

Minnesota Attorney General: Administrative Rules Proceedings

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SF-00006-05 (4/86)

DEPARTMENT : ATTORNEY GENERAL

STATE OF MINNESOTA

Office Memorandum

DATE : June 29, 1989

TO : JIM SCHMIDT
Department of Human Services
Rules and Bulletins Division

FROM : JACQUELYN E. ALBRIGHT
Special Assistant Attorney General
515 Transportation Bldg., St. Paul 55155

PHONE : 6-9715

SUBJECT : In the Matter of the Adopted Rule Relating to Grants for Child Care Resource and Referral Programs and Child Care Services,, Minn. Rules Pt. 9565.5500 to 9565.5520

The above-referenced rule has been approved as to its legality by the Attorney General on June 29, 1989.

Enclosed is your copy of the approved rule. This office has already filed two copies with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submissions or comments along with any extra copies of documents which you submitted to the Attorney General.

Your next step is to arrange for publication of the Notice of Adoption in the State Register. In a day or two, you should receive from the Revisor's Office three copies of the notice of adoption of your rule. You should submit two copies of the Notice of Adoption to the State Register for publication. A permanent rule without a hearing does not become effective until five days after a notice of adoption is published in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

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

JEA:bbl
Enclosures
cc: William Brown, Chief Judge
Maryanne Hruby
David Iverson, S.A.A.G.

yes

RULE REVIEW CHECKLIST

File No. 1608 — Docket No. 05-0009, 0827

DATE RECEIVED 6-20-89 — ADOPTED W/O HEARING X

REVIEW DATE 6-29-89 — EMERGENCY RULE _____

DUE DATE 7-5-89 PWD — REVISOR APPROVED _____

APPROVED 6/29/89 JEA — REVISOR DISAPPROVED _____

DISAPPROVED _____ — FILED W/SEC. OF STATE 6-29-89

WITHDRAWN _____ — RETURNED TO AGENCY 6-29-89

✓ Rule as adopted (4 copies)

✓ Notice to Solicit Outside Information/Opinion (if applicable)
- 5/9/88 Date published in State Register
- none Comments

~~Petition for Adoption of a Rule (if applicable)~~

~~Board's Authorizing Resolution~~
- ~~Date adopted~~

✓ Proposed Rule
- yes Revisor's Certificate

✓ Notice of Intent to Adopt Rule
- 245.872 Statutory Authority 256H.20 subd 4, Laws ch 689 art 2 § 266 (1988)
- no Small Business Statement
- yes Expenditure of public money statement
- no Signature

✓ Statement of Need and Reasonableness (if applicable)
- yes Small Business Statement
- Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
- 4/12/89 Date (30)/25 days before adoption
- yes Notice attached
- ~~Copy of rule or summary attached~~

✓ Publication in State Register
- 4/17/89 Date (30)/25 days before adoption

180-day deadline from:
- + 8/1/86 Effective date of law requiring rule (14.12) (both rules)
- 5/17/89 end of comment period (§ 14.26) (rules without hearing)
- ~~effective date of statutory authority (§ 14.29) (emergency rules)~~

~~Resolution Adopting~~
- ~~Date adopted~~

✓ Findings of Fact, Conclusions & Order Adopting
- 6/16/89 Date

✓ Written requests, submissions or comments (2)

✓ Declaration of attorney
- D. Iverson Name of SAAG representing agency

✓ Fiscal Note

~~Notice of Submission to Atty. Gen. (if applicable)~~

~~Aff. of Mailing Notice to Atty. Gen. (if applicable)~~

Department of Human Services

Adopted Permanent Rules Relating to Grants for Child Care Resource and Referral Programs and Child Care Services

Rules as Adopted

9565.5500 DEFINITIONS.

Subpart 1. **Scope.** As used in parts 9565.5500 to 9565.5520, the following terms have the meanings given them in this part.

Subp. 2. **Child.** "Child" means a person 12 years old or younger or a person 14 years old or younger who is handicapped, as defined in Minnesota Statutes, section 120.03.

Subp. 3. **Child care.** "Child care" means the care of a child by someone other than a parent, legal guardian, or AFDC caretaker outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subp. 4. **Child care services.** "Child care services" means licensed child care provided in family day care homes, group family day care homes, nursery schools, day nurseries, child day care centers, head start, and school age child care programs legally exempt from licensure under Minnesota Statutes, section 245A.03, subdivision 2, clauses (5) and (12).

Subp 5. **Child care worker.** "Child care worker" means a person who cares for children for compensation, including a licensed provider of child care services, an employee of a provider, and a person who has applied for a license as a provider.

Subp. 6. **Commissioner.** "Commissioner" means the commissioner of the Department of Human Services or the commissioner's designated representative.

Subp. 7. **Department.** "Department" means the Minnesota Department of Human Services.

Subp. 8. **Development region.** "Development region" means a development region as defined in Minnesota Statutes, section

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462.384, subdivision 5.

Subp. 9. **Facility improvement expenses.** "Facility improvement expenses" means building improvements, equipment, toys, and supplies needed to establish, expand, or improve a licensed child care facility.

Subp. 10. **Interim financing.** "Interim financing" means funds to carry out activities necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing; to expand an existing program or to improve program quality; and to provide operating funds for no more than six consecutive months after a family day care home, group family day care home, or child care center has received a license from the commissioner.

Subp. 11. **Local match.** "Local match" means a nonstate source of funds used to match state grants-in-aid funds. Local match may include, but is not limited to, federal funds, fees for services, local tax levies, foundation money, or private contributions. In-kind donations or services are acceptable as local match provided the local match is directly related to the purpose of the state grant.

Subp. 12. **Mini-grant.** "Mini-grant" means a special category of funding under the child care services grants program that may be used by the grantee for facility improvements, start-up costs, interim financing, or staff training and development.

Subp. 13. **Resource and referral program.** "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. Services include parent education, technical assistance for providers and employers, information regarding staff development programs, and referrals to social services.

Subp. 14. **Staff training or development expenses.** "Staff training or development expenses" means the cost to a child care worker of tuition, transportation, required materials and supplies, and wages for a substitute while the child care worker

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is engaged in a training program.

Subp. 15. **Training program.** "Training program" means child development courses and training courses that meet the requirements of part 9502.0385 or 9503.0035. To qualify as a training program under this subpart, a course of study must teach specific skills that a child care worker needs to meet licensing requirements.

9565.5510 CHILD CARE RESOURCE AND REFERRAL PROGRAM GRANTS.

Subpart 1. **Availability of resource and referral program grants.** As provided in Minnesota Statutes, sections 245.872 and 256H.20, resource and referral program grants are available to public or private nonprofit agencies for establishing, expanding, improving, or operating a resource and referral program and for planning a resource and referral program where no program currently exists.

Subp. 2. **Federal funds; grant requirements.** Federal funds received for planning, developing, establishing, expanding, or improving local resource and referral and school age child care services that are available as grants under subpart 1 must be expended according to federal requirements and, unless contrary to federal requirements, according to subparts 3 to 16. Applications for grants using federal funds shall include assurances that all federal grant requirements will be met.

Subp. 3. **Grant proposals.** Resource and referral program grant proposals must be submitted by a public or private nonprofit agency to the commissioner on or before the date specified by the commissioner in the grant announcement. A public or private nonprofit agency must submit proof of its nonprofit status at the time of its grant request and shall include in its grant proposal the dollar amount of any resource and referral grants received in the previous three years and any pending grant applications that, if received, would duplicate or complement the resource and referral grant.

