

Child Care Assistance Program Updates- February 2019

The Child Care Assistance Program (CCAP) helps families pay for child care so that parents can work or go to school and helps ensure children are well cared for and prepared to enter school ready to learn. CCAP serves approximately 15,000 families/30,000 children each month. About 3500 providers are paid each month by CCAP.

Legislative changes related to compliance with CCDF – 2018 bill language

- **Update maximum rates**
 - Options may include updating rates to the 25th percentile of the most recent survey or updating rates based on available federal funding (as proposed in 2018).
- **Ensure that families do not lose assistance during their 12 month eligibility period**
 - Eliminate 6 month limit on Portability Pool.
 - Families who receive MFIP for at least 1 month qualify for Transition Year child care.
 - Children who reach age limit continue to be eligible until redetermination.
- **Make child care available to more homeless children:**
 - Create an expedited application process (process within 5 business days and allow families up to 3 months to gather required verifications).
 - Waive activity requirements for homeless families for first 3 months.

Other legislative ideas

- **Allow CCAP data to be shared with the Department of Education for purposes of administering scholarships**
- **Ideas to address program integrity concerns**
 - A number of ideas are currently being explored.
 - Expect an OLA report in February- may guide possible recommendations to policy or practice.

Rule Revision Update

During the 2017 legislative session, many changes were made to CCAP. Most of the changes were required as part of the federal Child Care and Development Block Grant Act of 2014. CCAP is amending the rule throughout [Minnesota Rules, Chapter 3400, Child Care Fund](#) to align with federal and state statutory changes, and replace or remove outdated guidance.

DHS posted a notice in the State Register in September 2018 and reached out to over 30 community and state agencies, all licensed providers, and all legal nonlicensed providers registered to receive CCAP. A meeting was held October 30, 2018 to learn about the rule revision process, amendment topics, and how to give input. Sixty individuals from various sectors volunteered to serve on the Rule Revision Advisory Committee and DHS also plans to engage families in the revision process.

DHS is currently working on revisions and once available, draft language will be provided to the Advisory Committee and posted [online](#). The next Rule Revision Advisory Committee meeting will be held in Summer 2019 and will include detailed review of drafted language. All stakeholders are welcome to submit comments at any time during the revision process.

Cost of Care Analysis

The Department of Human Services, in partnership with ICF International, is conducting an analysis of the cost of child care. This analysis will involve collecting information about child care programs' business practices and expenses to help determine the true cost of providing child care—and high-quality child care—in Minnesota.

The collection and analysis of child care program cost information is a new effort related to the state's Market Rate Survey (MRS). While the MRS reflects variations in the *price* of child care services by geographic area, type of provider, and age of children served, the cost of care analysis will shed light on variations in how much it *costs* providers to serve children by geographic area, age of children served, type of provider, and quality of care. These costs include staff salaries and benefits, training and professional development, appropriate child to staff ratios, curricula and supplies, facilities, etc. This information will help the department and the legislature consider the full cost of delivering child care services when determining maximum rates, and will help the department gain a better understanding of provider business practices and challenges.

The data collection phase is well under way, and ICF is currently conducting in-depth phone interviews with providers throughout Minnesota to gain a deeper understanding of the expenses that providers in the state incur. The analysis is on track to be completed by early summer 2019.