

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File # 599

Permanent Rule X

Temporary Rule _____

RULES REVIEW CHECKLIST

DATE RULES RECEIVED 5/8 DUE DATE 5/28

Resubmitted and Received _____

a. Returned to Agency w/o Filing w/Secretary of State _____
b. Approved _____ Date Sent Back to Agency _____

- -

1. Rules as Adopted ✓ 2794 - Bob Hampson
2. Rules as Proposed ✓
3. Certificate of Board's Authorizing Resolution, where applicable N/A
4. Order for Hearing ✓
5. Notice of Hearing ✓ 2.19.80
   Sufficiency ✓
6. Secretary of State's List ✓ (one copy only)
7. Certificate of Acquisition of Secretary of State's List ✓
8. Secretary of State's Certification of Delivery of Secretary of State's List to Agency ✓
9. Affidavit of Mailing ✓
   At least 30 days prior to hearing ✓
10. Publication in State Register ✓ [illegible] but see #Exp Tg [illegible] 2
    At least 30 days prior to hearing 1.14.80
11. Statement of Need and Evidence ✓
12. Hearing Examiner's Report ✓
13. Agency's Findings of Fact ✓ incorporated in #15 - Order Adopting
14. Certificate of Board's Resolution Adopting Rules, where applicable N/A
15. Order Adopting ✓
16. Report of Chief Hearing Examiner ✓
17. Order Approving Incorporation by Reference, where applicable N/A
18. Certificate of Compliance with Rulemaking Procedures ✓
19. Copy of Notice of Intent to Solicit Outside Opinion, where applicable ✓ 10.1.79.
20. Petition by Public, where applicable N/A

AD-MN 1090 (Rev. 1/78) Our File: #599

STATE OF MINNESOTA

DEPARTMENT Attorney General

Office Memorandum

TO : ARTHUR E. NOOT
Commissioner of Public Welfare

DATE: May 28, 1980

Attn: ALAN A. HELD

FROM : Joanne E. Hinderaker JEH
Special Assistant
Attorney General

PHONE: 296-4692

SUBJECT: Rules as Approved In the Matter of the Proposed Adoption of a Department of Public Welfare Rule Governing Child Day Care Sliding Fee Scales (12 MCAR § 2.163).

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Note that they have NOT been filed with the State Register; this must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of the stamps of the Attorney General and Secretary of State to the last page of the rules;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages of the rules in the approved set.

Directly following the approved rules is a complete set of required documents and transcript which must be retained with the rules by you or your agency.

If you have any questions in this regard, please contact me.

JEH:mb

Enclosure
cc: Duane Harves
Susan Robertson

COPY

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE ARTHUR E. NOOT

COMMISSIONER OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of a Department of Public Welfare Rule Governing Child Day Care Sliding Fee Scales (12 MCAR § 2.163).

COMMISSIONER'S ORDER ADOPTING THE RULE

A hearing on the proposed adoption of a Department of Public Welfare rule governing child day care sliding fee scales (12 M.C.A.R. § 2.163) occurred before Hearing Examiner Natalie L. Gaull on February 19, 1980 at 9 a.m. in Room A of the Capitol Square Building, St. Paul, Minnesota. The Department of Public Welfare (DPW) served proper notice of the hearing upon all persons, associations, and other interested groups registered for that purpose with the Secretary of State.

The following persons appeared or testified for DPW at the hearing: Jerry Ferguson and Ellie Norberg. All interested groups and persons had an opportunity to testify at the hearing. Pursuant to the order of the Hearing Examiner, the record was held open until March 8, 1980, for the submission of written comments and statements.

Based upon all of the records and the proceedings, the Hearing Examiner made Findings of Fact, Conclusions, and a Recommendation which are contained in the Report of the Hearing Examiner dated April 21, 1980 which is attached hereto and marked "Exhibit A." As required by Minn. Stat. § 15.0412, subd. 4 (1978), the Report was available to all affected persons for at least five days.

Having given due consideration to the Hearing Examiner's Findings of Fact and the comments of witnesses noted therein, DPW has not altered any provision of the rule based upon the

reasons set forth by DPW's witnesses at the hearing, in the statement of need, and the written comments submitted by DPW to the Hearing Examiner.

Having considered all of the evidence presented, the relevant records, files, and proceedings, the applicable statutory authority, standards, and criteria, and after confirming the reasonableness of and the need for these Rules,

IT IS ORDERED that the Findings of Fact and Conclusions of the Hearing Examiner relating to the reasonableness and necessity of the rule are hereby adopted and incorporated herein.

IT IS FURTHER ORDERED that this rule, identified as Rule 163 of the Rules of the Minnesota Department of Public Welfare, is adopted this day and shall read in its entirety as set forth in the attached Exhibit A.

Dated: April 28, 1980.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

ARTHUR E. NOOT
COMMISSIONER

Back to off

AG copy

Adopted

12 MCAR 2-163 CHILD DAY CARE SLIDING FEE

A. Introduction

1. Pursuant to Minnesota Statutes, Section 245.83 through 245.87, this rule governs the administration of the experimental child day care sliding fee program for reducing, according to a sliding fee schedule, the costs of child care for eligible families whose income ranges from 60-70% of the state median income.

2. Definitions

a. Child Day Care Service: The less than 24-hour a day service which provides care for children as a substitute for or supplement to parental care for a planned period of time.

b. Eligible Child Day Care Provider: A family day care home, group family day care home or group day care center holding a current and valid license issued by the commissioner, or exempt from licensure by the commissioner, or an in-home attendant certified by the commissioner.

c. Commissioner: Minnesota Commissioner of Public Welfare.

d. County: The board of County Commissioners.

e. State Advisory Council: The Minnesota Child Care and Development Advisory Council, appointed by the Commissioner for the purpose of advising the Commissioner on child day care issues.

f. Administering Agency: The agency designated by the county to administer the child day care sliding fee program, which may be the county welfare department or any public or nonpublic agency.

g. Title XX: The title of the Social Security Act known as "Grants to States for Services", established by P.L. 93-647, as amended.

h. Comprehensive Annual Services Program Plan (CASP PLAN): The State Social Services plan, which is a compilation of all the local social services plans, and which meets the state plan requirements of Title XX of the Social Security Act.

i. Family: Parents and their dependent children under age 18 years including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities.

j. Area: Either the Governor's Economic Development Region Eleven or the Governor's Economic Development Regions one through ten.

k. Program Year: The state fiscal year, July 1 through June 30.

l. Program Costs: The provider charge plus the administrative costs.

m. Net Program Costs: The provider charge plus the administrative costs minus the parent fee.

B. Eligibility for Grant

1. Applicant: Pursuant to Minnesota Statutues, Chapters 393 and 402, the applicant for a grant shall be a county or group of counties. The applicant may designate any public or nonpublic agency to administer the program.

2. Title XX Child Day Care Services: To qualify for the sliding fee program the county shall offer fully subsidized child day care services to eligible persons with incomes below 60 percent of the state median income as set forth in the CASP PLAN.

3. Local Share Match: The county shall provide a local share match equal to five percent of the program cost during the first grant year and 15 percent of such cost during the second grant year. For purposes of determining the local match, administrative costs shall be considered to be the provider charge times seven percent. The local match shall not include the amount of minimum fee payments made by families but may include in-kind materials and services, furnished by the county, required for the administration of the program.

4. Because of the experimental nature of the program no county will be allowed to enter for the second year only.

C. Application for Grant

1. All counties shall select one of the following options regarding the experimental child day care sliding fee program:

a. Decide not to participate and notify the Commissioner of its reasons for the decision.

b. Participate using only state sliding fee funds and the required local match, serving families with an income of 60 to 70% of the state median income.

c. Participate using state sliding fee funds, the required local match, and Title XX funds, serving families with an income of 60 to 70% of the state median income.

d. Participate using state sliding fee funds and the required local match to serve families with an income of 60 to 70% of the state median income and use Title XX and/or other funds to serve families with an income of 70 to 115% of the state median income.

2. The application procedures for grants are as follows:

a. The county shall make application on forms provided by the Commissioner.

b. A county may propose an alternate fee schedule if it meets the following criteria:

(1) Use of the state sliding fee schedule would impose a hardship on families already participating in a sliding fee program (e.g., raising their fees substantially);

(2) The county can demonstrate how the use of their proposed fee schedule would reduce the incidence of lower income families remaining or becoming welfare recipients, increase the incentive for economic independence and provide other benefits;

(3) The county program serves a large enough population to demonstrate the impact of the program; and

(4) The fee charged does not exceed the fee allowed in the state fee schedule. Participating counties may only use one fee schedule for all eligible fee paying income groups receiving child day care services.

c. The county shall submit two copies of the application to the Commissioner by the deadlines established by the Commissioner.

d. The Commissioner shall submit a copy of each application to the state advisory council for their review and comment.

e. The Commissioner shall inform the county of the approval or denial of the application within 30 days of the submission deadline.

D. Award of Grant

1. The Commissioner shall award grants to counties which meet the eligibility requirements and for which applications have been approved, subject to the limits described below:

a. Thirty-five percent of the appropriation shall be awarded the first program year and sixty-five percent of the appropriation shall be awarded the second program year.

b. Area Limits: Fifty percent of the funds as determined in a. above shall be distributed to each area.

c. County Limits Within an Area. The amount, based on b. above, to be granted a county within an area, shall be equal to the sum of the following:

(1) Fifty percent of the area distribution times a ratio consisting of the number of working parent families with a child under six years of age in the county against the total number or working-parent families with a child under six years of age in all counties in the area; and

(2) Fifty percent of the area distribution times a ratio consisting of the number of children receiving AFDC grants in the county against the total number of children receiving AFDC grants in all counties in the area.

d. Not withstanding other provisions of this rule, grant awards shall not exceed ninety-five percent of the net program costs during the county's first grant year nor eighty-five percent of the net program costs during the county's second grant year.

2. The Commissioner shall reallocate unused first year funds after December 31, 1979, and shall reallocate unused second year funds after December 31, 1980, on the basis of need without regard to the limits described in D. 1. above.

