

CHAPTER 256H

CHILD CARE PROGRAMS

256H.02	Duties of commissioner.	256H.196	Regional child care resource and referral programs.
256H.03	Basic sliding fee program.	256H.20	Grants for school age child care programs and child care resource and referral programs.
256H.035	Federal at-risk child care program.	256H.21	Child care services grant definitions.
256H.05	AFDC child care program.	256H.22	Child care services grants.
256H.055	Federal child care and development block grant.	256H.225	Assistance to child care centers and providers.
256H.08	Use of money.	256H.25	Repealed.
256H.15	Child care rates.	256H.26	Repealed.
256H.18	Administrative expenses.		
256H.195	Minnesota early childhood care and education council.		

256H.02 DUTIES OF COMMISSIONER.

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. 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 the AFDC employment special needs program in section 256.736, subdivision 8, and other programs that provide federal reimbursement for child care services for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the AFDC employment special needs program and other 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.

History: 1991 c 292 art 5 s 52

256H.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 biennial community social services plans required under section 256E.08, 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 June 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Subd. 1a. 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 cursory determination of eligibility when a family requests information about child care assistance. 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 stu-

dents in need of child care. When money is available counties shall expedite the processing of student applications during key enrollment periods.

Subd. 2. Allocation; limitations. From July 1, 1991, through June 30, 1992, the commissioner shall allocate the money appropriated under the child care fund for the basic sliding fee program and shall allocate those funds between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area as follows:

(1) 50 percent of the money shall be allocated among the counties on the basis of the number of families below the poverty level, as determined from the most recent census or special census; and

(2) 50 percent of the money shall be allocated among the counties on the basis of the counties' portion of the AFDC caseload for the preceding state fiscal year.

If, under the preceding formula, either the seven-county metropolitan area consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties or the area consisting of counties outside the seven-county metropolitan area is allocated more than 55 percent of the basic sliding fee funds, each county's allocation in that area shall be proportionally reduced until the total for the area is no more than 55 percent of the basic sliding fee funds. The amount of the allocations proportionally reduced shall be used to proportionally increase each county's allocation in the other area.

Subd. 2a. Eligible recipients. Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its state money expenditures for the basic sliding fee program for this period will not exceed 95 percent of the county's allocation of state money for the fiscal year ending June 30, 1990. As basic sliding fee program money becomes available to serve new families, eligible families whose benefits were terminated during the fiscal year ending June 30, 1990, for reasons other than loss of eligibility shall be reinstated. Families enrolled in the basic sliding fee program as of July 1, 1990, shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis.

Subd. 2b. Funding priority. (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-AFDC 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 AFDC transition year.

Subd. 3. Review of use of funds; reallocation. After each quarter, the commissioner shall review the use of basic sliding fee program allocations by county. The commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full allocation. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Subd. 4. Allocation formula. Beginning July 1, 1992, the basic sliding fee funds shall be allocated according to the following formula:

(a) One-half 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 12-month period ending on December 31 of the preceding state fiscal year.

(b) One-fourth of the funds shall be allocated based on the number of children

under age 13 in each county who are enrolled in general assistance medical care, medical assistance, and the children's health plan on July 1, of each year.

(c) One-fourth of the funds shall be allocated based on the number of children under age 13 who reside in each county, from the most recent estimates of the state demographer.

Subd. 5. Formula limitation. The amounts computed under subdivision 4 shall be subject to the following limitation. No county shall be allocated an amount less than its guaranteed floor as provided in subdivision 6. If the amount allocated to a county under subdivision 4 would be less than its guaranteed floor, the shortage shall be recovered proportionally from all counties which would be allocated more than their guaranteed floor.

Subd. 6. Guaranteed floor. (a) Each county's guaranteed floor shall equal the lesser of:

(1) the county's original allocation in the preceding state fiscal year; or

(2) 110 percent of the county's basic sliding fee child care program state earnings for the 12-month period ending on December 31 of the preceding state fiscal year. For purposes of this clause, "state earnings" means the reported nonfederal share of direct child care expenditures adjusted for the 15 percent required county match and seven percent administration limit.

(b) When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.

History: 1991 c 292 art 5 s 53

256H.035 FEDERAL AT-RISK CHILD CARE PROGRAM.

