subd 2 [Repealed, 1999 c 205 art 5 s 22]

Subd 3 [Renumbered 119B 211]

119B.189 CHILD CARE SERVICES GRANT DEFINITIONS.

Subdivision 1 **Facility improvement expenses.** "Facility improvement expenses" means the cost of improvements, equipment, appropriate technology and software, toys, and supplies needed to establish, expand, or improve a licensed child care facility or a child care program under the jurisdiction of a district school board

Subd 2 **Interim financing.** "Interim financing" means funding for up to 18 months

(1) for activities that are necessary to receive and maintain state child care licensing,

(2) to expand an existing child care program or to improve program quality, and

(3) to operate for a period of six consecutive months after a child care facility becomes licensed or satisfies standards of the commissioner of children, families, and learning

Subd 3 **Region.** "Region" means a region designated by the governor under section 462 385

Subd 4 **Training program.** "Training program" means child development courses offered by an accredited post-secondary institution or similar training approved by a county board or the commissioner. A training program must be a course of study that teaches specific skills to meet licensing requirements or requirements of the commissioner of children, families, and learning

History: 1989 c 282 art 2 s 154, 1990 c 568 art 4 s 55, 1991 c 292 art 5 s 65, 1Sp1995 c 3 art 16 s 13, 1997 c 162 art 4 s 44-46, 1998 c 397 art 11, s 3, 1998 c 398 art 5 s 55, 1999 c 205 art 5 s 8-11,21

119B.19 GRANTS FOR SCHOOL AGE CHILD CARE PROGRAMS AND CHILD CARE RESOURCE AND REFERRAL PROGRAMS.

Subdivision 1 **Distribution of funds for operation of child care resource and referral programs.** The commissioner of children, families, and learning shall distribute funds to public or private nonprofit organizations for the planning, establishment, expansion, improvement, or operation of child care resource and referral programs under this section. The commissioner must adopt rules for programs under this section and sections 119B 189 and 119B 21. The commissioner must develop a process to fund organizations to operate child care resource and referral programs that includes application forms, timelines, and standards for renewal

Subd 1a **Designation of organizations.** The commissioner shall designate an organization to administer a child care resource and referral program to serve a region

Subd 3 [Repealed, 1999 c 205 art 5 s 22]

Subd 4 [Repealed, 1999 c 205 art 5 s 22]

Subd 5 [Repealed, 1999 c 205 art 5 s 22]

Subd 6 **Basis for distributing funds.** (a) The commissioner shall distribute funds for the administration of child care resource and referral programs based on the following factors for each region

(1) the region served by the program,

(2) the number of children under the age of 13 years needing child care,

(3) the ratio of children under the age of 13 years needing child care to the number of licensed spaces,

(4) the number of licensed child care providers and school-age care programs, and

(5) other related factors determined by the commissioner

(b) The commissioner may provide ongoing funding to a designated organization for a child care resource and referral program that continues to meet state standards

Subd 6a' **Local match requirement.** A local match of 25 percent is required

Subd 7 **Child care resource and referral programs.** Within each region, a child care resource and referral program must

- (1) maintain one database of all existing child care resources and services and one database of family referrals,
- (2) provide a child care referral service for families,
- (3) develop resources to meet the child care service needs of families,
- (4) increase the capacity to provide culturally responsive child care services,
- (5) coordinate professional development opportunities for child care and school-age care providers,
- (6) administer and award child care services grants,
- (7) administer and provide loans for child development education and training, and
- (8) cooperate with the Minnesota Child Care Resource and Referral Network and its member programs to develop effective child care services and child care resources

History: 1999 c 205 art 5 s 3-7,21

119B.20 Subdivision 1 [Repealed, 1999 c 205 art 5 s 22]

- Subd 2 [Repealed, 1999 c 205 art 5 s 22]
- Subd 3 [Repealed, 1999 c 205 art 5 s 22]
- Subd 4 [Repealed, 1999 c 205 art 5 s 22]
- Subd 5 [Repealed, 1999 c 205 art 5 s 22]
- Subd 6 [Repealed, 1999 c 205 art 5 s 22]
- Subd 7 [Renumbered 119B 189, subdivision 1]
- Subd 8 [Renumbered 119B 189, subd 2]
- Subd 9 [Repealed, 1999 c 205 art 5 s 22]
- Subd 10 [Repealed, 1999 c 205 art 5 s 22]
- Subd 11 [Repealed, 1999 c 205 art 5 s 22]
- Subd 12 [Renumbered 119B 189, subd 4]
- Subd 13 [Renumbered 119B 189, subd 3]

119B.21 CHILD CARE SERVICES GRANTS.