E. Family Application

1. The administering agency shall inform parents on an on-going basis, through the news media and child day care providers, of the availability of child day care sliding fee assistance as well as the procedures for applying for such assistance.

2. The application procedures for assistance shall be:

a. Application for assistance shall be on forms prescribed by the Commissioner.

b. The administering agency shall make information about the program and application requirements available to all persons requesting this information.

c. Assistance in making application shall be available from the administering agency upon request.

d. The county shall use its current Title XX practice in verifying sources and amounts of income and reasons for needing child day care services.

e. The administering agency shall inform each applicant of the approval or denial of his/her application within 30 days of receipt of a completed application in writing.

f. Eligibility for assistance will be from the date of application.

3. The administering agency shall redetermine eligibility at least every six months.

4. The administering agency shall inform each applicant of the availability of all types of child day care services, the limits on available assistance, the reporting procedures and periods, and other policies or actions which have a direct affect on the applicant.

F. Family Eligibility for Assistance

1. Income. The family's income shall be above the maximum allowable for Title XX fully subsidized child care services but less than 70 percent of the

state median income as set forth in the current CASP PLAN. Income shall be defined, as in the Title XX program, to mean all monthly income before deductions received by all family members age 14 or over.

2. Reasons for needing care. Families eligible for assistance are those needing child day care services for the following reasons only: employment, school attendance, or other circumstances related to employment and school attendance.

3. Age. Only children 14 years of age or younger may be eligible for assistance.

4. Residence. Application shall be made in the family's county of residence.

G. Family Fee Payment Schedule

1. The Commissioner shall establish a monthly family fee schedule based upon income and family size.

2. In setting the fee schedule, the following computations shall be made for family sizes 2 to 10:

a. The federal, state and Social Security taxes are computed at the 60%, 70%, 80%, 90%, 100%, 110% and 115% of the state median income levels (Federal Income Tax Table, Family size 2-Table D - Unmarried Head of Household Family size 3-10, Table B-Married filing Joint Return and the Minnesota Income Tax Table - tax computed on gross income). The computation of the state and federal taxes includes a child care credit. (The child care credit is determined by using 20% of the estimated annual cost of child care as directed in the Income Tax Tables. Estimated annual cost of child care by family size: [illegible] 4-$1,080, 5-$1,200, 6-$1,380, 7-$1,500, 8-$1,860, 10-$1,980).

b. The federal, state and Social Security taxes are added together at each income level.

c. The difference in the tax total between the 60% income level and the tax total of each subsequent income level is determined.

d. The difference in the gross annual income at the 60% income level and the gross annual income for each subsequent income level is determined.

e. The difference in the taxes at each income level is subtracted from the difference in income at each level.

f. The net income at the 70% level is multiplied by 75% to determine the annual child care fee. The net income at the subsequent income levels is multiplied by 55% to determine the annual child care fee.

g. At each income level, the annual child care fee is divided by 12 to determine the monthly child care fee. (For a family of 6, at the 70% income level the fee calculated is $125. Since this is a higher fee than at the 70% income level for a family of 7-$117- , the fee is reduced to $110 to produce for a continual increase in the fee schedule as the family size increases).

h. The fee for income increments between each income level computed is determined by evenly dividing the difference in the fee between the income levels by the number of income increments between the levels. For family size 2-10, there are 10 income increments between 61-71% of the state median income with each increment representing

a 1% increase in income and between 71-80%, 81-90%, 91-100% and 101-110%, there are 4 income increments with each representing a 2.5% increase in income. Between 111-115% there are 2 income increments with each representing a 2.5% increase in income. More increments are allowed between the 61-70% income level as the primary users of the sliding fee program will be dealing with this income range.

3. The total fee payment for a family shall not exceed 75 percent of the income determined available in G. 2. e. above.

4. Only a single fee shall be charged regardless of the number of services a family receives. The fee charged shall be the highest fee.

5. When the county makes payments to providers for child day care costs, eligible families shall be responsible for reimbursing the county in monthly payments the amount of which shall be determined in accordance with the fee schedule described in Section G.

6. The commissioner shall publish a fee schedule, coordinated with the state CASP Plan.

H. Provision of Service

1. The Commissioner shall determine the median service charge for each type of child day care service for each of the Governor's economic regions.

2. The county shall not make payment for that part of any child day care service charge in excess of 125% of the median charge for that service.

3. The county may limit the number of families to whom assistance is provided because of insufficient grant funds. However, counties using Title XX funds must amend their CASP Plan.

I. Payment of Assistance

1. The administering agency shall make payment in either of the following ways:

a. An eligible family may be reimbursed for expenses incurred up to the limits specified in H. above.

b. The child day care provider may be reimbursed for charges up to the limits described in H. above.

2. The administering agency shall inform the family and/or child day care provider, who will receive payment as well as how and when it will be received.

3. The administering agency shall make payments at least monthly.

4. The administering agency shall inform the family of the method in which its monthly family fee payment was computed.

J. Evaluation

1. The Commissioner shall collect data and evaluate the program for the purpose of demonstrating the effectiveness of the program in preventing and reducing the dependence of participants on public assistance and in providing other benefits.

2. The administering agency shall collect data and prepare periodic reports as required by the Commissioner.

APPROVED AS TO FORM AND LEGALITY

MAY 28 1980 19

WARREN SPANNAUS, ATTORNEY GENERAL

BY Joanne Hindeland

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
MAY 28 1980
Joan Anderson Growe
Secretary of State
10:10 AM

STATEMENT OF COMPLIANCE WITH
MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Alan Held, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below.

Alan A. Held

Special Assistant Attorney General

Dated: 5-8-80



DPW-80-026-NG

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of a Department of Public Welfare Rule Governing Child Day Care Sliding Fee Scales (12 MCAR § 2.163).

REPORT OF THE HEARING EXAMINER

The above-entitled matter was heard by Natalie L. Gaull, Hearing Examiner, on February 19, 1980, commencing at 9:00 a.m. in Room A of the Capitol Square Building, 550 Cedar Street, Saint Paul, Minnesota.

This proceeding is a rulemaking hearing held pursuant to Minn. Stat. § 15.0411, et seq., to determine whether the proposed rule should be adopted. Copies of this Report are available from the Office of Hearing Examiners and the Department of Public Welfare (hereinafter referred to as the "Department").

Members of the agency panel were Ellie Norberg and Jerry Ferguson, both of the Department, and Alan Held, Special Assistant Attorney General. Ten other persons were present and signed the register, three of whom spoke at the hearing. Approximately seven written comments were received by the Hearing Examiner subsequent to the issuance of the Order for Hearing and prior to the close of the record. Due to an equipment malfunction, there is no tape-recorded record of the hearing. However, all members of the public who spoke at the hearing submitted a written draft of their comments for the record.

Pursuant to Minn. Stat. § 15.0412, subd. 4 (1978), this Report shall be available for review to all affected individuals upon request for at least five days. Thereafter, the Department of Public Welfare shall, if it proposes to adopt the rules as originally proposed or amended, submit a copy of the Order Adopting Rules, a copy of any additional agency findings, a copy of the rules as originally proposed, and a copy of the rules as adopted to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4 (1978). The submission to the Chief Hearing Examiner shall precede review by the Attorney General. The Chief Hearing Examiner shall complete his review and submit his report to the Department on the issues of substantial changes in the rule and compliance with Minn. Stat. § 15.0412 (1978) within ten calendar days. The Department will be responsible for filing the rules with the Attorney General and for notifying persons who have indicated that they wish to be notified of such filing.

Based upon all the files, records and proceedings herein, the Hearing Examiner makes the following:

FINDINGS OF FACT

1. On December 20, 1979, the Department filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules.
(b) The Order for Hearing.
(c) The Notice of Hearing.

2. On January 14, 1980, a Notice of Hearing and proposed rule were published at 4 State Register 1128.

3. On January 7, 1980, the Department mailed the Notice of Hearing to all persons and associations who had registered their names with the Secretary of State and to those agencies and associations indicated in the Affidavit of Additional Mailing. (Agency Ex. 7)

4. On January 23, 1980, the Department filed the following documents:

(a) The Order for Hearing.
(b) The Notice of Hearing as mailed.
(c) The proposed rule.
(d) The Affidavit of Receipt of the Secretary of State's list.
(e) Certificate of Delivery of the Secretary of State's Certificate and list.
(f) Affidavit of Mailing.
(g) Affidavit of Additional Mailing.
(h) Statement of Need and Reasonableness.
(i) Personnel to Testify.

5. The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the date of the hearing.

6. The record remained open through March 8, 1980, for the receipt of written comments and statements. Any comments received after that date were not considered by the Hearing Examiner.

Statutory Authority

7. The Department has cited Minn. Stat. § 245.84, subd. 2 (1979), as authority for the proposed rule.

8. Minn. Stat. § 245.84, subd. 2 (1979), provides, inter alia, that:

> . . . the commissioner (of the Department) shall establish an experimental program to make grants to counties for the purpose of reducing according to a sliding fee schedule the costs of child care for eligible families. The commissioner shall promulgate temporary rules to govern the experimental program in accordance with this subdivision. . . .

9. In light of Finding 8 above, the Hearing Examiner finds that the Department has specific statutory authority to adopt the proposed rule.

Discussion

10. 12 MCAR § 2.163 A. sets forth the purpose of the proposed rule in accordance with Minn. Stat. § 245.84, subd. 2, and defines a number of terms frequently used in the rule. There was no written comment or testimony directly addressing the general provisions of this section, and the Hearing Examiner finds 12 MCAR § 2.163 A. to be reasonable and necessary.

11. 12 MCAR § 2.163 B.1. provides that applicants for grants under the child day care sliding fee program shall be counties or a group of counties. Section 2.163 B.1. also permits an applicant to designate any agency, public or nonpublic, to administer the program. This appears to be a recognition of existing practice in some counties in which the administration of the sliding

fee program has been delegated to a nonpublic entity. There was no written comment or testimony addressing the provisions of Section 2.163 B.1.

