

S.F. 3332 (4/4/2016) – Overview of Proposed Changes for the Child Care Assistance program

Proposal includes the following changes, in order of proposed effective dates:

October 10, 2016

- **Maintain Consistent Child Care Arrangements:** A child who turns 13, or 15 with a disability, is authorized at the same level until the next redetermination.

December 5, 2016

- **Legal nonlicensed providers:** New training, reporting and emergency preparedness plan requirements begin to apply.
 - New providers registering after 12/4/2016 are subject to the new requirements. Previously registered providers must meet the new requirements when they renew their registration beginning 2/1/2017.
 - Changes made to differentiate requirements for related vs. nonrelated providers.
 - **Nonrelated legal nonlicensed providers** must have taken First Aid and CPR prior to authorization, then additional training is required (within 90 days of initial authorization), and some on-going training is required.
 - Nonrelated legal nonlicensed providers must have an annual inspection.
 - **Related legal nonlicensed providers** must take First Aid and CPR prior to authorization, then within 90 days must take sudden unexpected infant death training (if caring for an infant) and abusive head trauma (if caring for children 4 and younger).
 - No on-going training or inspection requirements apply to related nonlicensed providers.
 - Existing providers registered for CCAP must be notified of new requirements by 11/1/2016.

January 2, 2017

- **Redeterminations:** Determine eligibility every 12 months, instead of every 6 months. Notify providers 45 days before the end of a family's 12 month eligibility period.
- **Continuous Eligibility:** Ensure continued assistance for families when moving between sub-programs.
- **Copayments:** Eliminate increases in copayments during 12 month redetermination period.
- **Income Exit Levels:** Allow assistance to continue for 12 months after the redetermination when income exceeds exit level (67% State Median Income) but is below federal exit level (85% State Median Income).
- **Portability Pool** is continued until family is able to get Basic Sliding Fee in the new county.
- **Self-employed families:** Simplify and align self-employment income definition with other programs.
- **Overpayments:** Decrease instances when families are required to pay back assistance and align with other programs by eliminating overpayments due to agency error, establish a look-back period, allow a period of continued assistance where some overpayments are not charged, and establish a collection threshold.
- **Provider Policies:** Require that a background study be completed on legal nonlicensed providers before care can be paid (cannot make provisional payments), make payments to all providers within 21 days.

March 13, 2017

- **Homeless Families:** Process applications from homeless families within 5 days and prior to receiving verifications. Waive activity requirements for homeless families for 3 months.
- **\$1 Million Asset Limit:** Require families to self-certify that assets are less than \$1 Million.
- **Provider Policies:** Prohibit providers from charging families for the difference between their charge and the rates paid by the Child Care Assistance Program.
- **Maximum Rates:** Increase maximum rates to align with the most recent market rate survey.

May 22, 2017

- **Maintain Consistent Child Care Arrangements:** Keep child care authorizations consistent throughout the 12 month redetermination period. Continues assistance for three months when work or education ends permanently.
- **Job Search:** Allow job search at initial application for a 3 month period.
- **Parent choice in child care schedule:** Eliminate schedule verification requirements for most families and allow families to choose a child care schedule that works best for their families within the number of hours allowed.
- **Reporting Requirements:** Simplify by eliminating the need to reports some changes, such as changes in income (as long as less than 85% SMI) and changes in work or school schedules.
- **Program Integrity Proposal:** Shorten the retroactive eligibility period from 6 months to 3 months.

June 5, 2017

- **Program Integrity Proposals:** Limit the amount of care authorized when a child has multiple providers, and increase fraud disqualification period for providers.

November 1, 2017

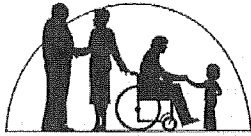
- **Certify license exempt centers serving children on CCAP**
 - Establish certification requirements that applies to license exempt programs paid under CCAP.
 - Make inspection reports publicly available on the website.

January 1, 2018

- **Provider Contracts:** Contract with child care providers to address shortages in the supply of high quality child care. 2017 will be a planning year to establish criteria and a process.

