

Bulletin

June 19, 2006

Minnesota Department of Human Services □ P.O. Box 64941 □ St. Paul, MN 55164-0941

OF INTEREST TO

- County Directors
- County Supervisors and Staff
 - Child Care
 - Child Support
 - Fiscal
 - Fraud
 - Income Maintenance
 - Social Services
- County Child Care
 - Administrative
 - Contacts and Client
 - Access Contacts
- Child Care Resource and Referral Agencies
- Employment Service Providers
- Tribal Representatives

ACTION/DUE DATE

Please read and implement.

EXPIRATION DATE

The policies in this bulletin are ineffective as of June 2008

Child Care Assistance Program Modifications Enacted by the 2006 Legislature

TOPIC

Overview of the 2006 Child Care Assistance Program legislation.

PURPOSE

Inform county agencies, employment and training service providers, child care resource and referral agencies, and tribal social service agencies of program and policy modifications enacted by the 2006 legislature.

CONTACT

Contact your CCAP Technical liaison (see Page 2) or submit your question through Policy Quest.

CCAP Technical Liaisons (see Page 2)
 Minnesota Department of Human Services
 P.O. Box 64951
 St. Paul, MN 55164-0951

SIGNED

CHARLES E. JOHNSON
 Assistant Commissioner
 Children and Family Service

I. Introduction

The results of the 2006 legislative session include policy related statutory changes affecting the Child Care Assistance Program (CCAP), supervised by the Department of Human Services. This bulletin provides relevant information on statutory changes to counties and other agencies that administer CCAP.

Some of the changes in this bulletin are identified for informational purposes; other changes require agency action. **If you have questions about this bulletin that require immediate attention, please contact your CCAP Technical Assistance Liaison. All other questions should be directed to the Local Agency Support Policy Center. For counties with cases already converted to MEC², additional details about system implementation of these legislative changes will be communicated directly from MEC² staff to system users. For counties with cases on CCMA, additional details about system implementation of these legislative changes will be communicated directly from DHS staff to system users.**

Changes referenced in this bulletin are effective July 1, 2006, unless otherwise noted.

Technical Liaisons contact information:

Region	Technical Liaison	Phone Number	Email Address
2, 3, 5, 7E	Tia Chang	(651) 431-4036	tia.chang@state.mn.us
4	Brenda Clark	(651) 431-4047	brenda.clark@state.mn.us
6E, 6W	Laurie Possin	(651) 431-4044	laurie.j.possin@state.mn.us
7W, 10, 11	Merianne Peterson	(651) 431-4035	merianne.peterson@state.mn.us
1, 8, 9	Joan Anderson	(651) 431-4037	joan.k.anderson@state.mn.us

II. Changes in Child Care Statute

A. Parent Fees

A change to Minnesota Statutes, section 119B.12, subdivision 2, allows providers to waive copayment fees or to accept third party payments of a family's copayment and excludes this amount from the family's income. If a provider waives a family's copayment or accepts a third-party payment for a family's copayment, they must maintain family specific documentation of the payment source, amount, and time period covered by the payment. It may be assumed that the retention period for the documentation that must be retained by providers should follow the six year retention requirement for provider attendance records, but since statute is silent regarding this issue, counties may wish to consult their county auditor. For additional information and required county actions, see Bulletin 06-68-04, ***DHS Announces Policy Change for the Child Care Assistance Program***, dated May 18, 2006. This change was effective May 5, 2006.

B. Basic Sliding Fee Program

Allocation Increase

The 2006 Legislature increased the funds available to CCAP. The additional funds reflect increases in child care funds from the federal Deficit Reduction Act of 2005 to the Basic Sliding Fee (BSF) program and an increase in funding to reduce the BSF waiting list.

Counties will be informed of availability of increased funds through the CY06 revised and CY07 preliminary allocations to be distributed at the Association of Minnesota Social Service Accountant conference in mid-June and through email notification from the child care program staff. In addition, these allocations will be included in the Human Services Allocations Bulletin.

Allocation – Conversion to Automated System

The 2006 Legislature has allowed the commissioner to address the one time acceleration in distributing funds caused by the conversion of the Child Care Assistance Program case information to the automated child care assistance program system. As a result, county agencies may use up to six percent of either calendar year 08 or 09 allocations to fund accelerated payments that may occur during the preceding calendar year during this conversion.