12 MCAR § 2.163 B.2. requires counties to offer fully subsidized child day care services to families whose incomes are below 60 percent of the state median income as a condition precedent to participating in the sliding fee program. The rationale for this is that those families eligible for fully subsidized day care services have more limited resources than those eligible to participate in the sliding fee program.

12 MCAR § 2.163 B.3. provides that contributions to the cost of the sliding fee program shall be made by participating counties at the rate of five percent during the first program year and 15 percent during the second program year. This is expressly mandated by Minn. Stat. § 245.84, subd. 2. There was no written comment or testimony addressing the provisions of Section 2.163 B.3.

12 MCAR § 2.163 B.4. provides that no county will be permitted to participate in the sliding fee program for the second year only. The Department's rationale for this provision, as outlined in both its presentation and its Statement of Need and Reasonableness (Agency Ex. 8), is that the reporting requirements of Minn. Stat. § 2.45.84, subd. 2, dictate that counties should participate during the entire term of the program so that its effectiveness in reducing dependence upon public assistance may be properly assessed.

The Hearing Examiner finds Section B. of the proposed rule to be reasonable and necessary.

12. 12 MCAR § 2.163 C.1. offers to the counties four alternatives with respect to participation in the sliding fee program. Section C.1.a. states that a county may choose not to participate and to notify the Commissioner of the reasons therefor. Section C.1.b. permits counties to serve families with incomes of 60 to 70 percent of the state median income, using only sliding fee funds and the required county contribution. Section C.1.c. allows a county to participate using sliding fee funds, the county contribution and Title XX funds, and serve families whose incomes are 60 to 70 percent of the state median income. Section C.1.d. provides a county may participate using sliding fee funds and the county contribution to serve families with incomes of 60 to 70 percent of the state median income and use Title XX funds to serve families whose incomes are 70 to 100 percent of the state median income.

In written comment, the Hennepin County Bureau of Social Services suggested Section C.1.d. be amended to permit the use of sliding fee funds and the county contribution to serve families with incomes of zero to 70 percent of the state median income. Also in written comment, the Greater Minneapolis Day Care Association urged the Department to make benefits available under the sliding fee program to families whose incomes make them eligible for fully subsidized child care, but who live in an area in which no Title XX funds are available. While the suggestions of Hennepin County and the Day Care Association may be laudable, the Hearing Examiner notes that Minn. Stat. § 245.84, subd. 2 expressly limits the use of sliding fee funds and county contributions to the serving of families whose incomes are below 70 percent of the state median income, but above the maximum allowable for fully subsidized child day

care. Therefore, the forum in which Hennepin County and the Day Care Association should seek implementation of their suggestions is the Legislature, rather than this administrative hearing.

The Hearing Examiner finds Section C.1. to be reasonable and necessary as proposed.

13. 12 MCAR § 2.163 C.2. sets forth the procedures to be followed by counties applying for grants under the sliding fee program. There was no written comment or testimony submitted with regard to the proposed application procedures. The Hearing Examiner finds that Section C.2. is consistent with both existing agency practice and the clear legislative intent of Minn. Stat. § 245.84, subd. 2 and, in addition, that it is reasonable and necessary.

14. 12 MCAR § 2.163 D.1. governs the award of grants to counties determined to be eligible for participation in the sliding fee program. Section D.1.a. provides that 35 percent of the appropriation for the sliding scale program shall be awarded the first year and that 65 percent be awarded the second year. In written comment, the Hennepin County Bureau of Social Services expressed concern that participating counties would be unable to fully expend their allocations for the first year of the sliding fee program, and suggested a reallocation of unused funds back to the participating counties for use during the second year. Also in written comment, the Greater Minneapolis Day Care Association suggested this section be amended to provide that unused funds from the first year be reallocated to the second year appropriation, in spite of the fact this may result in greater than 65 percent of the appropriation being allocated for the second year. The Hearing Examiner recognizes the exigencies present in the implementation of an experimental program, and recommends that the Department take into consideration the comments of Hennepin County and the Day Care Association in determining whether amending Section D.1.a. would be appropriate. no change

With consideration being given to the foregoing, the Hearing Examiner finds Section D.1. to be both reasonable and necessary.

15. 12 MCAR § 2.163 D.2. provides for the reallocation of unused sliding fee funds from the first and second years of the experimental program. The findings made in Finding 14 above are also applicable here. With consideration being given to such Findings, the Hearing Examiner finds that Section D.2. is reasonable and necessary. no change

16. 12 MCAR § 2.163 E. provides for the procedres to be followed by families applying for assistance under the sliding fee program. There was no written comment or testimony submitted with respect to this section. The Hearing Examiner finds Section E. consistent with existing agency practice and to be both reasonable and necessary.

17. 12 MCAR § 2.163 F. sets forth the standards governing family eligibility for assistance under the sliding fee program. Section F.1. is consistent with Minn. Stat. § 245.84, subd. 2, in that it states only families whose income exceeds the maximum allowable for fully subsidized child day care but is less than 70 percent of the state median income are eligible to receive benefits under the sliding fee program. Repetition of any statutory language is essential to proper explanation within the rule within the meaning of Minn.

Stat. § 15.0412, subd. 1. Section F.2. states that only those families needing child day care services as a result of employment, school attendance or other circumstances related to employment or school attendance shall be eligible to receive benefits under the sliding fee program. In written comment, the Ramsey County Community Human Services Department suggested that Section F.2. be expanded to render eligible those families which are determined to need day care as a part of child protection plan. The Hearing Examiner recommends that the Department consider the suggestion of Ramsey County in determining whether amending Section F.2. would be appropriate. The balance of this section is consistent with both preexisting Department rules regarding child day care and current Title XX administrative practices. Other than as indicated above, there was no written comment or testimony with respect to the provisions of Section F.

no change

With consideration being given to the foregoing, the Hearing Examiner finds that Section F. is reasonable and necessary.

18. 12 MCAR § 2.163 G. sets forth the criteria to be used in determining fees to be assessed to families eligible to participate in the sliding fee program. There was no written comment or testimony with regard to the provisions of this section. The Hearing Examiner finds that Section G., as proposed, is not only reasonable and necessary, but is also consistent with the legislative intent of Minn. Stat. § 245.84, subd. 2 in that it seeks to reduce dependence upon public assistance.

19. 12 MCAR § 2.163 H. governs the provisions of services under the sliding fee program. Section H.2. provides that the county shall not make payment for any day care charge above 125 percent of the median charge for that service. The St. Louis County Social Service Department, in written comment, suggested that Section H.2. be amended to permit counties to pay the difference between 125 percent of the median charge and the actual cost of service with monies other than sliding fee funds. The Hearing Examiner finds that this section, as proposed, is consistent with the provisions of Minn. Stat. § 245.84, subd. 2, and that Section H. is reasonable and necessary. Other than as indicated above, there was no written comment or testimony with respect to Section H.

20. 12 MCAR § 2.163 I. sets forth the means to be utilized by the administering agency in the payment of assistance under the sliding fee program. There was no comment with regard to this section at the hearing. The Statement of Need and Reasonableness indicates that these provisions reflect current social service and Title XX administrative requirements. The Hearing Examiner finds Section I. to be reasonable and necessary.

21. 12 MCAR § 2.163 J. requires the Commissioner to compile information regarding the effectiveness in reducing families' dependence upon public assistance as a result of the sliding fee program. The Hearing Examiner notes that the language of Section J. is virtually the same as that contained in Minn. Stat. § 245.84, subd. 2, and finds that this section is reasonable and necessary as proposed.

Based upon the foregoing Findings of Fact, the Hearing Examiner makes the following:

CONCLUSIONS

1. The Department of Public Welfare gave proper notice of the promulgation of the proposed rule.

2. The Department of Public Welfare has statutory authority to promulgate the proposed rule.

3. The Department of Public Welfare has fulfilled all relevant substantive and procedural requirements of law or rule.

4. The Department of Public Welfare has demonstrated the need for and the reasonableness of the proposed rule by an affirmative presentation of facts in the record.

Based upon the foregoing, the Hearing Examiner makes the following:

RECOMMENDATION

It is recommended that the proposed rule be adopted by the Department of Public Welfare with consideration given to the Findings of Fact contained herein.

Dated: April 21, 1980.

Natalie L. Gaull by gw

NATALIE L. GAULL
Hearing Examiner

~~Agr 192 Definitions~~

~~(a) "Refuse" means any waste material containing any plant or animal material which is carried aboard any vessel.~~

~~(b) "Vessel" means any water carrier used for transporting cargo or passengers in commerce on public waters comprising all that part of Lake Superior and the waters extending therefrom up to the point where T.H. #23 crosses the St. Louis River which are situated within the territorial boundary of the State of Minnesota.~~

~~(c) "Dunnage" includes lumber in any form and any other material used aboard a vessel to secure cargo in any manner.~~

Department of Public Welfare
Social Services Bureau

Proposed Rule Governing Child Day Care Sliding Fee Scales (12 MCAR § 2.163)

Notice of Hearing

A public hearing concerning the proposed rule will be held at the Capitol Square Building, Room A, 550 Cedar Street (between 10th and 11th) St. Paul, Minnesota 55101 on February 19, 1980, commencing at 9:00 a.m. The proposed rule may be modified as a result of the hearing process. Therefore, if you are affected in any manner by the proposed rule, you are urged to participate in the rule hearing process.

Following the agency's presentation at the hearing, all interested or affected persons will have an opportunity to ask questions and make comments. Statements may be made orally and written material may be submitted. In addition, whether or not an appearance is made at the hearing, written statements or material may be submitted to the Hearing Examiner, Natalie Gaull, Office of Hearing Examiners, 1745 University Ave., Rm. 300, St. Paul, Mn. 55104, (612) 296-8114, either before the hearing or within five working days after the close of the hearing. The hearing examiner may, at the hearing, order that the record be kept open for a longer period not to exceed 20 calendar days. The rule hearing procedure is governed by Minn. Stat. §§ 15.0411-15.0417 and 15.052, and by 9 MCAR §§ 2.101-2.112 (Minnesota Code of Agency Rules). If you have any questions about the procedure, call or write the hearing examiner.