Subp. 4. **Geographical area of service.** A public or private nonprofit agency receiving a resource and referral

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program grant must provide service to the geographical area identified in the grant proposal as approved by the commissioner. The commissioner shall only award funds to support the operation of one resource and referral program per service area.

Subp. 5. **Requirements of grant recipients.** A public or private nonprofit agency receiving resource and referral program grant funds must comply with the requirements in subparts 6 to 9.

Subp. 6. **Development of resource file and referral process.** A public or private nonprofit agency receiving a resource and referral grant shall:

A. maintain a resource file that includes the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, and transportation available to the program;

B. update the resources file at least every three months;

C. publicize its services through popular media sources, social service agencies, employers, and other appropriate methods approved by the commissioner;

D. design services to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources;

E. establish a referral process that responds to parental need while fully recognizing the confidentiality rights of parents;

F. afford parents maximum access to referral information including telephone referral services for 20 or more hours per week;

G. provide child care resource and referral information to all persons requesting services and technical assistance to all types of child care providers and employers;

H. demonstrate ~~that funding will be available~~ a commitment to continue the program ~~for at least two years following~~ after the state grant is discontinued; and

I. develop a resource file of child care services

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provided by all licensed or legally operating public and private agencies within its service area. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, toddler, preschool, and extended care programs; and programs for school age children. The resource file may also include information on legally unlicensed providers and in-home providers who are legally exempt from licensure.

Subp. 7. **Documentation of service requests.** The child care resource and referral agency must maintain a written record of the number of calls and contacts for service. Information documented must include the ages of children served; the time category of child care requested for each child; special time categories such as nights, weekends, and swing shifts; and the reason that child care is needed. The information must also contain the names and addresses of clients to allow follow-up evaluation of the resource and referral service.

Subp. 8. **Educational information available to parents.** The child care resource and referral agency shall have the following educational information available for parents:

A. information and criteria for assessing and evaluating the quality and suitability of child care services including licensing regulations, availability of financial assistance, child abuse reporting procedures, and child development information; and

B. information on available parent, early childhood, and family education programs in the community and community resources for developmental assessment of children.

Subp. 9. **Technical assistance to providers and employers.** The child care resource and referral agency shall provide technical assistance to employers and existing and potential providers of all types of child care services. The technical assistance shall include:

A. information on ~~all~~ aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other

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sources;

B. information and resources that help existing child care providers to maximize their ability to serve the children and parents of their community including information to child care workers on child care training opportunities and child care courses and on financial aid available from postsecondary institutions;

C. dissemination of information on current public issues affecting the local and state delivery of child care services;

D. facilitation of communication between existing child care providers and child care-related services in the community served;

E. recruitment of licensed providers; and

F. identification of employer child care options, and the benefits available to employers using the various options to expand child care services to employees.

Subp. 10. **Grant allocation.** The commissioner may allocate up to 25 percent of the funds appropriated to develop child care services under Minnesota Statutes, section 245.872, for resource and referral programs.

Funds made available under Minnesota Statutes, section 245.872, for resource and referral program grants shall be allocated to development regions according to the formula in Minnesota Statutes, section 245.872, subdivision 2. Funds allocated to a development region that exceed grant requests or that were not used for grants due to an applicant's failure to comply with requirements under the grant proposal may be used to fund grant proposals in other development regions. Child care services funds made available for resource and referral program grants in excess of grants approved by the commissioner shall be used for child care services under part 9565.5520.

The commissioner shall allocate funds appropriated or received under Minnesota Statutes, section 256H.20, for resource and referral programs. The commissioner may allocate up to 75 percent of the funds appropriated under Minnesota Statutes,

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section 256H.20, for grants to plan or start up resource and referral programs. The commissioner shall allocate the remaining funds for grants to expand, improve, or operate ongoing resource and referral programs. Resource and referral program grants available under Minnesota Statutes, section 256H.20 shall be awarded on a statewide basis based on the quality of the grant proposals. Funds allocated for planning and start-up grants in excess of grant requests may be used to fund grant proposals for ongoing programs.

Subp. 11. **Maximum grant amount and match requirements.** The maximum child care resource and referral program grant the commissioner may award an agency to establish, improve, expand, or operate an existing child care resource and referral service is $60,000 per year. The maximum grant the commissioner may award a public or private nonprofit agency to plan a resource and referral program is $10,000 per year. Except for planning grants, a public or private nonprofit agency receiving a child care resource and referral grant must match those funds with a local match of 25 percent and must demonstrate ~~that funding will be available~~ a commitment to continue the program ~~for two years~~ after the state grant is discontinued. A public or private nonprofit agency receiving a grant to plan a resource and referral program must match those funds with a local match of 25 percent and must demonstrate that it has the expertise and organizational ability to complete the planning proposal within a maximum period of two years.

Subp. 12. **Resource and referral grant proposal ranking.** Grant proposals that meet the requirements of subparts 6 to 9 shall be ranked by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. The advisory task force shall use the criteria in items A to G to rank the grant proposals.

A. The grant applicant's ability to demonstrate the need for a child care resource and referral program in the geographical area to be served under the grant. Grants shall be awarded to only one resource and referral program per service

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area.

B. The extent that the program budget and grant proposal is complete, reasonable, and able to achieve the program's stated objectives.

C. The ability of the grant applicant to demonstrate that the program and nonstate funding for the program will continue ~~for at least two years following~~ after the state grant is discontinued.

D. The ability of the grant applicant to demonstrate support from the county social services agency, parent groups, schools, licensed child care providers, and community child care organizations.

E. The organizational structure of the resource and referral program and its capability to achieve the goals of the resource and referral program.

F. The ability of the program to meet reporting and data collection requirements of the commissioner.

G. The detailed description of the grant proposal as it relates to the child care resource and referral program with particular emphasis on:

(1) defining the geographical service area;

(2) identifying existing child care services;

(3) maintaining and updating the resource file;

(4) establishing a referral process that responds to parental need and recognizes the parents' right of confidentiality;

(5) documenting parental requests for service and education aids;

(6) providing technical assistance to employers and all existing and potential providers of child care; and

(7) announcing service availability through popular media sources, social agencies, employers, and child care providers.

Subp. 13. **Restriction on grant recommendations by advisory task force.** Members of the advisory task force with a direct financial interest in a pending resource and referral grant

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proposal may not provide a recommendation or participate in the ranking of that grant proposal. A direct financial interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or employment of a family member in or by the program. A family member employed in or by the program includes any person related to an advisory task force member by blood or marriage within the third degree of consanguinity.

Subp. 14. **Awarding of grants.** The commissioner shall award resource and referral program grants based on the recommendations of the grant advisory task force.

Subp. 15. **Expenditure records.** The recipient of a child care resource and referral grant shall maintain a record of all expenditures under the resource and referral program. The department is not liable for costs incurred by an applicant before issuance of a resource and referral grant contract signed by the commissioner or the commissioner's designated representative.

Subp. 16. **Audit of grant expenditures.** The commissioner may audit the expenses of a grant recipient during the grant period and during the 12 months immediately following the close of the grant period. The grantee shall provide the commissioner with copies of invoices and receipts of expenditures under the resource and referral grant. The grantee shall reimburse the department for any expenditure of grant funds unauthorized by the resource and referral grant contract.

9565.5520 GRANTS FOR CHILD CARE SERVICES.

Subpart 1. **Child care services grants.** Child care services grants are available for facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. In addition, as provided under subparts 15 to 18, child care services grants of up to $1,000 per grantee may be made available to help a grantee meet or exceed child care licensing requirements, to fund physical plant improvements, to expand or improve a licensed child care

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program, to purchase equipment, or to fund child care training.

