

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 [Repealed, 1999 c 205 art 1 s 73]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

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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 the provision of child care as defined in subdivision 5.

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 defined under section 256J.49, 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 and child support and maintenance distributed to the family under section 256.741, subdivision 15. 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-time or part-time students up to the age of 19, 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 256.741.

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 an individual or child care center or facility, either licensed or unlicensed, providing legal child care services as defined under section 245A.03. A legally unlicensed registered family child care provider must be at least 18 years of age, and 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 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. Transition year child care is not available to families who have been disqualified from MFIP due to fraud.

Subd. 21. **Recoupment of overpayments.** "Recoupment of overpayments" means the reduction of child care assistance payments to an eligible family in order to correct an overpayment to the family even when the overpayment is due to agency error or other circumstances outside the responsibility or control of the family.

Subd. 22. **Service period.** "Service period" means the biweekly period used by the child care assistance program for billing and payment purposes.

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 7-12,154; 1999 c 205 art 1 s 3-10,69; art 5 s 1,2,21; 2000 c 260 s 19,89; 2000 c 488 art 10 s 1; 2000 c 489 art 1 s 2-4; 1Sp2001 c 3 art 1 s 1,2; 2002 c 279 s 1,2

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.

Subd. 2. **Contractual agreements with tribes.** The commissioner may enter into contractual agreements with a federally recognized Indian tribe with a reservation in Minnesota to carry out the responsibilities of county human service agencies to the extent necessary for the tribe to operate child care assistance programs under sections 119B.03 and 119B.05. An agreement may allow for the tribe to be reimbursed for child care assistance services provided under section 119B.05. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and tribal child care services. Funding to support services under section 119B.03 may be transferred to the federally recognized Indian tribe with a reservation in Minnesota from allocations available to counties in which reservation boundaries lie. When funding is transferred under section 119B.03, the amount shall be commensurate to estimates of the proportion of reservation residents with characteristics identified in section 119B.03, subdivision 6, to the total population of county residents with those same characteristics.

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.

Subd. 6. **Data.** Data on individuals collected by the commissioner for purposes of administering this chapter are private data on individuals as defined in section 13.02.

History: *1Sp1985 c 14 art 9 s 72; 1987 c 403 art.2 s 146; art 3 s 60; 1989 c 282 art 2 s 141; 1990 c 432 s 1; 1991 c 292 art 5 s 52; 1995 c 207 art 4 s 24; 1995 c 257 art 1 s 17; 1997 c 162 art 4 s 9; 1998 c 407 art 6 s 2; 1999 c 159 s.13; 1999 c 205 art 1 s 11-14; 2001 c 178 art 2 s 5*

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 and who need child care assistance to participate in the education program. 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.

Subd. 5. **Review of use of funds; reallocation.** (a) 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 or may allow a county to expend up to ten percent of its allocation in the subsequent allocation period.

(b) Any unexpended state and federal appropriations from the first year of the biennium may be carried forward to the second year of the biennium.

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

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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. 6a. Allocation due to increased funding. When funding increases are implemented within a calendar year, every county must receive an allocation at least equal and proportionate to its original allocation for the same time period. The remainder of the allocation must be recalculated to reflect the funding increase, according to formulas identified in subdivision 6.

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

Subd. 8. Guaranteed floor. (a) Beginning January 1, 1996, each county's guaranteed floor shall equal 90 percent of the allocation received in the preceding calendar year. For the period January 1, 1999, to December 31, 1999, each county's guaranteed floor must be equal to its original calendar year 1998 allocation or its actual earnings for calendar year 1998, whichever is less.

(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.

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.

Subd. 10. Application; entry points. Two or more methods of applying for the basic sliding fee program must be available to applicants in each county. To meet the requirements of this subdivision, a county may provide alternative methods of applying

for assistance, including, but not limited to, a mail application, or application sites that are located outside of government offices.

History: *1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 61; 1988 c 689 art 2 s 224; 1989 c 282 art 2 s 142; 1990 c 568 art 4 s 39-41; 1991 c 292 art 5 s 53; 1992 c 464 art 1 s 31; 1992 c 513 art 8 s 28,29; 1995 c 207 art 4 s 25-29; 1997 c 162 art 1 s 19; art 4 s 10-17; 1998 c 254 art 1 s 29; 1999 c 159 s 14,15; 1999 c 205 art 1 s 15-20,69; 2000 c 489 art 1 s 5,6*

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.