Subdivision 1 **Distribution of grant funds.** (a) The commissioner shall distribute funds to the child care resource and referral programs designated under section 119B 19, subdivision 1a, for child care services grants under subdivision 5 and family child care technical assistance grants under subdivision 10

(b) Up to ten percent of funds appropriated for grants under this section may be used by the commissioner for statewide child care development initiatives, training initiatives, collaboration programs, and research and data collection. The commissioner shall develop eligibility guidelines and a process to distribute funds under this paragraph. Child care resource and referral programs may apply for funding under this paragraph.

(c) At least 90 percent of funds appropriated for grants under this section may be distributed by the commissioner to child care resource and referral programs under section 119B 19, subdivision 1a, for child care services grants and family child care technical assistance grants based on the following factors:

- (1) the number of children under 13 years of age needing child care in the region,
 - (2) the region served by the program,
 - (3) the ratio of children under 13 years of age needing child care to the number of licensed spaces in the region,
 - (4) the number of licensed child care providers and school-age care programs in the region, and
 - (5) other related factors determined by the commissioner
- (d) Child care resource and referral programs must award child care services grants and child care technical assistance grants based on the recommendation of the child care regional proposal review committees under subdivision 3
- (e) The commissioner may distribute funds under this section for a two-year period

Subd 2 [Renumbered subdivision 1, paragraphs (c), (d), and (e)]

Subd 3 **Child care regional proposal review committees.** (a) Child care regional proposal review committees must establish regional priorities and review applications for family child care technical assistance grants and child care services grants under this section and make funding recommendations to the child care resource and referral program designated under section 119B 19, subdivision 1a. Within each region, the committee must allocate available funding between child care services grants and child care technical assistance grants. The committee must also allocate funding for child care services grants for facility financing purposes and provider training purposes. The child care regional proposal review committees must complete their reviews and forward their recommendations to the child care resource and referral program by the date specified by the commissioner.

(b) A child care resource and referral program shall establish a process to select members of the child care regional proposal review committee. Members must represent the following constituent groups: family child care providers, child care center providers, school-age care providers, parents who use child care services, health services, social services, public schools, Head Start, employers, and other citizens with demonstrated interest in child care issues. Members of the proposal review committee with a direct financial interest in a pending grant proposal may not provide a recommendation or participate in the ranking of that grant proposal.

(c) The child care resource and referral program may reimburse committee members for their actual travel, child care, and child care provider substitute expenses for up to six committee meetings per year. The program may also pay a stipend to parent representatives for participating in up to six meetings per year.

Subd 4 [Repealed, 1999 c 205 art 5 s 22]

Subd 5 **Child care services grants.** (a) A child care resource and referral program designated under section 119B 19, subdivision 1a, may award child care services grants for

(1) creating new licensed child care facilities and expanding existing facilities, including, but not limited to, supplies, equipment, facility renovation, and remodeling,

(2) improving licensed child care facility programs,

(3) staff training and development services including, but not limited to, in-service training, curriculum development, accreditation, certification, consulting, resource centers, and program and resource materials,

(4) interim financing,

(5) capacity building through the purchase of appropriate technology to create, enhance, and maintain business management systems,

(6) emergency assistance for child care programs,

(7) new programs or projects for the creation, expansion, or improvement of programs that serve ethnic immigrant and refugee communities, and

(8) targeted recruitment initiatives to expand and build the capacity of the child care system and to improve the quality of care provided by legal nonlicensed child care providers.

(b) A child care resource and referral program designated under section 119B 19, subdivision 1a, may award child care services grants to

(1) licensed providers,

(2) providers in the process of being licensed,

(3) corporations or public agencies that develop or provide child care services,

(4) school-age care programs, or

(5) any combination of clauses (1) to (4).

Unlicensed providers are only eligible for grants under paragraph (a), clause (7).

(c) A recipient of a child care services grant for facility improvements, interim financing, or staff training and development must provide a 25 percent local match.

Subd 6 [Repealed, 1999 c 205 art 5 s 22]

Subd 8 [Renumbered subdivision 5, paragraph (b)]

Subd 9 [Renumbered subdivision 5, paragraph (c)]

Subd 10 **Family child care technical assistance grants.** (a) A child care resource and referral organization designated under section 119B 19, subdivision 1a, may award technical assistance grants of up to \$1,000. These grants may be used for

- (1) facility improvements, including, but not limited to, improvements to meet licensing requirements,
 - (2) improvements to expand a child care facility or program,
 - (3) toys and equipment,
 - (4) technology and software to create, enhance, and maintain business management systems,
 - (5) start-up costs,
 - (6) staff training and development, and
 - (7) other uses approved by the commissioner.
- (b) A child care resource and referral program may award family child care technical assistance grants to

- (1) licensed family child care providers, or
 - (2) child care providers in the process of becoming licensed.
- (c) A local match is not required for a family child care technical assistance grant.