Health and Safety Requirements	Child Care Centers	Family Child Care	License Exempt Centers
Prevention and control of infectious diseases (including immunization);	<ul style="list-style-type: none"> ■ No Change for infectious disease ■ New part in H&S section for immunizations 	<ul style="list-style-type: none"> ■ No Change for infectious disease ■ New part in H&S section for immunizations 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12
SIDS and use of safe sleep practices;	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12
Administration of medication;	<ul style="list-style-type: none"> ■ New component related to portability of medications for emergencies added to emergency preparedness language in H&S section 	<ul style="list-style-type: none"> ■ New component related to portability of medications for emergencies added to emergency preparedness language in H&S section 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12
Prevention/response to food allergies;	<ul style="list-style-type: none"> ■ New language in H&S section 	<ul style="list-style-type: none"> ■ New language in FCC H&S section 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12
Building and physical premises safety;	<ul style="list-style-type: none"> ■ No Change ■ Small tweak to fire inspection language in 245A.151 	<ul style="list-style-type: none"> ■ No Change ■ Small tweak to fire inspection language in 245A.151 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12 ■ Small tweak to fire inspection language in 245A.151
Prevention of shaken baby syndrome and abusive head trauma;	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12
Emergency preparedness and response planning;	<ul style="list-style-type: none"> ■ New section added to H&S section 	<ul style="list-style-type: none"> ■ Added new FCC-specific section in H&S section 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 13
Storage of hazardous materials and biocontaminants;	<ul style="list-style-type: none"> ■ New biocontaminants language in risk reduction plan; ■ No change to hazardous materials 	<ul style="list-style-type: none"> ■ New biocontaminants language in H&S section ■ No change to hazardous materials 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12
Precautions in transporting children (if applicable);	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12

First-aid and CPR	<ul style="list-style-type: none"> ■ Changed requirements to every 2 years ■ No Change 	<ul style="list-style-type: none"> ■ No Change ■ No Change 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12 ■ New language in 119B.127, subd. 12
Recognition and reporting of child abuse and neglect	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12
Staffing requirements	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ New language – subd. 7 and subd. 8
Health and Safety Training Requirement	<ul style="list-style-type: none"> ■ Updated orientation training language ■ Added in-service training language 	<ul style="list-style-type: none"> ■ Added language to be part of Supervising for Safety training (preservice and ongoing) 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 12 and 14
Homeless exemption on immunizations	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change
Additional Requirements			
Parental Access	<ul style="list-style-type: none"> ■ Added language from 9503.0095 to 245A.14 	<ul style="list-style-type: none"> ■ Added language from 9503.0095 to 245A.14 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 17
Parental complaints	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ Included in 13.46, subd.4(b)
Qualified inspectors	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ Added language to 245A.16 	<ul style="list-style-type: none"> ■ No Change
Annual inspections	<ul style="list-style-type: none"> ■ Added language to 245A.04 	<ul style="list-style-type: none"> ■ Added language to 245A.04 ■ Added language to 245A.16 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 4
Provider reporting requirements	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 10
Posting inspection reports	<ul style="list-style-type: none"> ■ Added language to 245A.04 	<ul style="list-style-type: none"> ■ Added language to 245A.04 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 4
Statewide disaster plan	<ul style="list-style-type: none"> ■ Added language to 245A.1492 	<ul style="list-style-type: none"> ■ Added language to 245A.1492 	<ul style="list-style-type: none"> ■ Added language to 245A.1492
Background studies changes	<ul style="list-style-type: none"> ■ No change 	<ul style="list-style-type: none"> ■ October 2017 changes: state-based fingerprint studies conducted by DHS 	<ul style="list-style-type: none"> ■ New language in 119B.127, subd. 9: state-based fingerprint studies conducted by DHS
Agency reporting	<ul style="list-style-type: none"> ■ No Change 	<ul style="list-style-type: none"> ■ Added language to 245A.16, subd. 1 	<ul style="list-style-type: none"> ■ No Change (umbrella language applies)



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 50th percentile based on a provider market rate survey. Rates are now at about the 25th 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/>

DHS Communications: March 2016