Twenty-five days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifiying both the need for and the reasonableness of the proposed rule. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimum charge.

12 MCAR § 2.163 governs the administration of the experimental child day care sliding fee program, pursuant to Minn. Stat. § 245.84, subd. 2 (Supp. 1979). The purpose of the program is to reduce, according to a sliding fee schedule, the costs of child care for eligible families whose income ranges from 60-70% of the state median income. (The following twenty-two counties have elected to participate in the experimental child day care sliding fee program:

Beltrami	Mower
Blue Earth	Olmsted
Brown	Polk
Carver	Ramsey
Crow Wing	Redwood
Freeborn	Rice
Goodhue	St. Louis
Hennepin	Sherburne
Houston	Todd
Kandiyohi	Washington
McLeod	Winona

Only families residing in these counties will be affected by this rule.)

The formula for establishing the fee schedule is found in the rule at G.2. a.-h. and is as follows:

a. The federal, state and Social Security taxes are computed at the 60%, 70%, 80%, 90%, 100%, 110%, and 115% of the state median income levels (Federal Income Tax Table, Family size 2 - Table D - Unmarried Head of Household Family size 3-10, Table B - Married filing Joint Return and the Minnesota Income Tax Table - tax computed on gross income). The computation of the state and federal taxes includes a child care credit. (The child care credit is determined by using 20% of the estimated annual cost of child care as directed in the Income Tax Tables. Estimated annual cost of child care by family size: 2-$840, 3-$936, 4-$1,080, 5-$1,200, 6-$1,380, 7-$1,500, 8-$1,860, 10-$1,980).

b. The federal, state and Social Security taxes are added together at each income level.

c. The difference in the tax total between the 60% income level and the tax total of each subsequent income level is determined.

d. The difference in the gross annual income at the 60% income level and the gross annual income for each subsequent income level is determined.

e. The difference in the taxes at each income level is subtracted from the difference in income at each level.

f. The net income at the 70% level is multiplied by 75% to determine the annual child care fee. The net income at the subsequent income levels is multiplied by 55% to determine the annual child care fee.

not included in Notice of Hearing As Mailed

g. At each income level, the annual child care fee is divided by 12 to determine the monthly child care fee. (For a family of 6, at the 70% income level the fee calculated is $125. Since this is a higher fee than at the 70% income level for a family of 7-$117-, the fee is reduced to $110 to produce for a continual increase in the fee schedule as the family size increases).

h. The fee for income increments between each income level computed is determined by evenly dividing the difference in the fee between the income levels by the number of income increments between the levels. For family size 2-10, there are 10 income increments between 61-71% of the state median income with each increment representing a 1% increase in income and between 71-80%, 81-90%, 91-100%, and 101-110% there are 4 income increments with each representing a 2.5% increase in income. Between 111-115% there are 2 income increments with each representing a 2.5% increase in income. More increments are allowed between the 61-70% income level as the primary users of the sliding fee program will be dealing with this income range.

In addition to the above, the rule contains sections on definitions, eligibility for grants, application for grants, awarding grants, family applications, family eligibility for assistance, family fee payment schedule, provision of service, payment of assistance, and evaluation.

The agency's authority to adopt the proposed rule is contained in Minn. Stat. §§ 245.84, subd. 2 (Supp. 1979).

The cost to implement 12 MCAR § 2.163 for local public bodies will not exceed $100,000 for either of the two years immediately following its adoption within the meaning of Minn. Stat. 15.0412, subd. 7 (1978).

Copies of the proposed rule are now available and at least one free copy may be obtained by writing to Jerry Ferguson, Department of Public Welfare, Social Services Bureau, Centennial Office Building, Fourth Floor, St. Paul, MN 55155, telephone (612) 296-5766. Additional copies will be available at the hearing. If you have any questions on the content of the proposed rule, contact Jerry Ferguson.

Any person may request notification of the date on which the hearing examiner's report will be available, after which date the agency may not take any final action on the rules for a period of five working days. Any person may request notification of the date on which the hearing record has been submitted or resubmitted to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the hearing examiner, in the case of the hearing examiner's report, or to the agency, in the case of the agency's submission or resubmission to the Attorney General.

Minn. Stat. ch. 10A requiries each lobbyist to register with the State Ethical Practices Board within five days after he or she commences lobbying. A lobbyist is defined in Minn. Stat. § 10A.01, subd. 11, as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including *his own* travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250, not including *his own* traveling expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, telephone (612) 296-5615.

Arthur E. Noot
Commissioner of Public Welfare

Rule as Proposed (all new material)

12 MCAR § 2.163 Child day care sliding fee.

A. Introduction.

1. Purusant to Minn. Stat. §§ 245.83 through 245.87, this rule governs the administration of the experimental child day care sliding fee program for reducing, according to a sliding fee schedule, the costs of child care for eligible families whose income ranges from 60-70% of the state median income.

2. Definitions.

a. Child day care service: The less than 24-hour a day service which provides care for children as a substitute for or supplement to parental care for a planned period of time.

b. Eligible child day care provider: A family day care home, group family day care home or group day care center holding a current and valid license issued by the commissioner, or exempt from licensure by the commissioner, or an in-home attendant certified by the commissioner.

c. Commissioner: Minnesota Commissioner of Public Welfare.

d. County: The board of county commissioners.

e. State Advisory Council: The Minnesota Child Care and Development Advisory Council, appointed by the commissioner for the purpose of advising the commissioner on child day care issues.

f. Administering agency: The agency designated by the county to administer the child day care sliding fee program,

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which may be the county welfare department or any public or nonpublic agency.

g. Title XX: The title of the Social Security Act known as "Grants to States for Services," established by P.L. 93-647, as amended.

h. Comprehensive Annual Services Program Plan (CASP PLAN): The State Social Services plan, which is a compilation of all the local social services plans, and which meets the state plan requirements of Title XX of the Social Security Act.

i. Family: Parents and their dependent children under age 18 years including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities.

j. Area: Either the Governor's Economic Development Region Eleven or the Governor's Economic Development Regions one through ten.

k. Program year: The state fiscal year, July 1 through June 30.

l. Program costs: The provider charge plus the administrative costs.

m. Net program costs: The provider charge plus the administrative costs minus the parent fee.

B. Eligibility for grant.

1. Applicant. Pursuant to Minn. Stat. chs. 393 and 402, the applicant for a grant shall be a county or group of counties. The applicant may designate any public or nonpublic agency to administer the program.

2. Title XX Child Day Care Services. To qualify for the sliding fee program the county shall offer fully subsidized child day care services to eligible persons with incomes below 60 percent of the state median income as set forth in the CASP PLAN.

3. Local share match. The county shall provide a local share match equal to five percent of the program cost during the first grant year and 15 percent of such cost during the second grant year. For purposes of determining the local match, administrative costs shall be considered to be the provider charge times seven percent. The local match shall not include the amount of minimum fee payments made by families but may include in-kind materials and services, furnished by the county, required for the administration of the program.

4. Because of the experimental nature of the program no county will be allowed to enter for the second year only.

C. Application for grant.

1. All counties shall select one of the following options regarding the experimental child day care sliding fee program:

a. Decide not to participate and notify the commissioner of its reasons for the decision.

b. Participate using only state sliding fee funds and the required local match, serving families with an income of 60 to 70% of the state median income.

c. Participate using state sliding fee funds, the required local match, and Title XX funds, serving families with an income of 60 to 70% of the state median income.

d. Participate using state sliding fee funds and the required local match to serve families with an income of 60 to 70% of the state median income and use Title XX and/or other funds to serve families with an income of 70 to 115% of the state median income.

2. The application procedures for grants are as follows:

a. The county shall make application on forms provided by the commissioner.

b. A county may propose an alternate fee schedule if it meets the following criteria:

(1) Use of the state sliding fee schedule would impose a hardship on families already participating in a sliding fee program (e.g., raising their fees substantially);

(2) The county can demonstrate how the use of their proposed fee schedule would reduce the incidence of lower income families remaining or becoming welfare recipients, increase the incentive for economic independence and provide other benefits;

(3) The county program serves a large enough population to demonstrate the impact of the program: and

(4) The fee charged does not exceed the fee allowed in the state fee schedule. Participating counties may only use one fee schedule for all eligible fee paying income groups receiving child day care services.

c. The county shall submit two copies of the application to the Commissioner by the deadlines established by the commissioner.

d. The commissioner shall submit a copy of each application to the state advisory council for their review and comment.

e. The commissioner shall inform the county of the approval or denial of the application within 30 days of the submission deadline.

D. Award of grant.

1. The commissioner shall award grants to counties which meet the eligibility requirements and for which applications have been approved, subject to the limits described below:

a. Thirty-five percent of the appropriation shall be awarded the first program year and sixty-five percent of the appropriation shall be awarded the second program year.

b. Area limits. Fifty percent of the funds as determined in a. above shall be distributed to each area.

c. County limits within an area. The amount, based on b. above, to be granted a county within an area, shall be equal to the sum of the following:

(1) Fifty percent of the area distribution times a ratio consisting of the number of working parent families with

a child under six years of age in the county against the total number of working-parent families with a child under six years of age in all counties in the area; and

(2) Fifty percent of the area distribution times a ratio consisting of the number of children receiving AFDC grants in the county against the total number of children receiving AFDC grants in all counties in the area.

d. Not withstanding other provisions of this rule, grant awards shall not exceed ninety-five percent of the net program costs during the county's first grant year nor eighty-five percent of the net program costs during the county's second grant year.

2. The commissioner shall reallocate unused first year funds after December 31, 1979, and shall reallocate unused second year funds after December 31, 1980, on the basis of need without regard to the limits described in D.1. above.