For purposes of setting future allocations, funding advanced under this provision will be considered part of the allocation from which it was originally advanced. Accelerated payments will include funding for administrative costs under Minnesota Statutes, section 119B.15.

Counties will continue to report expenditures, families and children according to current procedures as identified in DHS Bulletin #05-32-12. Additional reporting will not be required in order for counties and DHS to track accelerated payments that may occur as a result of conversion to the automated child care system.

Waiting List

A change to Minnesota Statutes, section 119B.03, subdivision 4, adds a fourth priority to the BSF waiting list for families in which at least one parent is a veteran as defined under Minnesota Statutes, section 197.447. Minnesota Statutes, section 197.447 defines a "veteran" as a citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, or who has met the minimum active duty requirement as defined by Code of Federal Regulations, title 38, section 3.12a, or who has active military service certified under section 401, Public Law 95-202.

The active military service must be certified by the United States Secretary of Defense as active military service and a discharge under honorable conditions must be issued by the Secretary.

First priority for child care assistance under the basic sliding fee program must be given to eligible non-MFIP/DWP 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.

Second priority must be given to parents who have completed their MFIP or DWP transition year, or parents who are no longer receiving or eligible for DWP supports.

Third priority must be given to families who are eligible for portable BSF assistance through the portability pool.

Fourth priority must be given to families in which at least one parent is a veteran as defined under section 197.447.

The current fourth priority will become the fifth priority. The fifth priority for the BSF child care program is given to all other families who are eligible for the program. Counties may set priorities within this category. These priorities must be identified and approved in the county Child Care Fund Plan. The Department will release a new reporting bulletin in June 2006 with reporting guidelines that reflect the additional category.

Required Actions

- Counties must begin tracking fourth priority veterans as of July 1, 2006.
- Report the fourth priority (veterans) and fifth priority (other) when instructed in the reporting bulletin to be released in 2006.
- Counties must add a question to the six month waiting list review asking if any parent in the CCAP family is a veteran. At or before the six month waiting list review, counties must review all families on their current waiting list to determine whether the current fourth priority families should be reclassified to priority four or five. Families in which at least one parent is a veteran but who also qualify for a first, second or third waiting list position should be placed in the highest priority for which they are eligible.

C. Provider Rates

Maximum Provider Rate Increase

A change to Minnesota Statutes, section 119B.13, subdivision 1, increases maximum provider rates. Beginning July 1, 2006, the maximum rate that may be paid for child care assistance shall be the rate for like-care arrangements in the county in effect on January 1, 2006, increased by six percent. Rate changes must be implemented for services provided in September 2006 unless a participant eligibility redetermination or a new provider agreement is completed between July 1, 2006, and August 31, 2006. New cases approved on or after July 1, 2006, shall have the maximum rates implemented immediately. The Department will release an updated rates bulletin in June 2006 with the new rates and implementation information. The rates paid to a provider continue to be the lesser of the maximum rates or the rate the provider charges private pay clients.

Rate Differential for Providers who are Accredited or Hold Early Childhood Credentials

A subdivision was added to Minnesota Statutes, section 119B.13, that establishes a provider accreditation differential. Subdivision 3a stipulates that a family child care provider or child care

center shall be paid a 15 percent differential above the maximum rate, up to the actual provider charge, if the provider or center holds a current early childhood development credential or is accredited.

For a family child care provider, early childhood development credential and accreditation includes an individual who has earned a Child Development Associate credential (CDA), a child development associate degree, a diploma in child development from a Minnesota state technical college, or a bachelor's degree in early childhood education from an accredited college or university, or who is accredited by the National Association for Family Child Care or the Competency Based Training and Assessment Program.

For a child care center, accreditation includes accreditation by the National Association for the Education of Young Children, the Council on Accreditation, the National Early Childhood Program Accreditation, the National School-Age Care Association, or the National Head Start Association Program of Excellence. For Montessori programs, accreditation includes the American Montessori Society, Association of Montessori International-USA, or the National Center for Montessori Education.

The rate differential is available for both licensed and legal nonlicensed child care providers. The rates paid to a provider continue to be the lesser of the maximum rates or the rate the provider charges private pay clients.