Subp. 2. **Allocation of funds.** The commissioner shall allocate grant money appropriated for child care services as provided in Minnesota Statutes, section 245.872, subdivision 2. The commissioner may allocate up to 25 percent of the available funds for child care resource and referral programs as provided in part 9565.5510, subpart 10. The remaining funds shall be allocated for facility improvements, interim financing, child care staff training, and mini-grants. The commissioner shall not allocate more than 75 percent of the remaining funds for either child care facilities or staff training. Funds allocated to a development region in excess of a region's request for child care service development grants or where grants were not awarded due to an applicant's failure to comply with the requirements under the grant proposal may be used to fund child care service development grant proposals in other development regions. Funds allocated for child care service development program grants in excess of grants approved by the commissioner may be used for child care resource and referral programs under part 9565.5510.

Subp. 3. **Eligible grant recipients.** Eligible recipients of child care service grants are licensed providers of child care, applicants in the process of obtaining licensure, and organizations providing child care services to providers. If a grant applicant is in the process of obtaining licensure, the applicant must provide assurance of being able to meet licensure requirements and must verify that a completed application has been received by the county social service agency's family day care licensor or by the Department of Human Services, Division of Licensing. With the exception of mini-grants, priority for awarding child care services grants shall be given to grant applicants in the order they appear below:

A. public and private nonprofit agencies;

B. employer-based day care centers;

C. other for-profit day care centers; and

D. family day care providers.

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Subp. 4. **Grant proposals.** Child care services grant proposals must be submitted to the commissioner on or before the date specified in the child care services grant announcement and must include information on any previous grant received in the past three years and any other pending grant request. A nonprofit organization must include proof of its nonprofit status at the time of the grant request. For-profit businesses and corporations shall indicate whether they are an employer-based day care center, other for-profit day care center, or a family day care provider at the time of the grant request.

Subp. 5. **Grant match requirements.** Child care services grants for facility improvements, interim financing, and staff training and development require a 25 percent local match by the grant applicant. A local match is not required for a mini-grant.

Subp. 6. **Grants for facility improvement expenses.** Child care services grants for facility improvement expenses must be used by the grantee for building improvements, equipment, toys, or supplies needed to establish, expand, or improve a licensed child care facility.

Subp. 7. **Grants for interim financing.** Child care services grants for interim financing must be used by the grantee to carry out activities necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing; to expand an existing child care program; to improve program quality; or to provide operating funds following receipt of state licensing. Interim financing grants providing operating funds may not be awarded for more than six consecutive months following receipt of state licensing. Interim financing grants used by the grantee to meet conditions necessary to receive or maintain state licensing, to expand an existing program, or to improve program quality may not be awarded for more than 18 months.

Subp. 8. **Grants for staff training and development.** Child care services grants for staff training and development must be used by the grantee to upgrade staff qualifications with

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priority given to staff training and development necessary to meet licensure requirements. Staff training and development includes, but is not limited to, training to obtain child development associate certification, training of new and existing providers, recruiting new providers, and staff development to retain quality providers.

Subp. 9. **Facility improvement and interim financing grant proposals.** A proposal for a facility improvement grant or interim financing grant shall include:

A. documentation of need for the grant;

B. documentation of the number of children and the age groups the grant applicant is licensed to serve;

C. the ages of children the provider currently serves;

D. the age group of children the provider intends to serve after the expenditure of the facility improvement or interim financing grant;

E. a schedule for making improvements or for expending the grant funds;

F. budget information submitted with the grant proposal that includes a line item budget specifying projected costs for:

(1) building improvement;

(2) staff salary and benefits;

(3) supplies;

(4) program materials;

(5) rent, if applicable;

(6) utilities;

(7) equipment; and

(8) the need for interim financing, if applicable; and

G. documentation of any state funding assistance received in the previous three years.

Subp. 10. **Facility improvement and interim financing priorities.** Facility improvement and interim financing grant proposals shall be evaluated by an advisory task force

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established under Minnesota Statutes, sections 245.872, subdivision 3. In evaluating proposals for facility improvement and interim financing grants, the advisory task force shall use the following priorities to rank grant proposals for each group listed in subpart 3:

A. proposals submitted to meet licensure requirements;

B. proposals submitted to start new programs or projects;

C. proposals submitted to expand license spaces;

D. proposals submitted to fund programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;

E. proposals submitted for programs and projects that serve sick children, infants, toddlers, children with special needs, and children from low-income families;

F. proposals submitted to enrich existing programs or projects; and

G. other information requested by the commissioner in the request for proposals necessary to assess the quality of the proposal.

Subp. 11. **Ranking facility improvement and interim financing grant proposals.** Facility improvement and interim financing grant proposals shall be ranked by the advisory task force based on the priorities established under subpart 10 and the completeness of the documentation required under subpart 9 for each group listed in subpart 3. Nothing in this subpart shall require the task force to recommend or rank a facility improvement or interim financing grant proposal that does not meet the grant proposal requirements under subpart 9.

Subp. 12. **Staff training and development grant proposals.** A proposal for a staff training and development grant shall include:

A. the name of the provider or organization and the amount of grant funds the applicant is applying for;

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B. an explanation of why the grant is needed and how the grant funds will be used;

C. a detailed description of the training course with an explanation of how the course work will meet licensure requirements or improve child care services;

D. a detailed budget estimate of the training expenses including the proposed schedule for expending the funds, local match, and other sources of funding the applicant has received or applied for;

E. the length of time the applicant has provided licensed child care, if applicable, and the number and ages of children served; and

F. the length of time the applicant intends to provide child care services, if applicable, after completing the staff training and development course.

Subp. 13. **Staff training and development grant proposal priorities.** Staff training and development grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. In evaluating proposals for staff training and development grants, the advisory task force shall use the following priorities to rank grant proposals for each group listed in subpart 3:

A. staff training and development proposals from applicants who will work in geographic areas where there is a shortage of child care;

B. proposals from unlicensed providers who wish to become licensed;

C. proposals from public or private nonprofit agencies that will use grant money for scholarships for child care workers attending educational or training programs sponsored by the public or private nonprofit agency;

D. proposals from child care providers seeking accreditation or child care credentials; and

E. proposals from applicants who will work in facilities caring for sick children, infants, toddlers, children with special needs, and children from low-income families.

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Subp. 14. **Ranking staff training and development grant proposals.** Staff training and development grant proposals shall be ranked by the advisory task force based on the priorities established under subpart 13 and the completeness of the documentation required under subpart 12 for each group listed in subpart 3. Nothing in this subpart requires the task force to recommend or rank a staff training and development grant proposal that does not meet the grant proposal requirements under subpart 12.

Subp. 15. **Mini-grants for child care service development.** Mini-grants for child care service development must be used by the grantee for facility improvements, including, but not limited to, improvements to meet licensing requirements, improvements to expand the facility, and toys and equipment; start-up costs; interim financing; or staff training and development.

