



## Improve safety and school readiness for children in child care

### Issue:

- Changes to the Child Care Assistance Program are needed to comply with new federal Child Care Development Block Grant requirements that help stabilize families' lives by providing more stable and affordable access to child care.
- Minnesota uses the federal grant to help pay for the Basic Sliding Fee child care, Minnesota Family Investment Program child care and quality improvement initiatives in child care. The federal grant promotes families' economic self-sufficiency by making child care more affordable and stable for families with low incomes, and fosters child development and school readiness.
- Health, safety and licensing changes are also required to meet new federal Child Care Development Block Grant requirements and provide safer, high quality and accessible child care.

### Proposal:

Proposed changes in the governor's supplemental budget designed to improve overall quality and effectiveness of the Child Care Assistance Program will:

- **Streamline eligibility.** Redeterminations will be made every 12 months instead of every six months, continuous eligibility will be allowed when families experience income changes, and reporting requirements will be simplified.
- **Improve the application process.** Changes require an expedited application process for families who are homeless and allow parents, at time of initial application, to spend more time looking for work while on the Child Care Assistance Program.
- **Increase flexibility for families.** Changes will allow more parent choice in scheduling, will maintain consistent child care arrangements, and will exempt families who are homeless from certain requirements for the first three months after they have applied for the program.
- **Ease financial burdens on families.** Copayments for families will not increase during their first 12 months of eligibility. Policies related to overpayments will be simplified.
- **Increase rates paid to providers.** Maximum rates will be adjusted to pay providers to the 50<sup>th</sup> percentile based on a provider market rate survey. Rates are now at about the 25<sup>th</sup> percentile. Most maximum rates will increase, some will stay the same and some will decrease. Federal reauthorization requires ongoing updates.

The governor also proposes changes to improve safety. These changes will:

- **Require more frequent inspections.** Update health and safety requirements and conduct annual, rather than biennial, inspections for licensed family child care providers and licensed child care centers. In addition, changes will mandate training and qualification standards for child care licensors and inspectors.

- **Improve basic safety for all providers.** Require that nonrelative, legal nonlicensed providers and license-exempt centers that accept families receiving Child Care Assistance Program payments meet basic health and safety standards, including annual monitoring visits. Make DHS responsible for conducting background studies for legal nonlicensed, family child care and license-exempt programs that accept children on the program. In addition, DHS will be required to develop a statewide and provider-specific emergency preparedness plan.
- **Provide more information to consumers.** Post on a public website aggregate data and annual monitoring and inspection reports for all providers.

**Benefits:**

- With improvements, children will learn in safer, healthier child care settings.
- With more affordable and stable child care, families' economic self-sufficiency will improve.
- With higher quality, more consistent child care settings, children will be better prepared for school.

**Fiscal impact:**

- FY 2017: \$28.28 million
- FY 2018: \$103.8 million
- FY 2019: \$127.5 million

**Number of people affected:**

- 16,000 families with 30,000 children receive Child Care Assistance Program benefits monthly.
- 13,000 Minnesota child care providers care for and teach 200,000 children.

**Related information:**

- Governor's Supplemental Budget Proposal on the [Minnesota Management & Budget website](http://www.mn.gov/mmb/images/16-17-supplemental-agency-item.pdf), <http://www.mn.gov/mmb/images/16-17-supplemental-agency-item.pdf>
- Information about the Child Care Assistance Program and child care resources on the DHS website: <http://mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/child-care/>

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