Information regarding early childhood and school-age provider scholarships for credit-based education and/or a CDA credential is available through the Minnesota Child Care Resource & Referral Network, TEACH program, at (651) 290-9704 ext.108, or toll free at (888) 308-3224, or mnchildcare.org.

Information regarding reimbursement for one-half the direct cost of child care center and family child care accreditation is available through DHS at (651) 431-3864 or dhs.child.care@state.mn.us.

Required Actions

- Effective July 1, 2006, counties must reimburse up to a 15 percent differential for providers who have valid credentials on file at the county.
- Counties must reimburse up to a 15 percent differential for providers who submit valid credentials after July 1, 2006 as of the date the request is received by the county. An ***Accreditation Request Form*** (to be used by providers) will be developed and made available by DHS for county distribution to assist providers in making their request for the accreditation differential and will be made available to Child Care Resource and Referral agencies and provider organizations who may circulate to child care providers. The use of the form is optional; providers do not need to use the form to request the differential.

Absent Day Payment

A change to Minnesota Statutes, section 119B.13, subdivision 7, stipulates that only days in which a child is absent for the entire time authorized count against the child's ten consecutive or

25 cumulative absent day calendar year payment limits. If a child attends child care for any part of a day, but is absent for part of the day, the full amount of care authorized for that day will be paid but the payment will not count towards the ten consecutive or 25 cumulative absent day payment limits. Payment to the provider must be for the full amount of care authorized for that day, but the amount of care paid should not exceed the amount of care the child was scheduled to be in care (if the child is scheduled for four hours but only attends one hour, the amount of the payment should be based on the child attending four hours). Child care providers may only be reimbursed for full or part absent days if the provider has a written policy for child absences and charges all other families in care for similar absences.

A family or provider may not be charged with an overpayment for a full or part absent day payment unless (1) there was an error in the amount of care authorized for the family, (2) the child was absent a full day and the payment was for a full day or full days that exceeded the child's ten consecutive or 25 cumulative absent day yearly payment limits, or (3) the family or provider did not timely report a change as required under law.

Additional language was added to statute to uphold current CCAP policy that providers must be reimbursed for up to ten state/federal holidays, or the days designated as holidays, when the provider is not available to provide care and charges all families for these days. Parents may substitute other cultural or religious holidays for the ten recognized state/federal holidays. Holidays do not count against the child's absent day payment limits.

The provider and parent must receive notification of the number of absent days used upon initial provider authorization and when the family has used 15 cumulative absent days. When the integrated MEC² is implemented, notification will occur on an ongoing basis.

Required Actions

- Effective July 1, counties should no longer count part-day absence payments towards the ten consecutive or 25 cumulative absent day payment limits. Part-day absence payments that occurred before July 1 would be counted towards the ten consecutive or 25 cumulative absent day payment limit for 2006. After July 1, only full-day absence payments should be counted towards the ten consecutive or 25 cumulative absent day payment limits allowed for the 2006 calendar year.
- Counties must notify providers and families of the number of cumulative absent days used upon initial provider authorization and when the family has used 15 cumulative absent days. If, as of July 1st, a child has already used 15 or more absent days in the 2006 calendar year, the county should notify the provider and family of the number of cumulative absent days used at their earliest opportunity.

D. Other Legislative Changes

Legal nonlicensed background checks

A change to Minnesota Statutes, section 119B.125, subdivision 2, adds language to specify that a person cannot be authorized to receive payment from CCAP if the person has been identified by

the child protection database as a person found by a *preponderance of evidence* to be responsible for physical or sexual abuse of a child within the last seven years.

Ramsey County CCAP Pilot Project

Legislation was passed that authorizes Ramsey County to implement a pilot project to help teen parents remain in school and complete their education while providing child care assistance for the student's child. The pilot project shall increase coordination between services with the goal of removing barriers that prevent teen parents from pursuing educational goals.

III. Special Needs

This information is available in other formats to people with disabilities by contacting Aaron Coonce at 651-431-4048 or through the Minnesota Relay Service at 1-800-627-3529 (TDD), 7-1-1 or 1-877-627-3848 (speech to speech relay service).

IV. Legal References

Minnesota Statutes, Chapters 119B.09-119B.13
Laws of Minnesota, 2006, Chapters 191, 264 and 282