Subp. 16. **Mini-grant proposals.** A mini-grant proposal must contain the following information:

A. the name of the provider or organization and the amount of grant funds the applicant is applying for;

B. an explanation of why the grant is needed and how the grant funds will be used;

C. a detailed budget estimate including the proposed schedule for expending the funds and any other sources of funding including state funds the applicant has received or applied for in the previous three years;

D. the length of time the applicant has provided licensed child care, if applicable, and the number and ages of children served; and

E. the length of time the applicant intends to provide child care services.

Subp. 17. **Mini-grant priorities.** Priority for service development mini-grants shall be given to grant applicants in the following order:

A. family day care providers;

B. public and private nonprofit agencies;

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C. employer-based day care centers; and

D. other for-profit day care centers.

Subp. 18. **Ranking mini-grant proposals.** Mini-grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. In evaluating mini-grant proposals, the advisory task force shall consider the completeness of documentation for items A to D in ranking mini-grant proposals for each of the groups listed in subpart 17:

A. physical plant improvement, equipment, or training needed to meet or exceed licensure requirements;

B. budget information submitted with the grant request;

C. documentation of pending or past negative licensing action by the licensor, if any, and improvements required by the licensor; and

D. child care needs in the service area.

Subp. 19. **Restriction on grant recommendations by advisory task force members.** Members of the advisory task force with a direct interest in a pending child care service development grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. A direct interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or a family member employed in or by the program. A family member employed in or by the program includes any person related to an advisory task force member by blood or marriage within the third degree of consanguinity.

Subp. 20. **Awarding of grants.** The commissioner shall award child care service development grants based on the recommendations of the grant advisory task force.

Subp. 21. **Grant expenditure records.** The recipient of a child care services grant shall maintain a record of all expenditures under the grant proposal. The department is not liable for costs incurred by an applicant before issuance of a child care services grant contract signed by the commissioner or

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the commissioner's designated representative or the letter of award for a mini-grant proposal.

Subp. 22. **Audit of grant expenditures.** The commissioner may audit the expenses of a grant recipient during the grant period and during the 12 months immediately following the close of the grant period. The grantee shall provide the commissioner access to records concerning grant expenditures. The grantee shall reimburse the department for any expenditure of grant funds unauthorized under the terms of the contract or for failing to meet the terms of the contract.

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APPROVED AS TO FORM AND LEGALITY

June 29 19 89

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY Jacqueline G. Hough
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUN 29 1989

Joan Anderson Growe
Secretary of State

2:45 PM

AG Copy

Department of Human Services

Adopted Permanent Rules Relating to Grants for Child Care Resource and Referral Programs and Child Care Services

Rules as Adopted

9565.5500 DEFINITIONS.

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Subp. 3. **Child care.** "Child care" means the care of a child by someone other than a parent, legal guardian, or AFDC caretaker outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subp. 4. **Child care services.** "Child care services" means licensed child care provided in family day care homes, group family day care homes, nursery schools, day nurseries, child day care centers, head start, and school age child care programs legally exempt from licensure under Minnesota Statutes, section 245A.03, subdivision 2, clauses (5) and (12).

Subp 5. **Child care worker.** "Child care worker" means a person who cares for children for compensation, including a licensed provider of child care services, an employee of a provider, and a person who has applied for a license as a provider.

Subp. 6. **Commissioner.** "Commissioner" means the commissioner of the Department of Human Services or the commissioner's designated representative.

Subp. 7. **Department.** "Department" means the Minnesota Department of Human Services.

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Subp. 10. **Interim financing.** "Interim financing" means funds to carry out activities necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing; to expand an existing program or to improve program quality; and to provide operating funds for no more than six consecutive months after a family day care home, group family day care home, or child care center has received a license from the commissioner.

Subp. 11. **Local match.** "Local match" means a nonstate source of funds used to match state grants-in-aid funds. Local match may include, but is not limited to, federal funds, fees for services, local tax levies, foundation money, or private contributions. In-kind donations or services are acceptable as local match provided the local match is directly related to the purpose of the state grant.

Subp. 12. **Mini-grant.** "Mini-grant" means a special category of funding under the child care services grants program that may be used by the grantee for facility improvements, start-up costs, interim financing, or staff training and development.

Subp. 13. **Resource and referral program.** "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. Services include parent education, technical assistance for providers and employers, information regarding staff development programs, and referrals to social services.

Subp. 14. **Staff training or development expenses.** "Staff training or development expenses" means the cost to a child care worker of tuition, transportation, required materials and supplies, and wages for a substitute while the child care worker

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is engaged in a training program.

Subp. 15. **Training program.** "Training program" means child development courses and training courses that meet the requirements of part 9502.0385 or 9503.0035. To qualify as a training program under this subpart, a course of study must teach specific skills that a child care worker needs to meet licensing requirements.

9565.5510 CHILD CARE RESOURCE AND REFERRAL PROGRAM GRANTS.

Subpart 1. **Availability of resource and referral program grants.** As provided in Minnesota Statutes, sections 245.872 and 256H.20, resource and referral program grants are available to public or private nonprofit agencies for establishing, expanding, improving, or operating a resource and referral program and for planning a resource and referral program where no program currently exists.

Subp. 2. **Federal funds; grant requirements.** Federal funds received for planning, developing, establishing, expanding, or improving local resource and referral and school age child care services that are available as grants under subpart 1 must be expended according to federal requirements and, unless contrary to federal requirements, according to subparts 3 to 16. Applications for grants using federal funds shall include assurances that all federal grant requirements will be met.

Subp. 3. **Grant proposals.** Resource and referral program grant proposals must be submitted by a public or private nonprofit agency to the commissioner on or before the date specified by the commissioner in the grant announcement. A public or private nonprofit agency must submit proof of its nonprofit status at the time of its grant request and shall include in its grant proposal the dollar amount of any resource and referral grants received in the previous three years and any pending grant applications that, if received, would duplicate or complement the resource and referral grant.

Subp. 4. **Geographical area of service.** A public or private nonprofit agency receiving a resource and referral

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program grant must provide service to the geographical area identified in the grant proposal as approved by the commissioner. The commissioner shall only award funds to support the operation of one resource and referral program per service area.

Subp. 5. **Requirements of grant recipients.** A public or private nonprofit agency receiving resource and referral program grant funds must comply with the requirements in subparts 6 to 9.

Subp. 6. **Development of resource file and referral process.** A public or private nonprofit agency receiving a resource and referral grant shall:

A. maintain a resource file that includes the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, and transportation available to the program;

B. update the resources file at least every three months;

C. publicize its services through popular media sources, social service agencies, employers, and other appropriate methods approved by the commissioner;

D. design services to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources;

E. establish a referral process that responds to parental need while fully recognizing the confidentiality rights of parents;

F. afford parents maximum access to referral information including telephone referral services for 20 or more hours per week;

G. provide child care resource and referral information to all persons requesting services and technical assistance to all types of child care providers and employers;

H. demonstrate ~~that funding will be available~~ a commitment to continue the program ~~for at least two years following~~ after the state grant is discontinued; and

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I. develop a resource file of child care services

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provided by all licensed or legally operating public and private agencies within its service area. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, toddler, preschool, and extended care programs; and programs for school age children. The resource file may also include information on legally unlicensed providers and in-home providers who are legally exempt from licensure.

Subp. 7. **Documentation of service requests.** The child care resource and referral agency must maintain a written record of the number of calls and contacts for service. Information documented must include the ages of children served; the time category of child care requested for each child; special time categories such as nights, weekends, and swing shifts; and the reason that child care is needed. The information must also contain the names and addresses of clients to allow follow-up evaluation of the resource and referral service.

Subp. 8. **Educational information available to parents.** The child care resource and referral agency shall have the following educational information available for parents:

A. information and criteria for assessing and evaluating the quality and suitability of child care services including licensing regulations, availability of financial assistance, child abuse reporting procedures, and child development information; and

B. information on available parent, early childhood, and family education programs in the community and community resources for developmental assessment of children.

