

119B.231 SCHOOL READINESS SERVICE AGREEMENTS.

Subdivision 1. **Overview.** (a) Effective July 1, 2007, funds must be made available to allow the commissioner to pay higher rates to up to 50 child care providers who are deemed by the commissioner to meet the requirements of a school readiness service agreement (SRSA) provider and perform services that support school readiness for children and economic stability for parents.

(b) A provider may be paid a rate above that currently allowed under section 119B.13 if:

- (1) the provider has entered into an SRSA with the commissioner;
- (2) a family using that provider receives child care assistance under any provision in chapter 119B except section 119B.035;
- (3) the family using that provider meets the criteria in this section; and
- (4) funding is available under this section.

Subd. 2. **Provider eligibility.** (a) To be considered for an SRSA, a provider shall apply to the commissioner or have been chosen as an SRSA provider prior to June 30, 2009, and have complied with all requirements of the SRSA agreement. Priority for funds is given to providers who had agreements prior to June 30, 2009. If sufficient funds are available, the commissioner shall make applications available to additional providers. To be eligible to apply for an SRSA, a provider shall:

- (1) be eligible for child care assistance payments under chapter 119B;
- (2) have at least 25 percent of the children enrolled with the provider subsidized through the child care assistance program;
- (3) provide full-time, full-year child care services; and
- (4) have obtained a level 3 or 4 star rating under the voluntary Parent Aware quality rating system.

(b) The commissioner may waive the 25 percent requirement in paragraph (a), clause (2), if necessary to achieve geographic distribution of SRSA providers and diversity of types of care provided by SRSA providers.

(c) An eligible provider who would like to enter into an SRSA with the commissioner shall submit an SRSA application. To determine whether to enter into an SRSA with a provider, the commissioner shall evaluate the following factors:

- (1) the provider's Parent Aware rating score;
- (2) the provider's current or planned social service and employment linkages;
- (3) the geographic distribution needed for SRSA providers;
- (4) the inclusion of a variety of child care delivery models; and
- (5) other related factors determined by the commissioner.

Subd. 3. **Family and child eligibility.** (a) A family eligible to choose an SRSA provider for their children shall:

- (1) be eligible to receive child care assistance under any provision in chapter 119B except section 119B.035;

(2) be in an authorized activity for an average of at least 35 hours per week when initial eligibility is determined; and

(3) include a child who has not yet entered kindergarten.

(b) A family who is determined to be eligible to choose an SRSA provider remains eligible to be paid at a higher rate through the SRSA provider when the following conditions exist:

(1) the child attends child care with the SRSA provider a minimum of 25 hours per week, on average;

(2) the family has a child who has not yet entered kindergarten; and

(3) the family maintains eligibility under chapter 119B except section 119B.035.

(c) After initial eligibility has been determined, a decrease in the family's authorized activities to an average of less than 35 hours per week does not result in ineligibility for the SRSA rate. A family must continue to maintain eligibility under this chapter and be in an authorized activity.

(d) A family that moves between counties but continues to use the same SRSA provider shall continue to receive SRSA funding for the increased payments.

Subd. 4. Requirements of providers. An SRSA must include assessment, evaluation, and reporting requirements that promote the goals of improved school readiness and movement toward appropriate child development milestones. A provider who enters into an SRSA shall comply with all SRSA requirements, including the assessment, evaluation, and reporting requirements in the SRSA. Providers who have been selected previously for SRSAs must begin the process to obtain a rating using Parent Aware according to timelines established by the commissioner. If the initial Parent Aware rating is less than three stars, the provider must submit a plan to improve the rating. If a 3 or 4 star rating is not obtained within established timelines, the commissioner may consider continuation of the agreement, depending upon the progress made and other factors. Providers who apply and are selected for a new SRSA agreement on or after July 1, 2009, must have a level 3 or 4 star rating under the voluntary Parent Aware quality rating system at the time the SRSA agreement is signed.

Subd. 5. Relationship to current law. (a) The following provisions in chapter 119B must be waived or modified for families receiving services under this section.

(b) Notwithstanding section 119B.13, subdivisions 1 and 1a, maximum weekly rates under this section are 125 percent of the existing maximum weekly rate for like-care. Providers eligible for a differential rate under section 119B.13, subdivision 3a, remain eligible for the differential above the rate identified in this section. Only care for children who have not yet entered kindergarten may be paid at the maximum rate under this section. The provider's charge for service provided through an SRSA may not exceed the rate that the provider charges a private-pay family for like-care arrangements.

(c) A family or child care provider may not be assessed an overpayment for care provided through an SRSA unless:

(1) there was an error in the amount of care authorized for the family; or

(2) the family or provider did not timely report a change as required under the law.

(d) Care provided through an SRSA is authorized on a weekly basis.

(e) Funds appropriated under this section to serve families eligible under section 119B.03 are not allocated through the basic sliding fee formula under section 119B.03. Funds appropriated under this section are used to offset increased costs when payments are made under SRSA's.

(f) Notwithstanding section 119B.09, subdivision 6, the maximum amount of child care assistance that may be authorized for a child receiving care through an SRSA in a two-week period is 160 hours per child.

(g) Effective May 23, 2008, absent day payment limits under section 119B.13, subdivision 7, do not apply to children for care paid through SRSA's provided the family remains eligible under subdivision 3.

Subd. 6. Establishment of service agreements. (a) The commissioner shall approve SRSA's for up to 50 providers that represent diverse parts of the state and a variety of child care delivery models. Entering into a service agreement does not guarantee that a provider will receive payment at a higher rate for families receiving child care assistance. A family eligible under this section shall choose a provider participating in an SRSA in order for a higher rate to be paid. Payments through SRSA's are also limited by the availability of SRSA funds.

(b) Nothing in this section shall be construed to limit parent choice as defined in section 119B.09, subdivision 5.

(c) The commissioner may allow for startup time for some providers if failing to do so would limit geographic diversity of SRSA providers or a variety of child care delivery models.

History: 2007 c 147 art 2 s 57; 2008 c 361 art 2 s 3; 2009 c 79 art 2 s 5-7; 2009 c 175 art 1 s 7