Subd 11 **Statewide advisory task force.** The commissioner may convene a statewide advisory task force to advise the commissioner on statewide grants or other child care issues. The following groups must be represented: family child care providers, child care center programs, school-age care providers, parents who use child care services, health services, social services, Head Start, public schools, employers, and other citizens with demonstrated interest in child care issues. Additional members may be appointed by the commissioner. The commissioner may compensate members for their travel, child care, and child care provider substitute expenses for attending task force meetings. The commissioner may also pay a stipend to parent representatives for participating in task force meetings.

Subd 12 [Repealed, 1999 c 205 art 5 s 22]

History: 1999 c 205 art 5 s 12-19,21

119B.211 CHILD DEVELOPMENT EDUCATION AND TRAINING LOANS.

The commissioner shall establish a child development education and training loan program to be administered by the regional child care resource and referral programs. The commissioner shall establish application procedures, eligibility criteria, terms, and other conditions necessary to make educational loans under this section. A single applicant may not receive more than \$1,500 per year under this program. All or part of the loan may be forgiven if the applicant continues to provide child care services for a period of 24 months following the completion of all courses paid for by the educational loan.

History: 1991 c 292 art 5 s 63, 1997 c 162 art 4 s 43, 1999 c 205 art 1 s 37, art 5 s 21

119B.22 [Repealed, 1999 c 205 art 5 s 22]

119B.23 OTHER AUTHORIZATION TO MAKE GRANTS.

Subdivision 1 **Authority.** The county board is authorized to provide child care services or to make grants from the community social service fund, special tax revenue, or its general fund, or other sources to any municipality, or corporation for the cost of providing technical assistance or child care services. The county board is also authorized to contract for services with any licensed child care facility to carry out the purposes of this section.

The county board may also make grants to or contract with any municipality, licensed child care facility, organization designated under section 119B 19, subdivision 1a, or corporation for the following purposes:

- (1) creating new licensed child care facilities and expanding existing facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling,
- (2) improving licensed child care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling, with

priority for training grants for child care workers caring for infants, toddlers, sick children, children in low-income families, and children with special needs,

(3) providing supportive child development services, including, but not limited to, in-service training, curriculum development, consulting specialists, resource centers, and program and resource materials,

(4) carrying out programs, including, but not limited to, staff, supplies, equipment, facility renovation, and training,

(5) providing interim financing, or

(6) carrying out the resource and referral program services identified in section 119B 19, subdivision 7

[For text of subs 2 and 3, see M S 1998]

History: 1999 c 205 art 5 s 20

119B.24 DUTIES OF COMMISSIONER.

In addition to the powers and duties already conferred by law, the commissioner of children, families, and learning shall

(1) administer the child care fund, including the basic sliding fee program authorized under sections 119B 011 to 119B 16,

(2) monitor the child care resource and referral programs established under section 119B 19, and

(3) encourage child care providers to participate in a nationally recognized accreditation system for early childhood programs. The commissioner shall reimburse licensed child care providers for one-half of the direct cost of accreditation fees, upon successful completion of accreditation

History: 1999 c 205 art 1 s 38, art 5 s 21

119B.25 CHILD CARE IMPROVEMENT GRANTS.

[For text of subd 1, see M S 1998]

Subd 2 Grants. The commissioner shall distribute money provided by this section through a grant to a nonprofit corporation organized to plan, develop, and finance early childhood education and child care sites. The nonprofit corporation must have demonstrated the ability to analyze financing projects, have knowledge of other sources of public and private financing for child care and early childhood education sites, and have a relationship with the resource and referral programs under section 119B 211. The board of directors of the nonprofit corporation must include members who are knowledgeable about early childhood education, child care, development and improvement, and financing. The commissioners of the departments of children, families, and learning and trade and economic development, and the commissioner of the housing finance agency shall advise the board on the loan program. The grant must be used to make loans to improve child care or early childhood education sites, or loans to plan, design, and construct or expand licensed and legal unlicensed sites to increase the availability of child care or early childhood education. All loans made by the nonprofit corporation must comply with section 363 03, subdivision 8.

Subd 3 Financing program. A nonprofit corporation that receives a grant under this section shall use the money to

(1) establish a revolving loan fund to make loans to existing, expanding, and new licensed and legal unlicensed child care and early childhood education sites,

(2) establish a fund to guarantee private loans to improve or construct a child care or early childhood education site,

(3) establish a fund to provide forgivable loans or grants to match all or part of a loan made under this section,

(4) establish a fund as a reserve against bad debt, and

(5) establish a fund to provide business planning assistance for child care providers

The nonprofit corporation shall establish the terms and conditions for loans and loan guarantees including, but not limited to, interest rates, repayment agreements, private match requirements, and conditions for loan forgiveness. The nonprofit corporation shall establish a minimum interest rate for loans to ensure that necessary loan administration costs are covered. The nonprofit corporation may use interest earnings for administrative expenses.

[For text of subd 4, see M S 1998]

History: 1999 c 205 art 1 s 39, art 5 s 21