Subp. 9. **Technical assistance to providers and employers.** The child care resource and referral agency shall provide technical assistance to employers and existing and potential providers of all types of child care services. The technical assistance shall include:

A. information on ~~all~~ aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other

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sources;

B. information and resources that help existing child care providers to maximize their ability to serve the children and parents of their community including information to child care workers on child care training opportunities and child care courses and on financial aid available from postsecondary institutions;

C. dissemination of information on current public issues affecting the local and state delivery of child care services;

D. facilitation of communication between existing child care providers and child care-related services in the community served;

E. recruitment of licensed providers; and

F. identification of employer child care options, and the benefits available to employers using the various options to expand child care services to employees.

Subp. 10. **Grant allocation.** The commissioner may allocate up to 25 percent of the funds appropriated to develop child care services under Minnesota Statutes, section 245.872, for resource and referral programs.

Funds made available under Minnesota Statutes, section 245.872, for resource and referral program grants shall be allocated to development regions according to the formula in Minnesota Statutes, section 245.872, subdivision 2. Funds allocated to a development region that exceed grant requests or that were not used for grants due to an applicant's failure to comply with requirements under the grant proposal may be used to fund grant proposals in other development regions. Child care services funds made available for resource and referral program grants in excess of grants approved by the commissioner shall be used for child care services under part 9565.5520.

The commissioner shall allocate funds appropriated or received under Minnesota Statutes, section 256H.20, for resource and referral programs. The commissioner may allocate up to 75 percent of the funds appropriated under Minnesota Statutes,

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section 256H.20, for grants to plan or start up resource and referral programs. The commissioner shall allocate the remaining funds for grants to expand, improve, or operate ongoing resource and referral programs. Resource and referral program grants available under Minnesota Statutes, section 256H.20 shall be awarded on a statewide basis based on the quality of the grant proposals. Funds allocated for planning and start-up grants in excess of grant requests may be used to fund grant proposals for ongoing programs.

Subp. 11. **Maximum grant amount and match requirements.** The maximum child care resource and referral program grant the commissioner may award an agency to establish, improve, expand, or operate an existing child care resource and referral service is $60,000 per year. The maximum grant the commissioner may award a public or private nonprofit agency to plan a resource and referral program is $10,000 per year. Except for planning grants, a public or private nonprofit agency receiving a child care resource and referral grant must match those funds with a local match of 25 percent and must demonstrate ~~that funding will be available~~ a commitment to continue the program ~~for two years~~ after the state grant is discontinued. A public or private nonprofit agency receiving a grant to plan a resource and referral program must match those funds with a local match of 25 percent and must demonstrate that it has the expertise and organizational ability to complete the planning proposal within a maximum period of two years.

going from specific to general

Subp. 12. **Resource and referral grant proposal ranking.** Grant proposals that meet the requirements of subparts 6 to 9 shall be ranked by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. The advisory task force shall use the criteria in items A to G to rank the grant proposals.

A. The grant applicant's ability to demonstrate the need for a child care resource and referral program in the geographical area to be served under the grant. Grants shall be awarded to only one resource and referral program per service

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area.

B. The extent that the program budget and grant proposal is complete, reasonable, and able to achieve the program's stated objectives.

C. The ability of the grant applicant to demonstrate that the program and nonstate funding for the program will continue ~~for at least two years following~~ after the state grant is discontinued.

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D. The ability of the grant applicant to demonstrate support from the county social services agency, parent groups, schools, licensed child care providers, and community child care organizations.

E. The organizational structure of the resource and referral program and its capability to achieve the goals of the resource and referral program.

F. The ability of the program to meet reporting and data collection requirements of the commissioner.

G. The detailed description of the grant proposal as it relates to the child care resource and referral program with particular emphasis on:

(1) defining the geographical service area;

(2) identifying existing child care services;

(3) maintaining and updating the resource file;

(4) establishing a referral process that responds to parental need and recognizes the parents' right of confidentiality;

(5) documenting parental requests for service and education aids;

(6) providing technical assistance to employers and all existing and potential providers of child care; and

(7) announcing service availability through popular media sources, social agencies, employers, and child care providers.

Subp. 13. **Restriction on grant recommendations by advisory task force.** Members of the advisory task force with a direct financial interest in a pending resource and referral grant

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proposal may not provide a recommendation or participate in the ranking of that grant proposal. A direct financial interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or employment of a family member in or by the program. A family member employed in or by the program includes any person related to an advisory task force member by blood or marriage within the third degree of consanguinity.

Subp. 14. **Awarding of grants.** The commissioner shall award resource and referral program grants based on the recommendations of the grant advisory task force.

Subp. 15. **Expenditure records.** The recipient of a child care resource and referral grant shall maintain a record of all expenditures under the resource and referral program. The department is not liable for costs incurred by an applicant before issuance of a resource and referral grant contract signed by the commissioner or the commissioner's designated representative.

Subp. 16. **Audit of grant expenditures.** The commissioner may audit the expenses of a grant recipient during the grant period and during the 12 months immediately following the close of the grant period. The grantee shall provide the commissioner with copies of invoices and receipts of expenditures under the resource and referral grant. The grantee shall reimburse the department for any expenditure of grant funds unauthorized by the resource and referral grant contract.

9565.5520 GRANTS FOR CHILD CARE SERVICES.

Subpart 1. **Child care services grants.** Child care services grants are available for facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. In addition, as provided under subparts 15 to 18, child care services grants of up to $1,000 per grantee may be made available to help a grantee meet or exceed child care licensing requirements, to fund physical plant improvements, to expand or improve a licensed child care

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program, to purchase equipment, or to fund child care training.

Subp. 2. **Allocation of funds.** The commissioner shall allocate grant money appropriated for child care services as provided in Minnesota Statutes, section 245.872, subdivision 2. The commissioner may allocate up to 25 percent of the available funds for child care resource and referral programs as provided in part 9565.5510, subpart 10. The remaining funds shall be allocated for facility improvements, interim financing, child care staff training, and mini-grants. The commissioner shall not allocate more than 75 percent of the remaining funds for either child care facilities or staff training. Funds allocated to a development region in excess of a region's request for child care service development grants or where grants were not awarded due to an applicant's failure to comply with the requirements under the grant proposal may be used to fund child care service development grant proposals in other development regions. Funds allocated for child care service development program grants in excess of grants approved by the commissioner may be used for child care resource and referral programs under part 9565.5510.

Subp. 3. **Eligible grant recipients.** Eligible recipients of child care service grants are licensed providers of child care, applicants in the process of obtaining licensure, and organizations providing child care services to providers. If a grant applicant is in the process of obtaining licensure, the applicant must provide assurance of being able to meet licensure requirements and must verify that a completed application has been received by the county social service agency's family day care licensor or by the Department of Human Services, Division of Licensing. With the exception of mini-grants, priority for awarding child care services grants shall be given to grant applicants in the order they appear below:

A. public and private nonprofit agencies;

B. employer-based day care centers;

C. other for-profit day care centers; and

D. family day care providers.

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Subp. 4. **Grant proposals.** Child care services grant proposals must be submitted to the commissioner on or before the date specified in the child care services grant announcement and must include information on any previous grant received in the past three years and any other pending grant request. A nonprofit organization must include proof of its nonprofit status at the time of the grant request. For-profit businesses and corporations shall indicate whether they are an employer-based day care center, other for-profit day care center, or a family day care provider at the time of the grant request.

Subp. 5. **Grant match requirements.** Child care services grants for facility improvements, interim financing, and staff training and development require a 25 percent local match by the grant applicant. A local match is not required for a mini-grant.