E. Family application.

1. The administering agency shall inform parents on an on-going basis, through the news media and child day care providers, of the availability of child day care sliding fee assistance as well as the procedures for applying for such assistance.

2. The application procedures for assistance shall be:

a. Application for assistance shall be on forms prescribed by the commissioner.

b. The administering agency shall make information about the program and application requirements available to all persons requesting this information.

c. Assistance in making application shall be available from the administering agency upon request.

d. The county shall use its current Title XX practice in verifying sources and amounts of income and reasons for needing child day care services.

e. The administering agency shall inform each applicant of the approval or denial of his/her application within 30 days of receipt of a completed application in writing.

f. Eligibility for assistance will be from the date of application.

3. The administering agency shall redetermine eligibility at least every six months.

4. The administering agency shall inform each applicant of the availability of all types of child day care services, the limits on available assistance, the reporting procedures and periods, and other policies or actions which have a direct affect on the applicant.

F. Family eligibility for assistance.

1. Income. The family's income shall be above the maximum allowable for Title XX fully subsidized child care services but less than 70 percent of the state median income as set forth in the current CASP PLAN. Income shall be defined, as in the Title XX program, to mean all monthly income before deductions received by all family members age 14 or over.

2. Reasons for needing care. Families eligible for assistance are those needing child day care services for the following reasons only: employment, school attendance, or other circumstances related to employment and school attendance.

3. Age. Only children 14 years of age or younger may be eligible for assistance.

4. Residence. Application shall be made in the family's county of residence.

G. Family fee payment schedule.

1. The commissioner shall establish a monthly family fee schedule based upon income and family size.

2. In setting the fee schedule, the following computations shall be made for family sizes 2 to 10:

a. The federal, state and Social Security taxes are computed at the 60%, 70%, 80%, 90%, 100%, 110% and 115% of the state median income levels (Federal Income Tax Table, Family size 2-Table D - Unmarried Head of Household Family size 3-10, Table B - Married filing Joint Return and the Minnesota Income Tax Table - tax computed on gross income). The computation of the state and federal taxes includes a child care credit. (The child care credit is determined by using 20% of the estimated annual cost of child care as directed in the Income Tax Tables. Estimated annual cost of child care by family size: 2-$840, 3-$936, 4-$1,080, 5-$1,200, 6-$1,380, 7-$1,500, 8-$1,860, 10-$1,980).

b. The federal, state and Social Security taxes are added together at each income level.

c. The difference in the tax total between the 60% income level and the tax total of each subsequent income level is determined.

d. The difference in the gross annual income at the 60% income level and the gross annual income for each subsequent income level is determined.

e. The difference in the taxes at each income level is subtracted from the difference in income at each level.

f. The net income at the 70% level is multiplied by 75% to determine the annual child care fee. The net income at the subsequent income levels is multiplied by 55% to determine the annual child care fee.

g. At each income level, the annual child care fee is divided by 12 to determine the monthly child care fee. (For a family of 6, at the 70% income level the fee calculated is $125. Since this is a higher fee than at the 70% income level for a family of 7—$117—, the fee is reduced to $110 to produce for a

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continual increase in the fee schedule as the family size increases).

h. The fee for income increments between each income level computed is determined by evenly dividing the difference in the fee between the income levels by the number of income increments between the levels. For family size 2-10, there are 10 income increments between 61-71% of the state median income with each increment representing a 1% increase in income and between 71-80%, 81-90%, 91-100% and 101-110%, there are 4 income increments with each representing a 2.5% increase in income. Between 111-115% there are 2 income increments with each representing a 2.5% increase in income. More increments are allowed between the 61-70% income level as the primary users of the sliding fee program will be dealing with this income range.

3. The total fee payment for a family shall not exceed 75 percent of the income determined available in G.2.e. above.

4. Only a single fee shall be charged regardless of the number of services a family receives. The fee charged shall be the highest fee.

5. When the county makes payments to providers for child day care costs, eligible families shall be responsible for reimbursing the county in monthly payments the amount of which shall be determined in accordance with the fee schedule described in G.

6. The commissioner shall publish a fee schedule, coordinated with the state CASP Plan.

H. Provision of service.

1. The commissioner shall determine the median service charge for each type of child day care service for each of the Governor's economic regions.

2. The county shall not make payment for that part of any child day care service charge in excess of 125% of the median charge for that service.

3. The county may limit the number of families to whom assistance is provided because of insufficient grant funds. However, counties using Title XX funds must amend their CASP Plan.

I. Payment of assistance.

1. The administering agency shall make payment in either of the following ways:

a. An eligible family may be reimbursed for expenses incurred up to the limits specified in H. above.

b. The child day care provider may be reimbursed for charges up to the limits described in H. above.

2. The administering agency shall inform the family and/or child day care provider, who will receive payment as well as how and when it will be received.

3. The administering agency shall make payments at least monthly.

4. The administering agency shall inform the family of the method in which its monthly family fee payment was computed.

J. Evaluation.

1. The commissioner shall collect data and evaluate the program for the purpose of demonstrating the effectiveness of the program in preventing and reducing the dependence of participants on public assistance and in providing other benefits.

2. The administering agency shall collect data and prepare periodic reports as required by the commissioner.



PIONEERS throughout the state quickly built churches as well as schools, for the church was one of the main centers of social life among the settlers. This painting shows the Chapel of St. Paul, erected by members of Father Lucien Galtier's small Catholic congregation in 1841. The settlement that became the state's capital city took its name from this chapel. The painting shown here was made in 1852 by R. O. Sweeny. It now hangs in the Minnesota Historical Society. (Courtesy of MN HistoricalSociety)

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

In the matter of the Proposed
Adoption of A Department of
Public Welfare Rule Governing
Child Day Care Sliding Fee
Scales (12 MCAR 2.163)

STATEMENT OF NEED
AND REASONABLENESS

Section A. Introduction

Part 1. This introductory statement is necessary in that it sets forth the statutory authority and defines the service area to be governed by this rule. (Minn. Stat. §245.84, subd. 2 (Supp. 1979).

Part 2. Definitions: The following definitions are necessary to determine the meaning of special terms used in this rule. They are reasonable in that they reflect the interpretation of those terms as used in social service planning, and state statutes and regulations.

Subpart a. Child Day Care Service - It is necessary to define child day care services in order to establish the kinds of service for which the funds governed by this rule may be used. It is reasonable in that it sets limits to the hours of service that can be used and called child day care and it is consistent with the Department's licensing rules (12 MCAR 2.002 and 12 MCAR 2.003).

Subpart b. Eligible Child Day Care Provider - It is necessary to define those providers whose services may be used by recipients of the funds governed by this rule. It is reasonable in that it defines those providers governed by the Department's licensing rules 12 MCAR 2.002 and 12 MCAR 2.003 and the Federal Interagency Day Care Requirements.

Subpart c. Commissioner - It is reasonable to include this definition as it eliminates the necessity of repeating the phrase every time it is used in the rule.

Subpart d. County - It is necessary to define the responsible body at the local level. It is reasonable to include this definition as it eliminates the necessity of repeating the phrase every time it is used in the rule.

Subpart e. State Advisory Council - It is necessary to define this council for the purposes of this rule to set it apart from other advisory councils used by the Commissioner of Public Welfare.

Subpart f. Administering Agency - this definition is necessary in that this agency may be other than the county Board of Commissioners. It is reasonable in that it helps to separate those functions that must be performed by the county and those functions which may be performed by another agency.

Subpart g. Title XX - This definition is necessary in that many of the county functions required by this rule are related to their current functioning in this federally funded program.

Subpart h. Comprehensive Annual Services Program Plan (CASP PLAN) - It is necessary to include this definition in that the income eligibility requirements governed by this rule are directly related to the income guidelines in the CASP PLAN.

Subpart i. Family - It is necessary to define family in that it is an eligible family that is the recipient of the funds governed by this rule. It is reasonable in that it reflects the definition used in social service planning and the county's CASP PLAN.

Subpart j. Area - This definition is necessary to meet the distribution requirements of Minn. Stat. §245.87 (Supp. 1979). It is reasonable as it eliminates the necessity of repeating the phrase every time it is used in this Rule.

Subpart k. Program Year - It is necessary to make this definition to separate it from the Federal CASP PLAN program year, which is October 1 through September 30.

Subpart l. Program Costs - this definition is necessary in determining the county's local match. It is reasonable in that it reflects the total cost of the day care service.

Subpart m. Net Program Costs - This definition eliminates the parents share (fee) of the program costs and is necessary in determining the county's reimbursement by assuring that the county contribution is in addition to payments from parents in accordance with Minn. Stat. §245.84, subd. 2 (Supp. 1979).

Section B. Eligibility for Grant

Part 1. Applicant - Minnesota Statutes §245.84, subd. 2 (Supp. 1979) requires that a county or group of counties be recipients of the child day care sliding fee funds governed by this rule.

Part 2. Title XX Child Day Care Services - The sliding fee program is based on need and ability to pay. It is reasonable to require a county to serve a population with less ability to pay for day day care services prior to participating in the sliding fee program.

Part 3. Local Share Match - The local share match is required by Minn. Stat. §245.84, subd. 2 (Supp. 1979). Minnesota Laws 1979, Chapter 307, section 2 limits the counties administrative costs to seven percent of the grant. It is reasonable to exclude the family fee payment from the local share match because it is not a part of the county's cost for the program. It is reasonable to include in-kind materials and services as part of the local share match because this was an accepted administrative practice of the Child Care Facilities grant program.

Part 4. Minn. Stat. §245.84, subd. 2 (Supp. 1979) requires the Commissioner to report to the State Legislature no later than January 15, 1981. To provide meaningful statistics for that report, it is reasonable not to allow a county to join the experimental sliding fee program on July 1, 1980 for the second year only.

Section C. Application for Grant

Part 1. Because Minn. Stat. §245.84, subd. 2 (Supp. 1979) does not require the county to participate in the sliding fee program, it is reasonable to offer them several options in relationship to the experimental program.