Subdivision 1. Commissioner to administer program. The commissioner of human services is authorized and directed to receive, administer, and expend funds available under the at-risk child care program under Public Law Number 101-508 (1).

Subd. 2. Rulemaking authority. The commissioner may adopt rules under chapter 14 to administer the at-risk child care program.

History: 1991 c 292 art 5 s 54

256H.05 AFDC CHILD CARE PROGRAM.

Subd. 1b. Eligible recipients. Families eligible for guaranteed child care assistance under the AFDC child care program are:

(1) persons receiving services under section 256.736;

(2) AFDC recipients who are employed;

(3) persons who are members of transition year families under section 256H.01, subdivision 16; and

(4) members of the control group for the STRIDE evaluation conducted by the Manpower Demonstration Research Corporation.

Subd. 1c. Waiting list priority. AFDC recipients must be put on a waiting list for the basic sliding fee program when they leave AFDC due to their earned income.

Subd. 2. Cooperation with other programs. The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for all AFDC recipients who receive services under section 256.736. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall be guaranteed child care assistance from the county responsible for the current employability development plan.

Subd. 3. Contracts; other uses allowed. Counties may contract for administration

of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

Subd. 5. Federal reimbursement. Counties shall maximize their federal reimbursement under Public Law Number 100-485 or other federal reimbursement programs for money spent for persons eligible under this chapter. The commissioner shall allocate any federal earnings to the county to be used to expand child care services under this chapter.

History: 1991 c 292 art 5 s 55

256H.055 FEDERAL CHILD CARE AND DEVELOPMENT BLOCK GRANT.

Subdivision 1. Commissioner to administer block grant. The commissioner of human services 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 (2).

Subd. 2. Rulemaking authority. The commissioner may adopt rules under chapter 14 to administer the child care development block grant program.

History: 1991 c 292 art 5 s 56

256H.08 USE OF MONEY.

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, 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 employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Time limitations for child care assistance, as specified in Minnesota Rules, parts 9565.5000 to 9565.5200, 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. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05 are available. If an AFDC recipient who is receiving AFDC child care assistance under this chapter moves to another county, continues to participate in educational or training programs authorized in their employability development plans, and continues to be eligible for AFDC child care assistance under this chapter, the AFDC caretaker must receive continued child care assistance from the county responsible for their current employability development plan, without interruption.

History: 1991 c 292 art 5 s 57

256H.15 CHILD CARE RATES.

Subdivision 1. Subsidy restrictions. (a) Until June 30, 1991, the maximum child care rate is determined under this paragraph. The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the

county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. 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.

(b) Effective July 1, 1991, the maximum rate paid for child care assistance under the child care fund is the maximum rate eligible for federal reimbursement except that a provider receiving reimbursement under paragraph (a) as of January 1, 1991, shall be paid at a rate no less than the rate of reimbursement received under that paragraph. 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 of human services 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.

(c) 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. Currently accredited child care centers shall be paid a ten percent bonus above the maximum rate established in subdivision 1, up to the actual provider rate. A family day care provider shall be paid a ten percent bonus above the maximum rate established in subdivision 1, if the provider holds a current early childhood development credential approved by the commissioner, up to the actual provider rate. For purposes of this subdivision, "accredited" means accredited by the National Association for the Education of Young Children.

[For text of subd 3, see M.S.1990]

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.

History: 1991 c 292 art 5 s 58-60

256H.18 ADMINISTRATIVE EXPENSES.

The commissioner shall use up to seven percent of the state funds appropriated for the basic sliding fee program for payments to counties for administrative expenses. The commissioner shall use up to ten percent of federal funds for payments to counties for administrative expenses.

History: 1991 c 292 art 5 s 61

256H.195 MINNESOTA EARLY CHILDHOOD CARE AND EDUCATION COUNCIL.