Subp. 6. **Grants for facility improvement expenses.** Child care services grants for facility improvement expenses must be used by the grantee for building improvements, equipment, toys, or supplies needed to establish, expand, or improve a licensed child care facility.

Subp. 7. **Grants for interim financing.** Child care services grants for interim financing must be used by the grantee to carry out activities necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing; to expand an existing child care program; to improve program quality; or to provide operating funds following receipt of state licensing. Interim financing grants providing operating funds may not be awarded for more than six consecutive months following receipt of state licensing. Interim financing grants used by the grantee to meet conditions necessary to receive or maintain state licensing, to expand an existing program, or to improve program quality may not be awarded for more than 18 months.

Subp. 8. **Grants for staff training and development.** Child care services grants for staff training and development must be used by the grantee to upgrade staff qualifications with

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priority given to staff training and development necessary to meet licensure requirements. Staff training and development includes, but is not limited to, training to obtain child development associate certification, training of new and existing providers, recruiting new providers, and staff development to retain quality providers.

Subp. 9. **Facility improvement and interim financing grant proposals.** A proposal for a facility improvement grant or interim financing grant shall include:

A. documentation of need for the grant;

B. documentation of the number of children and the age groups the grant applicant is licensed to serve;

C. the ages of children the provider currently serves;

D. the age group of children the provider intends to serve after the expenditure of the facility improvement or interim financing grant;

E. a schedule for making improvements or for expending the grant funds;

F. budget information submitted with the grant proposal that includes a line item budget specifying projected costs for:

(1) building improvement;

(2) staff salary and benefits;

(3) supplies;

(4) program materials;

(5) rent, if applicable;

(6) utilities;

(7) equipment; and

(8) the need for interim financing, if applicable; and

G. documentation of any state funding assistance received in the previous three years.

Subp. 10. **Facility improvement and interim financing priorities.** Facility improvement and interim financing grant proposals shall be evaluated by an advisory task force

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established under Minnesota Statutes, sections 245.872, subdivision 3. In evaluating proposals for facility improvement and interim financing grants, the advisory task force shall use the following priorities to rank grant proposals for each group listed in subpart 3:

A. proposals submitted to meet licensure requirements;

B. proposals submitted to start new programs or projects;

C. proposals submitted to expand license spaces;

D. proposals submitted to fund programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;

E. proposals submitted for programs and projects that serve sick children, infants, toddlers, children with special needs, and children from low-income families;

F. proposals submitted to enrich existing programs or projects; and

G. other information requested by the commissioner in the request for proposals necessary to assess the quality of the proposal.

Subp. 11. **Ranking facility improvement and interim financing grant proposals.** Facility improvement and interim financing grant proposals shall be ranked by the advisory task force based on the priorities established under subpart 10 and the completeness of the documentation required under subpart 9 for each group listed in subpart 3. Nothing in this subpart shall require the task force to recommend or rank a facility improvement or interim financing grant proposal that does not meet the grant proposal requirements under subpart 9.

Subp. 12. **Staff training and development grant proposals.** A proposal for a staff training and development grant shall include:

A. the name of the provider or organization and the amount of grant funds the applicant is applying for;

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B. an explanation of why the grant is needed and how the grant funds will be used;

C. a detailed description of the training course with an explanation of how the course work will meet licensure requirements or improve child care services;

D. a detailed budget estimate of the training expenses including the proposed schedule for expending the funds, local match, and other sources of funding the applicant has received or applied for;

E. the length of time the applicant has provided licensed child care, if applicable, and the number and ages of children served; and

F. the length of time the applicant intends to provide child care services, if applicable, after completing the staff training and development course.

Subp. 13. **Staff training and development grant proposal priorities.** Staff training and development grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. In evaluating proposals for staff training and development grants, the advisory task force shall use the following priorities to rank grant proposals for each group listed in subpart 3:

A. staff training and development proposals from applicants who will work in geographic areas where there is a shortage of child care;

B. proposals from unlicensed providers who wish to become licensed;

C. proposals from public or private nonprofit agencies that will use grant money for scholarships for child care workers attending educational or training programs sponsored by the public or private nonprofit agency;

D. proposals from child care providers seeking accreditation or child care credentials; and

E. proposals from applicants who will work in facilities caring for sick children, infants, toddlers, children with special needs, and children from low-income families.

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Subp. 14. **Ranking staff training and development grant proposals.** Staff training and development grant proposals shall be ranked by the advisory task force based on the priorities established under subpart 13 and the completeness of the documentation required under subpart 12 for each group listed in subpart 3. Nothing in this subpart requires the task force to recommend or rank a staff training and development grant proposal that does not meet the grant proposal requirements under subpart 12.

Subp. 15. **Mini-grants for child care service development.** Mini-grants for child care service development must be used by the grantee for facility improvements, including, but not limited to, improvements to meet licensing requirements, improvements to expand the facility, and toys and equipment; start-up costs; interim financing; or staff training and development.

Subp. 16. **Mini-grant proposals.** A mini-grant proposal must contain the following information:

A. the name of the provider or organization and the amount of grant funds the applicant is applying for;

B. an explanation of why the grant is needed and how the grant funds will be used;

C. a detailed budget estimate including the proposed schedule for expending the funds and any other sources of funding including state funds the applicant has received or applied for in the previous three years;

D. the length of time the applicant has provided licensed child care, if applicable, and the number and ages of children served; and

E. the length of time the applicant intends to provide child care services.

Subp. 17. **Mini-grant priorities.** Priority for service development mini-grants shall be given to grant applicants in the following order:

A. family day care providers;

B. public and private nonprofit agencies;

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C. employer-based day care centers; and

D. other for-profit day care centers.

Subp. 18. **Ranking mini-grant proposals.** Mini-grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. In evaluating mini-grant proposals, the advisory task force shall consider the completeness of documentation for items A to D in ranking mini-grant proposals for each of the groups listed in subpart 17:

A. physical plant improvement, equipment, or training needed to meet or exceed licensure requirements;

B. budget information submitted with the grant request;

C. documentation of pending or past negative licensing action by the licensor, if any, and improvements required by the licensor; and

D. child care needs in the service area.

Subp. 19. **Restriction on grant recommendations by advisory task force members.** Members of the advisory task force with a direct interest in a pending child care service development grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. A direct interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or a family member employed in or by the program. A family member employed in or by the program includes any person related to an advisory task force member by blood or marriage within the third degree of consanguinity.

Subp. 20. **Awarding of grants.** The commissioner shall award child care service development grants based on the recommendations of the grant advisory task force.

Subp. 21. **Grant expenditure records.** The recipient of a child care services grant shall maintain a record of all expenditures under the grant proposal. The department is not liable for costs incurred by an applicant before issuance of a child care services grant contract signed by the commissioner or

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the commissioner's designated representative or the letter of award for a mini-grant proposal.

Subp. 22. **Audit of grant expenditures.** The commissioner may audit the expenses of a grant recipient during the grant period and during the 12 months immediately following the close of the grant period. The grantee shall provide the commissioner access to records concerning grant expenditures. The grantee shall reimburse the department for any expenditure of grant funds unauthorized under the terms of the contract or for failing to meet the terms of the contract.