Subpart a. Because of the experimental nature of the child day care sliding fee program and because of the limited amount of funds available, it is reasonable that some counties may choose not to participate in the program. With regard to the reporting requirements of Minn. Stat. §245.84, subd. 2 (Supp. 1979) it is reasonable to require the counties to notify the Commissioner of their reasons for not participating.

Subpart b. This option for county participation in the child day care sliding fee program is necessary because Minn. Stat. §245.84, subd. 2 (Supp. 1979) sets families with an income of 60-70% of the state median income as the eligible recipients of the funds governed by this Rule.

Subpart c. Because of the limited funds available for the experimental child day care sliding fee program, it is reasonable to allow a county to use Title XX funds in the 60-70% category if they choose.

Subpart d. Because some counties are already serving persons with incomes in the range of 60-115% of the state median income, it is reasonable to allow a county to use state child day care sliding fee funds in the 60-70% category while continuing to use Title XX and other funds in the 70-115% category, using the state sliding fee schedule.

Part 2. An application procedure for counties choosing to participate in the experimental child day care sliding fee program is reasonable because Minn. Stat. §245.84, subd. 2 (Supp. 1979) requires the Commissioner to make grants to the counties from funds governed by this rule.

Subpart a. It is reasonable that the Commissioner provide the forms for application to meet the statutory requirement (Chapter 393) that he make grants to counties for child day care sliding fee.

Subpart b. It is reasonable to allow the counties to propose an alternate fee schedule because of the experimental nature of the child day care sliding fee program and because some counties are already operating child day care sliding fee programs.

Subpart b. 1-4 These criteria for proposing an alternative fee schedule are necessary in that they meet the reporting requirements of Chapter 307, Minn. Stat. They are reasonable in that they do not impose any hardship on eligible recipients who might be governed by them and they provide for uniform administration of the experimental sliding fee program.

Subpart c. It is reasonable for the Commissioner to establish application deadlines for purposes of uniform administration the program.

Subpart d. It is reasonable and necessary, pursuant to Minn. Stat. §245.84, subd. 4, to submit the county applications to the state advisory council for review and comment because this falls within their statutory responsibilities to advise the Commissioner on matters concerning child care.

Subpart e. This requirement is reasonable in that it is consistent with current Title XX and social service practice regarding the acceptance or denial of applications.

Section D. Award of Grant

Part 1. This requirement is necessary for the uniform administration of the experimental sliding fee program.

Subpart a. This division of the funds for the two-year period governed by this rule is reasonable because most of the counties do not currently have sliding fee program and they will be better able to utilize the funds in the second year.

Subpart b-c. These provisions are necessary to meet the allocation requirements of Minn. Stat. §245.87. They are reasonable in that they are consistent with the former Child Care Facilities Act formula found in Rule 9 - and found broad acceptance as the distribution formula for those funds.

Subpart d. This statement is necessary to meet the requirements of Minn. Stat. §245.84, subd. 2, (Supp. 1979) regarding the county's local match for the experimental child day care sliding fee program.

Part 2. This statement is necessary to insure that all available funds, governed by this rule are expended. It is reasonable in that it follows the broadly accepted practice of the reallocation of funds in the former Child Care Facilities Act program governed by Rule 9.

Section E. Family Application

Part 1. This requirement is necessary so that potentially eligible families may know about the existence of the experimental child day care sliding fee program. It is reasonable to use the media and day care providers because these are two resources readily available to potentially eligible families.

Part 2. a-f These application procedures are necessary for the uniform administration of the experimental child day care sliding fee program. They are reasonable in that they are consistent with current social service and Title XX administrative practices.

Part 3. This requirement is necessary to avoid improper expenditure of funds governed by this rule. It is reasonable in that it is consistent with current social service and Title XX adminsitrative practices.

Part 4. This requirement is necessary for the uniform administration of the experimental child day care sliding fee program. It is reasonable that this information be provided to all eligible participants so that they may be responsible for their participation in the program.

Section F. Family Eligiblity for Assistance

Part 1. This provision is necessary to meet the requirements of Minn. Stat. §245.84, subd. 2 (Supp. 1979).

Part 2. This provision is necessary to meet the requirements of Minn. Stat. §245.84, subd. 2 (Supp. 1979).

Part 3. This provision is reasonable in that it is consistent with the child day care licensing rules of the Department of Public Welfare.

Part 4. This provision is reasonable in that it is consistent with current social service and Title XX administrative practices.

Section G. Family Fee Payment Schedule

Part 1. It is necessary to establish a fee schedule based upon income and family size to meet the legislature requirement of Minn. Stat. §245.84, subd. 2 (Supp. 1979) to make these funds available to all families with incomes above the maximum allowable for Title XX fully subsidized child care, but less than 70 percent of the state median income for a family of four adjusted for family size.

Part 2. (a) It is necessary to establish an amount for income and social security taxes attributable to their taxable income according to standardized tables as this is required in Minn. Stat. §245.84, subd. 2 (Supp. 1979). It is reasonable for ease of administration to consider tax computations at income level increments of 10 percent further refinement demonstrates that taxes increase at a fairly uniform rate. It is reasonable to use Unmarried Head of Household Federal Income Tax Tables for family size 2, with the assumption that in a family of 2, one person is a child and the second person an unmarried parent. The most equitable way to compute taxes for family size 3-10 is to use Married Filing Joint Return Tax Tables as the use of these tables results in a lower fee charge for the family than the use of the Unmarried Head of Household Tax Tables. It is reasonable that the tax be computed on gross income for ease of administration and to allow for a child care credit in computation of the federal and state taxes as directed in the tax tables since all participants in the program will be paying a fee for child care services. It is necessary to develop an estimate of the annual cost of child care by family size to determine the child care tax credit. The most practical and equitable way to do this is to base the estimated cost of child care on the projected minimum fee charged for child care on the sliding fee schedule.

(b-h) The computations described in these items are necessary to equitably moderate the impact of increased need due to increased family size and increased resources resulting from a larger income when establishing a sliding fee schedule. It is necessary in item (f) to multiply the remaining income above the maximum allowable for fully subsidized child care by 75 percent to meet the requirement established in Minn. Stat. 245.84, subd. 2 (Supp. 1979). It is reasonable that the net income at subsequent income levels in mutiplied by 55 percent to be compatible with the Title XX fee schedule.

Part 3. This provision is necessary to meet the requirements of Minn. Stat. 245.84, subd. 2 (Supp. 1979).

Part 4. This provision is reasonable in that it is consistent with current social service and Title XX administrative practices.

Part 5. This provision is necessary in that parent fee payments are required by Minn. Stat. §245.84, subd. 2 (Supp. 1979). It is reasonable in that counties have some fee collection responsibilities for other social service programs and is consistent with current administrative practices.

Part 6. This provision is necessary to meet the requirements of Minn. Stat. §245.84, subd. 2 (Supp. 1979).

Section H. Provision of Service

Part 1. This provision is necessary to meet the requirements of Minn. Stat. §245.84, subd. 2 (Supp. 1979).

Part 2. This provision is necessary to meet the requirements of Minn. Stat. §245.84, subd. 2 (Supp. 1979).

Part 3. This provision is necessary because of the limited amount of funds governed by this rule. It is reasonable in that it is consistent with current social service and Title XX administrative requirements.

Parts 1-4. These provisions are all necessary for the uniform administration of the experimental child day care sliding fee program. They are reasonable in that they reflect current social service administrative practices.

Section J. Evaluation

Part 1. This provision is necessary to meet the requirements of Minn. Stat. §245.84, subd. 2 (Supp. 1979).

Part 2. This provision is necessary to meet the requirements of Minn. Stat. §245.84, subd. 2 (Supp. 1979). It is reasonable to require the administering agencies to collect data and make reports in that they will have direct access and familiarity with the data.

The Department of Public Welfare will have no expert witnesses testifying on its behalf regarding the adoption of proposed rule 12 MCAR 2.163.

EM/baa

Jan 22 1980
Date

Signed: Arthur E. Noot
Commissioner

PROPOSED

~~Temporary~~ Rule 163: Child Day Care Sliding Fee

A. Introduction

1. Pursuant to Minnesota Statutes, Section 245.83 through 245.87, this rule governs the administration of the experimental child day care sliding fee program for reducing, according to a sliding fee schedule, the costs of child care for eligible families whose income ranges from 60-70% of the state median income.

2. Definitions

a. Child Day Care Service: The less than 24-hour a day service which provides care for children as a substitute for or supplement to parental care for a planned period of time.

b. Eligible Child Day Care Provider: A family day care home, group family day care home or group day care center holding a current and valid license issued by the commissioner, or exempt from licensure by the commissioner, or an in-home attendant certified by the commissioner.

c. Commissioner: Minnesota Commissioner of Public Welfare.

d. County: The board of County Commissioners.

e. State Advisory Council: The Minnesota Child Care and Development Advisory Council, appointed by the Commissioner for the purpose of advising the Commissioner on child day care issues.

f. Administering Agency: The agency designated by the county to administer the child day care sliding fee program, which may be the county welfare department or any public or nonpublic agency.

g. Title XX: The title of the Social Security Act known as "Grants to States for Services", established by P.L. 93-647, as amended.

h. Comprehensive Annual Services Program Plan (CASP PLAN): The State Social Services plan, which is a compilation of all the local social services plans, and which meets the state plan requirements of Title XX of the Social Security Act.

i. Family: Parents and their dependent children under age 18 years including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities.

j. Area: Either the Governor's Economic Development Region Eleven or the Governor's Economic Development Regions one through ten.

k. Program Year: The state fiscal year, July 1 through June 30.

l. Program Costs: The provider charge plus the administrative costs.

m. Net Program Costs: The provider charge plus the administrative costs minus the parent fee.

B. Eligibility for Grant

1. Applicant: Pursuant to Minnesota Statutues, Chapters 393 and 402, the applicant for a grant shall be a county or group of counties. The applicant may designate any public or nonpublic agency to administer the program.

2. Title XX Child Day Care Services: To qualify for the sliding fee program the county shall offer fully subsidized child day care services to eligible persons with incomes below 60 percent of the state median income as set forth in the CASP PLAN.