Subdivision 1. Establishment; members. The Minnesota early childhood care and education council shall consist of 19 members appointed by the governor. Members must represent the following groups and organizations: parents, family child care providers, child care center providers, private foundations, corporate executives, small business owners, and public school districts. The council membership also includes the commissioners of human services, jobs and training, education, and health; a representative of the higher education coordinating board; a representative of the Minnesota headstart association; representatives of two Minnesota counties; three members from child care resource and referral programs, one of whom shall be from a county-operated resource and referral, one of whom shall be from a rural location, and one of whom shall be from the metropolitan area; and a community group representative. The governor shall consult with the councils established under sections 3.922, 3.9223, 3.9225, and 3.9226, representing the communities of color, to ensure that membership of the coun-

cil is representative of all racial minority groups. In addition to the 19 members appointed by the governor, two members of the senate shall be appointed by the president of the senate and two members of the house of representatives shall be appointed by the speaker of the house to serve as ex officio members of the council. Membership terms, compensation, and removal of members are governed by section 15.059, except that the council shall not expire as required by that section.

Subd. 2. Executive director; staff. The council shall select an executive director of the council by a vote of a majority of all council members. The executive director is in the unclassified service and shall provide administrative support for the council and provide administrative leadership to implement council mandates, policies, and objectives. The executive director shall employ and direct other staff.

Subd. 3. Duties and powers. The council has the following duties and powers:

- (1) develop a biennial plan for early childhood care and education in the state;
- (2) take a leadership role in developing its recommendations in conjunction with the recommendations of other state agencies on the state budget for early childhood care and education;
- (3) apply for and receive state money and public and private grant money;
- (4) participate in and facilitate the development of interagency agreements on early childhood care and education issues;
- (5) review state agency policies on early childhood care and education issues so that they do not conflict;
- (6) advocate for an effective and coordinated early childhood care and education system with state agencies and programs;
- (7) study the need for child care funding for special populations whose needs are not being met by current programs;
- (8) ensure that the early childhood care and education system reflects community diversity;
- (9) be responsible for advocating policies and funding for early childhood care and education; and
- (10) provide a report to the legislature on January 1 of every odd-numbered year, containing a description of the activities and the work plan of the council and any legislative recommendations developed by the council.

History: 1991 c 292 art 5 s 62

256H.196 REGIONAL CHILD CARE RESOURCE AND REFERRAL PROGRAMS.

Subdivision 1. Establishment. Existing child care resource and referral programs shall become the regional child care resource and referral programs provided they are in compliance with other provisions of this chapter.

Subd. 2. Duties. The regional resource and referral program shall have the duties specified in section 256H.20. In addition, the regional program shall be responsible for establishing new or collaborating with existing community-based committees such as interagency early intervention committees or neighborhood groups to advocate for child care needs in the community as well as serve as important local resources for children and their families.

History: 1991 c 292 art 5 s 63

256H.20 GRANTS FOR SCHOOL AGE CHILD CARE PROGRAMS AND CHILD CARE RESOURCE AND REFERRAL PROGRAMS.

[For text of subs 1 to 3, see M.S.1990]

Subd. 3a. Grant requirements and priority. Priority for awarding resource and referral grants shall be given in the following order:

(1) start up resource and referral programs in areas of the state where they do not exist; and

(2) improve resource and referral programs.

Resource and referral programs shall meet the following requirements:

(a) Each program shall identify all existing child care services through information provided by all relevant public and private agencies in the areas of service, and shall develop a resource file of the services which shall be maintained and updated at least quarterly. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, preschool, and extended care programs; and programs for school age children.

The resource file must include: the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, special needs services, and transportation available to the program. The file may also include program information and special program features.

(b) Each resource and referral program shall establish a referral process which responds to parental need for information and which fully recognizes confidentiality rights of parents. The referral process must afford parents maximum access to all referral information. This access must include telephone referral available for no less than 20 hours per week.

Each child care resource and referral agency shall publicize its services through popular media sources, agencies, employers, and other appropriate methods.

(c) Each resource and referral program shall maintain ongoing documentation of requests for service. All child care resource and referral agencies must maintain documentation of the number of calls and contacts to the child care information and referral agency or component. A resource and referral program shall collect and maintain the following information:

(1) ages of children served;

(2) time category of child care request for each child;

(3) special time category, such as nights, weekends, and swing shift; and

(4) reason that the child care is needed.

(d) Each resource and referral program shall make available the following information as an educational aid to parents:

(1) information on aspects of evaluating the quality and suitability of child care services, including licensing regulation, financial assistance available, child abuse reporting procedures, appropriate child development information;

(2) information on available parent, early childhood, and family education programs in the community.