Subd. 2. **Rulemaking authority.** The commissioner may adopt rules under chapter 14 to administer the child care and development fund.

History: *1991 c 292 art 5 s 54; 1Sp1995 c 3 art 16 s 13; 1997 c 162 art 4 s 18; 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 job search, job support, employment, or training activities as required in their job search support or employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J;

(5) MFIP families who are participating in social services activities under chapter 256J or 256K as required in their employment plan approved according to chapter 256J or 256K; and

(6) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2.

Subd. 2. [Repealed, 1997 c 162 art 1 s 19]

Subd. 3. [Repealed, 1997 c 162 art 1 s 19]

Subd. 4. **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 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.

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: *1987 c 403 art 3 s 63; 1Sp1987 c 4 art 2 s 5; 1988 c 689 art 2 s 225; 1989 c 282 art 2 s 143; 1990 c 568 art 4 s 42-45; 1991 c 292 art 5 s 55; 1992 c 513 art 8 s 30,31; 1995 c 207 art 4 s 30; 1Sp1995 c 3 art 16 s 13; 1997 c 162 art 4 s 19-21,23; 1Sp1997 c 5 s 49; 3Sp1997 c 3 s 22; 1998 c 397 art 11 s 3; 1999 c 86 art 1 s 32; 1999 c 159 s 16; 1999 c 205 art 1 s 21,22,69,70; 2000 c 489 art 1 s 7*

NOTE: Subdivision 1, clause (5), expires June 30, 2003. Laws 2000, chapter 489, article 1, section 36.

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.

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

Subd. 3. **Child care development fund plan development; review.** In an effort to improve state legislative involvement in the development of the Minnesota child care and development fund plan, the commissioner must present a draft copy of the plan to the legislative finance committees that oversee child care assistance funding no less than 30 days prior to the required deadline for submission of the plan to the federal government. The legislature must submit any adjustments to the plan to the commissioner for consideration within ten business days of receiving the draft plan. The commissioner must present a copy of the final plan to the chairs of the legislative finance committees that oversee child care assistance funding no less than four days prior to the deadline for submission of the plan to the federal government.

History: 1991 c 292 art 5 s 56; 1Sp1995 c 3 art 16 s 13; 1999 c 205 art 1 s 23; 1Sp2001 c 3 art 1 s 3

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, except as provided in subdivision 4, 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 stepparent.

Subd. 4. **Assistance.** (a) A family is limited to a lifetime total of 12 months of assistance under subdivision 2. The maximum rate of assistance is equal to 90 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. For purposes of this section, the annual income of the applicant family must be based on an annualization of the income received only during the period in which the family is participating in the at-home infant care program.

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

(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: 1997 c 162 art 4 s 22; 1999 c 205 art 1 s 24; 1Sp2001 c 3 art 1 s 4; 2002 c 279 s 3,4

119B.07 USE OF MONEY.

(a) 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 training 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.

(b) 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: 1987 c 403 art 3 s 66; 1988 c 689 art 2 s 227; 1989 c 282 art 2 s 145; 1990 c 426 art 1 s 31; 1990 c 568 art 4 s 46; 1991 c 292 art 5 s 57; 1995 c 207 art 4 s 31; 1997 c 162 art 4 s 24; 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]

119B.08 REPORTING AND PAYMENTS.

Subdivision 1. **Reports.** The commissioner shall specify requirements for reports under the same authority as provided to the commissioner of human services in section 256.01, subdivision 2, paragraph (17).

Subd. 2. **Quarterly payments.** The commissioner may make payments to each county in quarterly installments. The commissioner may certify an advance up to 25 percent of the allocation. Subsequent payments shall be made on a reimbursement basis for reported expenditures and may be adjusted for anticipated spending patterns. Payments may be withheld if quarterly reports are incomplete or untimely.

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.

Subd. 4. **Termination of allocation.** The commissioner may withhold, reduce, or terminate the allocation of any county that does not meet the reporting or other

requirements of this program. The commissioner shall reallocate to other counties money so reduced or terminated.

History: 1987 c 403 art 3 s 67; 1989 c 89 s 22; 1989 c 282 art 2 s 146; 1990 c 568 art 4 s 47; 1997 c 162 art 4 s 26,27; 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.