3. Local Share Match: The county shall provide a local share match equal to five percent of the program cost during the first grant year and 15 percent of such cost during the second grant year. For purposes of determining the local match, administrative costs shall be considered to be the provider charge times seven percent. The local match shall not include the amount of minimum fee payments made by families but may include in-kind materials and services, furnished by the county, required for the administration of the program.

4. Because of the experimental nature of the program no county will be allowed to enter for the second year only.

C. Application for Grant

1. All counties shall select one of the following options regarding the experimental child day care sliding fee program:

a. Decide not to participate and notify the Commissioner of its reasons for the decision.

b. Participate using only state sliding fee funds and the required local match, serving families with an income of 60 to 70% of the state median income.

c. Participate using state sliding fee funds, the required local match, and Title XX funds, serving families with an income of 60 to 70% of the state median income.

d. Participate using state sliding fee funds and the required local match to serve families with an income of 60 to 70% of the state median income and use Title XX and/or other funds to serve families with an income of 70 to 115% of the state median income.

2. The application procedures for grants are as follows:

a. The county shall make application on forms provided by the Commissioner.

b. A county may propose an alternate fee schedule if it meets the following criteria:

(1) Use of the state sliding fee schedule would impose a hardship on families already participating in a sliding fee program (e.g., raising their fees substantially);

(2) The county can demonstrate how the use of their proposed fee schedule would reduce the incidence of lower income families remaining or becoming welfare recipients, increase the incentive for economic independence and provide other benefits;

(3) The county program serves a large enough population to demonstrate the impact of the program; and

(4) The fee charged does not exceed the fee allowed in the state fee schedule. Participating counties may only use one fee schedule for all eligible fee paying income groups receiving child day care services.

c. The county shall submit two copies of the application to the Commissioner by the deadlines established by the Commissioner.

d. The Commissioner shall submit a copy of each application to the state advisory council for their review and comment.

e. The Commissioner shall inform the county of the approval or denial of the application within 30 days of the submission deadline.

D. Award of Grant

1. The Commissioner shall award grants to counties which meet the eligibility requirements and for which applications have been approved, subject to the limits described below:

a. Thirty-five percent of the appropriation shall be awarded the first program year and sixty-five percent of the appropriation shall be awarded the second program year.

b. Area Limits: Fifty percent of the funds as determined in a. above shall be distributed to each area.

c. County Limits Within an Area. The amount, based on b. above, to be granted a county within an area, shall be equal to the sum of the following:

(1) Fifty percent of the area distribution times a ratio consisting of the number of working parent families with a child under six years of age in the county against the total number or working-parent families with a child under six years of age in all counties in the area; and

(2) Fifty percent of the area distribution times a ratio consisting of the number of children receiving AFDC grants in the county against the total number of children receiving AFDC grants in all counties in the area.

d. Not withstanding other provisions of this rule, grant awards shall not exceed ninety-five percent of the net program costs during the county's first grant year nor eighty-five percent of the net program costs during the county's second grant year.

2. The Commissioner shall reallocate unused first year funds after December 31, 1979, and shall reallocate unused second year funds after December 31, 1980, on the basis of need without regard to the limits described in D. 1. above.

E. Family Application

1. The administering agency shall inform parents on an on-going basis, through the news media and child day care providers, of the availability of child day care sliding fee assistance as well as the procedures for applying for such assistance.

2. The application procedures for assistance shall be:

a. Application for assistance shall be on forms prescribed by the Commissioner.

b. The administering agency shall make information about the program and application requirements available to all persons requesting this information.

c. Assistance in making application shall be available from the administering agency upon request.

d. The county shall use its current Title XX practice in verifying sources and amounts of income and reasons for needing child day care services.

e. The administering agency shall inform each applicant of the approval or denial of his/her application within 30 days of receipt of a completed application in writing.

f. Eligibility for assistance will be from the date of application.

3. The administering agency shall redetermine eligibility at least every six months.

4. The administering agency shall inform each applicant of the availability of all types of child day care services, the limits on available assistance, the reporting procedures and periods, and other policies or actions which have a direct affect on the applicant.

F. Family Eligibility for Assistance

1. Income. The family's income shall be above the maximum allowable for Title XX fully subsidized child care services but less than 70 percent of the

state median income as set forth in the current CASP PLAN. Income shall be defined, as in the Title XX program, to mean all monthly income before deductions received by all family members age 14 or over.

2. Reasons for needing care. Families eligible for assistance are those needing child day care services for the following reasons only: employment, school attendance, or other circumstances related to employment and school attendance.

3. Age. Only children 14 years of age or younger may be eligible for assistance.

4. Residence. Application shall be made in the family's county of residence.

G. Family Fee Payment Schedule

1. The Commissioner shall establish a monthly family fee schedule based upon income and family size.

2. In setting the fee schedule, the following computations shall be made for family sizes 2 to 10:

a. The federal, state and Social Security taxes are computed at the 60%, 70%, 80%, 90%, 100%, 110% and 115% of the state median income levels (Federal Income Tax Table, Family size 2-Table D - Unmarried Head of Household Family size 3-10, Table B-Married filing Joint Return and the Minnesota Income Tax Table - tax computed on gross income). The computation of the state and federal taxes includes a child care credit. (The child care credit is determined by using 20% of the estimated annual cost of child care as directed in the Income Tax Tables. Estimated annual cost of child care by family size: 2-$840, 3-$936, 4-1,080, 5-$1,200, 6-1,380, 7-$1,500, 8-$1,860, 10-$1,980).

b. The federal, state and Social Security taxes are added together at each income level.

c. The difference in the tax total between the 60% income level and the tax total of each subsequent income level is determined.

d. The difference in the gross annual income at the 60% income level and the gross annual income for each subsequent income level is determined.

e. The difference in the taxes at each income level is subtracted from the difference in income at each level.

f. The net income at the 70% level is multiplied by 75% to determine the annual child care fee. The net income at the subsequent income levels is multiplied by 55% to determine the annual child care fee.

g. At each income level, the annual child care fee is divided by 12 to determine the monthly child care fee. (For a family of 6, at the 70% income level the fee calculated is $125. Since this is a higher fee than at the 70% income level for a family of 7-$117- , the fee is reduced to $110 to produce for a continual increase in the fee schedule as the family size increases).

h. The fee for income increments between each income level computed is determined by evenly dividing the difference in the fee between the income levels by the number of income increments between the levels. For family size 2-10, there are 10 income increments between 61-71% of the state median income with each increment representing

a 1% increase in income and between 71-80%, 81-90%, 91-100% and 101-110%, ther are 4 income increments with each representing a 2.5% increase in income. Between 111-115% there are 2 income increments with each representing a 2.5% increase in income. More increments are allowed between the 61-70% income level as the primary users of the sliding fee program will be dealing with this income range.

3. The total fee payment for a family shall not exceed 75 percent of the income determined available in G. 2. e. above.

4. Only a single fee shall be charged regardless of the number of services a family receives. The fee charged shall be the highest fee.

5. When the county makes payments to providers for child day care costs, eligible families shall be responsible for reimbursing the county in monthly payments the amount of which shall be determined in accordance with the fee schedule described in Section G.

6. The commissioner shall publish a fee schedule, coordinated with the state CASP Plan.

H. Provision of Service

1. The Commissioner shall determine the median service charge for each type of child day care service for each of the Governor's economic regions.

2. The county shall not make payment for that part of any child day care service charge in excess of 125% of the median charge for that service.

3. The county may limit the number of families to whom assistance is provided because of insufficient grant funds. However, counties using Title XX funds must amend their CASP Plan.

I. Payment of Assistance

1. The administering agency shall make payment in either of the following ways:

a. An eligible family may be reimbursed for expenses incurred up to the limits specified in H. above.

b. The child day care provider may be reimbursed for charges up to the limits described in H. above.

2. The administering agency shall inform the family and/or child day care provider, who will receive payment as well as how and when it will be received.

3. The administering agency shall make payments at least monthly.

4. The administering agency shall inform the family of the method in which its monthly family fee payment was computed.

J. Evaluation

1. The Commissioner shall collect data and evaluate the program for the purpose of demonstrating the effectiveness of the program in preventing and reducing the dependence of participants on public assistance and in providing other benefits.

2. The administering agency shall collect data and prepare periodic reports as required by the Commissioner.

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF PUBLIC WELFARE RULE GOVERNING CHILD DAY CARE SLIDING FEE SCALES (12 MCAR 2.163)

ORDER FOR HEARING

IT IS HEREBY ORDERED that a public hearing on the above captioned rules be held at the Capitol Square Building, Room A, 550 Cedar Street, St. Paul, Minnesota 55101 on February 19, 1980 commencing at 9:00 a.m. and continuing until all persons have had an opportunity to be heard.

IT IS FURTHER ORDERED that a Notice of Hearing be mailed to all persons, representatives of associations, or other interested groups, who have registered their names with the Secretary of State for that purpose.

IT IS FURTHER ORDERED that the Notice of Hearing be published in the State Register.

Dated: December 19, 1979

Arthur E. Noot
Commissioner

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED
ADOPTION OF A DEPARTMENT OF
PUBLIC WELFARE RULE GOVERNING
CHILD DAY CARE SLIDING FEE
SCALES (12 MCAR 2.163)

NOTICE OF HEARING

A public hearing concerning the proposed rule will be held at the Capitol Square Building, Room A, 550 Cedar Street (between 10th and 11th) St. Paul, Minnesota 55101 on February 19, 1980, commencing at 9:00 a.m. The proposed rule may be modified as a result of the hearing process. Therefore, if you are affected in any manner by the proposed rule, you are urged to participate in the rule hearing process.