(e) On or after one year of operation a resource and referral program shall provide technical assistance to employers and existing and potential providers of all types of child care services. This assistance shall include:

(1) information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

(2) information and resources which help existing child care providers to maximize their ability to serve the children and parents of their community;

(3) dissemination of information on current public issues affecting the local and state delivery of child care services;

(4) facilitation of communication between existing child care providers and child-related services in the community served;

(5) recruitment of licensed providers; and

(6) options, and the benefits available to employers utilizing the various options, to expand child care services to employees.

Services prescribed by this section must be designed to maximize parental choice

in the selection of child care and to facilitate the maintenance and development of child care services and resources.

(f) Child care resource and referral information must be provided to all persons requesting services and to all types of child care providers and employers.

(g) Public or private entities may apply to the commissioner for funding. A local match of up to 25 percent is required.

Subd. 4. Application; rules. Applicants for grants under subdivision 1 shall apply on a form provided by the commissioner. Applications for grants using funds received by the state pursuant to subdivision 2 shall include assurances that federal requirements have been met. The commissioner may adopt rules as necessary to implement this section.

[For text of subd 4, see M.S.1990]

History: 1991 c 292 art 5 s 64

256H.21 CHILD CARE SERVICES GRANT DEFINITIONS.

[For text of subds 1 to 9, see M.S.1990]

Subd. 10. Resource and referral program. "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. It also means the agency with the duties specified in sections 256H.196 and 256H.20. Services may include parent education, technical assistance for providers, staff development programs, and referrals to social services.

[For text of subds 11 and 12, see M.S.1990]

History: 1991 c 292 art 5 s 65

256H.22 CHILD CARE SERVICES GRANTS.

[For text of subd 1, see M.S.1990]

Subd. 2. Distribution of funds. (a) The commissioner shall allocate grant money appropriated for child care service development among the development regions designated by the governor under section 462.385, as follows:

(1) 50 percent of the child care service development grant appropriation shall be allocated to the metropolitan economic development region; and

(2) 50 percent of the child care service development grant appropriation shall be allocated to economic development regions other than the metropolitan economic development region.

(b) The following formulas shall be used to allocate grant appropriations among the economic development regions:

(1) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each economic development region to the total number of children under 12 years of age in all economic development regions; and

(2) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each economic development region to the number of licensed child care spaces currently available in each economic development region.

(c) Out of the amount allocated for each economic development region, the commissioner shall award grants based on the recommendation of the grant review advisory task force. In addition, the commissioner shall award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses.

(d) Any funds unobligated may be used by the commissioner to award grants to proposals that received funding recommendations by the advisory task force but were not awarded due to insufficient funds.

(e) The commissioner may allocate grants under this section for a two-year period and may carry forward funds from the first year as necessary.

[For text of subd 3, see M.S.1990]

Subd. 3a. Distribution of funds for child care resource and referral programs. The commissioner shall allocate funds appropriated for child care resource and referral services considering the following factors for each economic development region served by the child care resource and referral agency:

- (1) the number of children under 13 years of age needing child care in the service area;
- (2) the geographic area served by the agency;
- (3) the ratio of children under 13 years of age needing care to the number of licensed spaces in the service area;
- (4) the number of licensed child care providers and extended day school age child care programs in the service area; and
- (5) other related factors determined by the commissioner.

[For text of subds 4 to 11, see M.S.1990]

History: 1991 c 292 art 5 s 66,67

256H.225 ASSISTANCE TO CHILD CARE CENTERS AND PROVIDERS.

The commissioner shall work with the early childhood care and education council and with the resource and referral programs to develop tools to assist child care centers and family child care providers to obtain accreditation and certification and to achieve improved pay for child care workers.

History: 1991 c 292 art 5 s 68

256H.25 [Repealed, 1991 c 292 art 5 s 82]

NOTE: Subdivision 1 was also amended by Laws 1991, chapter 345, article 2, section 46, to read as follows:

"Subdivision 1. **Membership.** By January 1, 1990, the commissioner of health shall convene and chair an interagency advisory committee on child care. In addition to the commissioner, members of the committee are the commissioners of each of the following agencies and departments: human services, jobs and training, public safety, education, and the higher education coordinating board. The purpose of the committee is to improve the quality and quantity of child care and the coordination of child care related activities among state agencies."

256H.26 [Repealed, 1991 c 292 art 5 s 82]