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The second issue that we ask the Board to address relates to the second condition described by the Board Advisory Opinion #86, that is, that each member be provided with notice that the member is protected against economic reprisals under *Minnesota Statutes* § 10A.20, subd. 11, which provides, in part, that "[n]o person or association shall engage in economic reprisals or threaten loss of employment or physical coercion against any person or association because of that person's or association's political contribution or political activity..." Must such a notice be printed on MSBA dues statements along with the advisory question, in light of the facts that the MSBA is aware of the prohibition against reprisals, the MSBA is not in a position in any event to undertake economic reprisals against its members; with very few exceptions, the MSBA does not employ its members; and there clearly is no plan to engage in physical coercion of members? If such a notice is required, it would seem that it should appear on any fund raising solicitation. That clearly is not general practice, and we do not believe it should be necessary in this instance. Thank you for your consideration of these matters.

Department of Human Services Children Services Division

Notice of Solicitation of Outside Information or Opinions Regarding Proposed Rules Governing Child Care Sliding Fees and Grants For Child Care Services

Notice is hereby given that the State Department of Human Services is seeking information or opinions from sources outside the agency in preparing to propose the adoption of a rule governing the administration of grants for child care services and for administration of a child care sliding fee program. *Minnesota Statutes*, section 268.911 and House File 2126, Article 2 sections 103 through 107 and section 266, passed during the 1988 Legislative Session authorize the Commissioner of Human Services to award grants to develop child care services, including facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. *Minnesota Statutes*, sections 268.91, and House File 2126, Article 2 sections 223 through 231, direct the commissioner to distribute child care funds, for reducing, according to a sliding fee schedule, the costs of child care services to enable eligible families to seek or retain employment or to participate in education or training programs needed to obtain employment; and to develop standards for county and human services boards, and post-secondary educational systems, to provide child care services to enable eligible families to participate in employment, training, or education programs.

The State Department of Human Services requests information and opinions concerning the subject matter of the rule. Interested persons or groups may submit data or views on the subject matter of concern in writing or orally. Written statements should be addressed to: Ms. Vicki Kunerth, Children Services Division, Department of Human Services, 444 Lafayette Road, St. Paul, Minn. 55155-3832. Oral statements will be received during regular business hours over the telephone at (612) 296-6085 and in person at the above address.

All statements of information and opinions shall be accepted until further notice is published in the *State Register* or the Notice of Hearing or Notice of Intent to Adopt Rules Without a Hearing is published in the *State Register*. Any written material received by the State Department of Human Services shall become part of the rulemaking record to be submitted to the attorney general or administrative law judge in the event that the rule is adopted.

Department of Public Safety Fire Marshal

Notice of Intent to Solicit Outside Opinion Regarding Proposed Rules of the State Department of Public Safety Governing Amendments to the Minnesota Uniform Fire Code

Notice is hereby given that the State Department of Public Safety is seeking information or opinions from sources outside the agency in preparing to promulgate rules governing the Minnesota Uniform Fire Code.

The promulgation of these rules is authorized by *Minnesota Statutes* section 299F.011, which permits the agency to amend the Minnesota Uniform Fire Code.

The State Department of Public Safety requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing. Written statements should be addressed to:

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Department of Human Services

Proposed Permanent Rules Relating to Grants for Child Care Resource and Referral Programs and Child Care Services

Rules as Proposed (all new material)

9565.5500 DEFINITIONS.

Subpart 1. **Scope.** As used in parts 9565.5500 to 9565.5520, the following terms have the meanings given them in this part.

Subp. 2. **Child.** "Child" means a person 12 years old or younger or a person 14 years old or younger who is handicapped, as defined in Minnesota Statutes, section 120.03.

Subp. 3. **Child care.** "Child care" means the care of a child by someone other than a parent, legal guardian, or AFDC caretaker outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subp. 4. **Child care services.** "Child care services" means licensed child care provided in family day care homes, group family day care homes, nursery schools, day nurseries, child day care centers, head start, and school age child care programs legally exempt from licensure under Minnesota Statutes, section 245A.03, subdivision 2, clauses (5) and (12).

Subp 5. **Child care worker.** "Child care worker" means a person who cares for children for compensation, including a licensed provider of child care services, an employee of a provider, and a person who has applied for a license as a provider.

Subp. 6. **Commissioner.** "Commissioner" means the commissioner of the Department of Human Services or the commissioner's designated representative.

Subp. 7. **Department.** "Department" means the Minnesota Department of Human Services.

Subp. 8. **Development region.** "Development region" means a development region as defined in Minnesota Statutes, section

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462.384, subdivision 5.

Subp. 9. **Facility improvement expenses.** "Facility improvement expenses" means building improvements, equipment, toys, and supplies needed to establish, expand, or improve a licensed child care facility.

Subp. 10. **Interim financing.** "Interim financing" means funds to carry out activities necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing; to expand an existing program or to improve program quality; and to provide operating funds for no more than six consecutive months after a family day care home, group family day care home, or child care center has received a license from the commissioner.

Subp. 11. **Local match.** "Local match" means a nonstate source of funds used to match state grants-in-aid funds. Local match may include, but is not limited to, federal funds, fees for services, local tax levies, foundation money, or private contributions. In-kind donations or services are acceptable as local match provided the local match is directly related to the purpose of the state grant.

Subp. 12. **Mini-grant.** "Mini-grant" means a special category of funding under the child care services grants program that may be used by the grantee for facility improvements, start-up costs, interim financing, or staff training and development.

Subp. 13. **Resource and referral program.** "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. Services include parent education, technical assistance for providers and employers, information regarding staff development programs, and referrals to social services.

Subp. 14. **Staff training or development expenses.** "Staff training or development expenses" means the cost to a child care worker of tuition, transportation, required materials and supplies, and wages for a substitute while the child care worker

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is engaged in a training program.

Subp. 15. **Training program.** "Training program" means child development courses and training courses that meet the requirements of part 9502.0385 or 9503.0035. To qualify as a training program under this subpart, a course of study must teach specific skills that a child care worker needs to meet licensing requirements.

9565.5510 CHILD CARE RESOURCE AND REFERRAL PROGRAM GRANTS.

Subpart 1. **Availability of resource and referral program grants.** As provided in Minnesota Statutes, sections 245.872 and 256H.20, resource and referral program grants are available to public or private nonprofit agencies for establishing, expanding, improving, or operating a resource and referral program and for planning a resource and referral program where no program currently exists.

Subp. 2. **Federal funds; grant requirements.** Federal funds received for planning, developing, establishing, expanding, or improving local resource and referral and school age child care services that are available as grants under subpart 1 must be expended according to federal requirements and, unless contrary to federal requirements, according to subparts 3 to 16. Applications for grants using federal funds shall include assurances that all federal grant requirements will be met.

Subp. 3. **Grant proposals.** Resource and referral program grant proposals must be submitted by a public or private nonprofit agency to the commissioner on or before the date specified by the commissioner in the grant announcement. A public or private nonprofit agency must submit proof of its nonprofit status at the time of its grant request and shall include in its grant proposal the dollar amount of any resource and referral grants received in the previous three years and any pending grant applications that, if received, would duplicate or complement the resource and referral grant.

Subp. 4. **Geographical area of service.** A public or private nonprofit agency receiving a resource and referral

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program grant must provide service to the geographical area identified in the grant proposal as approved by the commissioner. The commissioner shall only award funds to support the operation of one resource and referral program per service area.

Subp. 5. **Requirements of grant recipients.** A public or private nonprofit agency receiving resource and referral program grant funds must comply with the requirements in subparts 6 to 9.