Following the agency's presentation at the hearing, all interested or affected persons will have an opportunity to ask questions and make comments. Statements may be made orally and written material may be submitted. In addition, whether or not an appearance is made at the hearing, written statements or material may be submitted to the Hearing Examiner, Natalie Gaull, Office of Hearing Examiners, 1745 University Avenue, Room 300, St. Paul, MN 55104, (612) 296-8114, either before the hearing or within five working days after the close of the hearing. The hearing examiner may, at the hearing, order that the record be kept open for a longer period not to exceed 20 calendar days. The rule hearing procedure is governed by Minn. Stat. §§ 15.0411-15.0417 and 15.052, and by 9 MCAR §§ 2.101-2.112 (Minnesota Code of Agency Rules). If you have any questions about the procedure, call or write the hearing examiner.

Twenty-five days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rule. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimum charge.

12 MCAR 2.163 governs the administration of the experimental child day care sliding fee program, pursuant to Minn. Stat. § 245.84, Subd. 2 (Supp. 1979). The purpose of the program is to reduce according to a sliding fee schedule, the costs of child care for eligible families whose income ranges from 60-70% of the state median income. (The following twenty-two counties have elected to participate in the experimental child day care sliding fee program:

Beltrami	Mower
Blue Earth	Olmsted
Brown	Polk
Carver	Ramsey
Crow Wing	Redwood
Freeborn	Rice
Goodhue	St. Louis
Hennepin	Sherburne
Houston	Todd
Kandiyohi	Washington
McLeod	Winona

Only families residing in these counties will be effected by this rule.)

The agency's authority to adopt the proposed rule is contained in Minn. Stat. §§ 245.84, Subd. 2 (Supp. 1979).

The cost to implement 12 MCAR 2.163 for local public bodies will not exceed $100,000 for either of the two years immediately following its adoption within the meaning of Minn. Stat. 15.0412, Subd. 7 (1978). 10

Copies of the proposed rule are now available and at least one free copy may be obtained by writing to Jerry Ferguson, Department of Public Welfare, Social Services Bureau, Centennial Office Building, Fourth Floor, St. Paul, MN 55155, telephone (612) 296-5766. Additional copies will be available at the hearing. If you have any questions on the content of the proposed rule, contact Jerry Ferguson.

Any person may request notification of the date on which the hearing examiner's report will be available, after which date the agency may not take any final action on the rules for a period of five working days. Any person may request notification of the date on which the hearing record has been submitted or resubmitted to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the hearing examiner, in the case of the hearing examiner's report, or to the agency, in the case of the agency's submission or resubmission to the Attorney General. 8

Minn. Stat. ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five days after he or she commences lobbying. A lobbyist is defined in Minn. Stat. § 10A.01, subd. 11, as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250, not including his own traveling expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials. 6

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, telephone (612) 296-5615.

Dated: December 17, 1979

Arthur E. Noot
Commissioner of Public Welfare

a. So that the questions will be specific and relevant to the characteristics of each occupation; and

b. May change in form and wording over time so that a question can be classified or its emphasis modified.

2. When resources available to the Commissioner permit, the form may include questions in addition to the types of information specified in 7 MCAR § 1.235 B.1. and B.2. Such questions may solicit:

a. Information sought by the Commissioner for the purpose of making decisions pertaining to health manpower, but to be provided by the licensee or registrant on a voluntary basis;

b. Information sought by parties other than the Commissioner for purposes of making decisions pertaining to health manpower. In these instances:

(1) The proposed additional questions may be included only if the Commissioner determines that:

(a) The additional questions are relevant to making decisions pertaining to health manpower;

(b) Resources permit the inclusion of additional questions on the form;

(c) The information collection required by 7 MCAR § 1.235 B.1. and B.2. would not be delayed or otherwise inconvenienced by the inclusion of additional questions on the form.

(2) The form shall clearly identify the party requesting the additional information, the specific questions asked by the party, whether or not it is mandatory for the licensee or registrant to supply the information, and if mandatory, the citation to the mandating legal authority.

Department of Public Welfare
Social Services Division

Proposed Temporary Rule Governing Child Day Care Sliding Fee

Request for Public Comment

Notice is hereby given that the following proposed Rule 163 (12 MCAR § 2.163) governing administration of Child Day Care Sliding Fee, is proposed for adoption as a temporary rule as authorized by Minn. Stat. § 15.0412, subd. 5 (1977), pending completion of a full hearing and adoption of a permanent rule. Comments from interested and affected persons are requested. Comments must be received at the address given below within 20 days of the date of this publication to be considered. The temporary rule may be revised on the basis of comments received.

Comments on the proposed rule should be sent to:

Jerry Ferguson
Service Plan Administration
Division of Social Services
Department of Public Welfare
4th Floor, Centennial Office Building
St. Paul. Mn 55155

Temporary Rule as Proposed (all new material)

12 MCAR § 2.163 Child day care sliding fee.

A. Introduction.

1. Pursuant to Minn. Stat. §§ 245.83 through 245.87, this rule governs the administration of the experimental child day care sliding fee program for reducing, according to a sliding fee schedule, the costs of child care for eligible families whose income ranges from 60-70% of the state median income.

2. Definitions.

a. Child day care service. The less than 24-hour a day service which provides care for children as a substitute for or supplement to parental care for a planned period of time.

b. Eligible child day care provider. A family day care home, group family day care home or group day care center holding a current and valid license issued by the commissioner, or exempt from licensure by the Commissioner, or an in-home attendant certified by the Commissioner.

c. Commissioner. Minnesota Commissioner of Public Welfare.

d. County. The board of County Commissioners.

e. State Advisory Council. The Minnesota Child Care and Development Advisory Council, appointed by the Commissioner for the purpose of advising the Commissioner on child day care issues.

f. Administering agency. The agency designated by the county to administer the child day care sliding fee program, which may be the county welfare department or any public or nonpublic agency.

g. Title XX. The title of the Social Security Act known as "Grants to States for Services," established by P.L. 93-647, as amended.

h. Comprehensive Annual Services Program Plan (CASP PLAN). The State Social Services plan, which is a compilation of all the local social services plans, and which meets the state plan requirements of Title XX of the Social Security Act.

i. Family. Parents and their dependent children under age 18 years including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities.

DPW-80-026-NG

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of a Department of Public Welfare Rule Governing Child Day Care Sliding Fee Scales (12 MCAR § 2.163)

ORDER OF THE
CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on February 19, 1980, before Natalie Gaull, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, subd. 3, was issued to the Department of Public Welfare on April 21, 1980, and;

WHEREAS, the Department of Public Welfare has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the Department of Public Welfare has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4, and 9 MCAR § 2.110; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Department of Public Welfare has met all requirements of Minn. Stat. § 15.0412, subd. 4.

NOW, THEREFORE, upon receipt of this Order, the Department of Public Welfare has the responsibility of submitting the complete hearing record and the rules as adopted by the Department to the Attorney General, notifying all persons who requested to be informed that the hearing record has been submitted to the Attorney General, and publishing in the State Register, all pursuant to Minn. Stat. § 15.0412, subd. 4.

Dated this 30th day of
April, 1980.

DUANE R. HARVES
Chief Hearing Examiner

By GEORGE A. BECK
Hearing Examiner

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF PUBLIC WELFARE RULE GOVERNING CHILD DAY CARE SLIDING FEE SCALES (12 MCAR 2.163)

AFFIDAVIT OF ADDITIONAL MAILING

Linda M. Peterson, being first duly sworn, deposes and says:

That on the 7th day of January, 1980, at the City of St. Paul, County of Ramsey, State of Minnesota, in addition to mailing the attached Notice of Hearing to all persons and associations listed on the Secretary of State's list, she also served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid to the following agencies:

All Minnesota County Welfare Departments
All Minnesota Human Service Boards
All Minnesota Area Mental Health Boards
All Minnesota State Hospitals
Local Child Care Advosory Committee (32)
MN Child Care and Developmental Advisory Council (25)

Linda M. Peterson

Subscribed and sworn to before me

this 10 day of January

1980.

Margaret Holt

MARGARET HOLT
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sept. 22, 1984

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF PUBLIC WELFARE RULE GOVERNING CHILD DAY CARE SLIDING FEE SCALES (12 MCAR 2.163)

AFFIDAVIT OF MAILING

Linda M Peterson, being first duly sworn, deposes and says:

That on the 7th day of January, 1980, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations at the addresses listed on the attached Certificate of the Secretary of State.

Linda M Peterson

Subscribed and sworn to before me

this 10 day of January

1980.

Margaret Holt

MARGARET HOLT
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sept. 22, 1984

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF PUBLIC WELFARE RULE GOVERNING CHILD DAY CARE SLIDING FEE SCALES (12 MCAR 2.163)

AFFIDAVIT OF RECEIPT OF THE SECRETARY OF STATE'S LIST

LINDA M. PETERSON, being duly sworn on oath deposes and says:

1) That she is an employee of the Special Services Division of the Department of Public Welfare for the State of Minnesota.

2) That on the 21st day of January, 1980, she went to the Secretary of State's office for the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to M.S. 15.0412.

3) That on the 21st day of January, 1980, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not.

Linda M Peterson

Subscribed and sworn to before me
this 10 day of January
1980.

Margaret Holt

MARGARET HOLT
NOTARY PUBLIC - MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sept. 22, 19[illegible]

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF PUBLIC WELFARE RULE GOVERNING CHILD DAY CARE SLIDING FEE SCALES (12 MCAR 2.163)

CERTIFICATE OF DELIVERY OF THE SECRETARY OF STATE'S LIST

I hereby certify that the attached 337 labels on 4 sheets constitute the complete list of persons, associations, and other interested groups who as of 8:10 o'clock A.M., this 4th day of Jan., 1980, have requested pursuant to M.S. 1976, 15.0412 Subd. 4, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

SECRETARY OF STATE

Joan Anderson Growe

BY

Kathy Hjelm

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF PUBLIC WELFARE RULE GOVERNING CHILD DAY CARE SLIDING FEE SCALES (12 MCAR 2.163)

PERSONNEL TO TESTIFY

The following Department of Public Welfare staff will testify at the above-entitled rule hearing to be held on February 19, 1980:

Ellie Norberg
Jerry Fergusen