Subd. 2. **Sliding fee.** Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

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.

Subd. 4. **Eligibility; annual income; calculation.** Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, or income calculated by the method which provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be redetermined when the family's income changes, but no less often than every six months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

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.

Subd. 6. **Maximum child care assistance.** The maximum amount of child care assistance a local agency may authorize in a two-week period is 120 hours per child.

Subd. 7. **Date of eligibility for assistance.** (a) 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.

(b) 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.

Subd. 8. **No employee-employer relationships.** Receipt of federal, state, or local funds by a child care provider either directly or through a parent who is a child care assistance recipient does not establish an employee-employer relationship between the child care provider and the county or state.

History: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 68; 1988 c 689 art 2 s 228; 1989 c 282 art 2 s 147,148; 1990 c 568 art 4 s 48-50; 1992 c 513 art 8 s 32; 1997 c 162 art 4 s 28-32; 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.

Subd. 2. **Financial eligibility required.** Persons participating in employment programs, training programs, or education programs are eligible for continued assistance from the child care fund, if they are financially eligible under the sliding fee scale set by the commissioner in section 119B.12.

History: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 69; 1989 c 282 art 2 s 149; 1990 c 568 art 4 s 51; 1995 c 207 art 4 s 32; 1997 c 162 art 4 s 33; 1999 c 205 art 1 s 31

119B.11 COUNTY CONTRIBUTION.

Subdivision 1. **County contributions required.** (a) In addition to payments from basic sliding fee child care program participants, each county shall contribute from county tax or other sources a fixed local match equal to its calendar year 1996 required county contribution reduced by the administrative funding loss that would have

occurred in state fiscal year 1996 under section 119B.15. The commissioner shall recover funds from the county as necessary to bring county expenditures into compliance with this subdivision. The commissioner may accept county contributions, including contributions above the fixed local match, in order to make state payments.

(b) The commissioner may accept payments from counties to:

- (1) fulfill the county contribution as required under subdivision 1;
- (2) pay for services authorized under this chapter beyond those paid for with federal or state funds or with the required county contributions; or
- (3) pay for child care services in addition to those authorized under this chapter, as authorized under other federal, state, or local statutes or regulations.

(c) The county payments must be deposited in an account in the special revenue fund. Money in this account is appropriated to the commissioner for child care assistance under this chapter and other applicable statutes and regulations and is in addition to other state and federal appropriations.

Subd. 2. [Repealed, 1997 c 162 art 1 s 19]

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.

Subd. 3. **Federal money; state recovery.** The commissioner shall recover from counties any state or federal money that was spent for persons found to be ineligible, except if the recovery is made by a county agency using any method other than recoupment, the county may keep 25 percent of the recovery. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.

Subd. 4. **Maintenance of funding effort.** To receive money through this program, each county shall certify, in its annual plan to the commissioner, that the county has not reduced allocations from other federal and state sources, which, in the absence of the child care fund, would have been available for child care assistance. However, the county must continue contributions, as necessary, to maintain on the basic sliding fee program, families who are receiving assistance on July 1, 1995, until the family loses eligibility for the program or until a family voluntarily withdraws from the program. This subdivision does not affect the local match required for this program under other sections of the law.

History: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 70; 1989 c 282 art 2 s 150; 1995 c 139 s 1; 1995 c 207 art 4 s 33-35; 1997 c 162, art 4 s 34-36; 1999 c 205, art 1 s 32; 1Sp2001 c 3 art 1 s 5

119B.12 SLIDING FEE SCALE.

Subdivision 1. **Fee schedule.** In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The commissioner shall base the

parent fee on the ability of the family to pay for child care. The fee schedule must be designed to use any available tax credits.

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: *1Sp1985 c 14 art 9 s 72; 1988 c 689 art 2 s 229; 1997 c 162 art 4 s 37; 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 like-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 or the state 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 or the state 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 or the state 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. If

payments are made by the state, in addition to being in compliance with this subdivision, the payments must be made in compliance with section 16A.124.

History: 1Sp1985 c 14 art 9 s 72; 1987 c 290 s 1; 1989 c 282 art 2 s 151; 1990 c 568 art 4 s 52,53; 1991 c 292 art 5 s 58-60; 1995 c 207 art 4 s 36; 1Sp1995 c 3 art 16 s 13; 1997 c 162 art 4 s 38-40; 1Sp1997 c 5 s 48; 1999 c 205 art 1 s 34; 1Sp2001 c 3 art 1 s 6

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: 1Sp1985 c 14 art 9 s 72; 1990 c 568 art 4 s 54; 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: 1Sp1985 c 14 art 9 s 72; 1987 c 403 art 3 s 72; 1989 c 282 art 2 s 152; 1991 c 292 art 5 s 61; 1995 c 207 art 4 s 37; 1997 c 162 art 4 s 41; 1999 c 159 s 24; 1999 c 205 art 1 s 36,69

119B.16 FAIR HEARING PROCESS.

Subdivision 1. **Fair hearing allowed.** An applicant or recipient adversely affected by a county agency action may request a fair hearing in accordance with section 256.045.

Subd. 2. **Informal conference.** The county agency shall offer an informal conference to applicants and recipients adversely affected by an agency action to attempt to resolve the dispute. The county agency shall advise adversely affected applicants and recipients that a request for a conference with the agency is optional and does not delay or replace the right to a fair hearing.

History: 1987 c 403 art 3 s 73; 1988 c 689 art 2 s 230; 1997 c 162 art 4 s 42.

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. 2. [Repealed, 1997 c 162 art 1 s 19]

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: 1986 c 404 s 3; 1987 c 403 art 3 s 74; 1988 c 689 art 2 s 231; 1989 c 282 art 2 s 153; 1991 c 199 art 2 s 1; 1991 c 292 art 5 s 64; 1995 c 207 art 4 s 38; 1Sp1995 c 3 art 16 s 13; 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. 7. [Repealed, 1997 c 162 art 1 s 19]

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: 1989 c 282 art 2 s 155; 1990 c 426 art 1 s 32,33; 1990 c 568 art 4 s 56-58; 1991 c 292 art 5 s 66,67; 1994 c 465 art 3 s 38; 1997 c 162 art 4 s 47-56; 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.

Subd. 2. Donated materials and services; matching share of cost. For the purposes of this section, donated professional and volunteer services, program materials, equipment, supplies, and facilities may be approved as part of a matching share of the cost, provided that total costs shall be reduced by the costs charged to parents if a sliding fee scale has been used.

Subd. 3. Biennial plan. The county board shall biennially develop a plan for the distribution of money for child care services as part of the community social services plan described in section 256E.09. All licensed child care programs shall be given written notice concerning the availability of money and the application process.

History: 1989 c 282 art 2 s 156; 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 and school-age care programs. Subject to approval by the commissioner, family child care providers and early childhood and school-age care programs shall be reimbursed for one-half of the direct cost of accreditation fees, upon successful completion of accreditation.

History: 1989 c 282 art 2 s 157; 1994 c 529 s 15; 1Sp1995 c 3 art 16 s 13; 1999 c 205 art 1 s 38; art 5 s 21; 1Sp2001 c 3 art 1 s 7

119B.25 CHILD CARE IMPROVEMENT GRANTS.

Subdivision 1. Purpose. The purpose of this section is to enhance and expand child care sites, to encourage private investment in child care and early childhood education sites, to promote availability of quality, affordable child care throughout Minnesota, and to provide for cooperation between private nonprofit child care organizations, family child care and center providers and the department.

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.

Subd. 4. Reporting. A nonprofit corporation that receives a grant under this section shall:

- (1) annually report by September 30 to the commissioner the purposes for which the money was used in the past fiscal year, including a description of projects supported by the financing, an account of loans made during the calendar year, the financing program's assets and liabilities, and an explanation of administrative expenses; and
- (2) annually submit to the commissioner a copy of the report of an independent audit performed in accordance with generally accepted accounting practices and auditing standards.

History: 1997 c 162 art 4 s 57; 1999 c 205 art 1 s 39; art 5 s 21

119B.26 AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.

The commissioner may waive requirements under this chapter for up to nine months after the disaster in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the senate family and early childhood education budget division, the senate education finance committee, the house family and early childhood education finance division, the house education committee, and the house ways and means committee ten days before the effective date of any waiver granted under this section.

History: 1997 c 203 art 1 s 15; 1Sp1997 c 5 s 46; 1998 c 383 s 36