Subp. 6. **Development of resource file and referral process.** A public or private nonprofit agency receiving a resource and referral grant shall:

A. maintain a resource file that includes the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, and transportation available to the program;

B. update the resources file at least every three months;

C. publicize its services through popular media sources, social service agencies, employers, and other appropriate methods approved by the commissioner;

D. design services to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources;

E. establish a referral process that responds to parental need while fully recognizing the confidentiality rights of parents;

F. afford parents maximum access to referral information including telephone referral services for 20 or more hours per week;

G. provide child care resource and referral information to all persons requesting services and technical assistance to all types of child care providers and employers;

H. demonstrate that funding will be available to continue the program for at least two years following the state grant; and

I. develop a resource file of child care services

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provided by all licensed or legally operating public and private agencies within its service area. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, toddler, preschool, and extended care programs; and programs for school age children. The resource file may also include information on legally unlicensed providers and in-home providers who are legally exempt from licensure.

Subp. 7. **Documentation of service requests.** The child care resource and referral agency must maintain a written record of the number of calls and contacts for service. Information documented must include the ages of children served; the time category of child care requested for each child; special time categories such as nights, weekends, and swing shifts; and the reason that child care is needed. The information must also contain the names and addresses of clients to allow follow-up evaluation of the resource and referral service.

Subp. 8. **Educational information available to parents.** The child care resource and referral agency shall have the following educational information available for parents:

A. information and criteria for assessing and evaluating the quality and suitability of child care services including licensing regulations, availability of financial assistance, child abuse reporting procedures, and child development information; and

B. information on available parent, early childhood, and family education programs in the community and community resources for developmental assessment of children.

Subp. 9. **Technical assistance to providers and employers.** The child care resource and referral agency shall provide technical assistance to employers and existing and potential providers of all types of child care services. The technical assistance shall include:

A. information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other

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sources;

B. information and resources that help existing child care providers to maximize their ability to serve the children and parents of their community including information to child care workers on child care training opportunities and child care courses and on financial aid available from postsecondary institutions;

C. dissemination of information on current public issues affecting the local and state delivery of child care services;

D. facilitation of communication between existing child care providers and child care-related services in the community served;

E. recruitment of licensed providers; and

F. employer child care options, and the benefits available to employers using the various options to expand child care services to employees.

Subp. 10. **Grant allocation.** The commissioner may allocate up to 25 percent of the funds appropriated to develop child care services under Minnesota Statutes, section 245.872, for resource and referral programs.

Funds made available under Minnesota Statutes, section 245.872, for resource and referral program grants shall be allocated to development regions according to the formula in Minnesota Statutes, section 245.872, subdivision 2. Funds allocated to a development region that exceed grant requests or that were not used for grants due to an applicant's failure to comply with requirements under the grant proposal may be used to fund grant proposals in other development regions. Child care services funds made available for resource and referral program grants in excess of grants approved by the commissioner shall be used for child care services under part 9565.5520.

The commissioner shall allocate funds appropriated or received under Minnesota Statutes, section 256H.20, for resource and referral programs. The commissioner may allocate up to 75 percent of the funds appropriated under Minnesota Statutes,

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section 256H.20, for grants to plan or start up resource and referral programs. The commissioner shall allocate the remaining funds for grants to expand, improve, or operate ongoing resource and referral programs. Resource and referral program grants available under Minnesota Statutes, section 256H.20 shall be awarded on a statewide basis based on the quality of the grant proposals. Funds allocated for planning and start-up grants in excess of grant requests may be used to fund grant proposals for ongoing programs.

Subp. 11. **Maximum grant amount and match requirements.** The maximum child care resource and referral program grant the commissioner may award an agency to establish, improve, expand, or operate an existing child care resource and referral service is $60,000 per year. The maximum grant the commissioner may award a public or private nonprofit agency to plan a resource and referral program is $10,000 per year. Except for planning grants, a public or private nonprofit agency receiving a child care resource and referral grant must match those funds with a local match of 25 percent and must demonstrate that funding will be available to continue the program for two years after the state grant is discontinued. A public or private nonprofit agency receiving a grant to plan a resource and referral program must match those funds with a local match of 25 percent and must demonstrate that it has the expertise and organizational ability to complete the planning proposal within a maximum period of two years.

Subp. 12. **Resource and referral grant proposal ranking.** Grant proposals that meet the requirements of subparts 6 to 9 shall be ranked by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. The advisory task force shall use the criteria in items A to G to rank the grant proposals.

A. The grant applicant's ability to demonstrate the need for a child care resource and referral program in the geographical area to be served under the grant. Grants shall be awarded to only one resource and referral program per service

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area.

B. The extent that the program budget and grant proposal is complete, reasonable, and able to achieve the program's stated objectives.

C. The ability of the grant applicant to demonstrate that the program and nonstate funding for the program will continue for at least two years following the state grant.

D. The ability of the grant applicant to demonstrate support from the county social services agency, parent groups, schools, licensed child care providers, and community child care organizations.

E. The organizational structure of the resource and referral program and its capability to achieve the goals of the resource and referral program.

F. The ability of the program to meet reporting and data collection requirements of the commissioner.

G. The detailed description of the grant proposal as it relates to the child care resource and referral program with particular emphasis on:

(1) defining the geographical service area;

(2) identifying existing child care services;

(3) maintaining and updating the resource file;

(4) establishing a referral process that responds to parental need and recognizes the parents' right of confidentiality;

(5) documenting parental requests for service and education aids;

(6) providing technical assistance to employers and all existing and potential providers of child care; and

(7) announcing service availability through popular media sources, social agencies, employers, and child care providers.

Subp. 13. **Restriction on grant recommendations by advisory task force.** Members of the advisory task force with a direct financial interest in a pending resource and referral grant proposal may not provide a recommendation or participate in the

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ranking of that grant proposal. A direct financial interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or employment of a family member in or by the program. A family member employed in or by the program includes any person related to an advisory task force member by blood or marriage within the third degree of consanguinity.

Subp. 14. **Awarding of grants.** The commissioner shall award resource and referral program grants based on the recommendations of the grant advisory task force.

Subp. 15. **Expenditure records.** The recipient of a child care resource and referral grant shall maintain a record of all expenditures under the resource and referral program. The department is not liable for costs incurred by an applicant before issuance of a resource and referral grant contract signed by the commissioner or the commissioner's designated representative.

Subp. 16. **Audit of grant expenditures.** The commissioner may audit the expenses of a grant recipient during the grant period and during the 12 months immediately following the close of the grant period. The grantee shall provide the commissioner with copies of invoices and receipts of expenditures under the resource and referral grant. The grantee shall reimburse the department for any expenditure of grant funds unauthorized by the resource and referral grant contract.

9565.5520 GRANTS FOR CHILD CARE SERVICES.

Subpart 1. **Child care services grants.** Child care services grants are available for facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. In addition, as provided under subparts 15 to 18, child care services grants of up to $1,000 per grantee may be made available to help a grantee meet or exceed child care licensing requirements, to fund physical plant improvements, to expand or improve a licensed child care program, to purchase equipment, or to fund child care training.

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Subp. 2. **Allocation of funds.** The commissioner shall allocate grant money appropriated for child care services as provided in Minnesota Statutes, section 245.872, subdivision 2. The commissioner may allocate up to 25 percent of the available funds for child care resource and referral programs as provided in part 9565.5510, subpart 10. The remaining funds shall be allocated for facility improvements, interim financing, child care staff training, and mini-grants. The commissioner shall not allocate more than 75 percent of the remaining funds for either child care facilities or staff training. Funds allocated to a development region in excess of a region's request for child care service development grants or where grants were not awarded due to an applicant's failure to comply with the requirements under the grant proposal may be used to fund child care service development grant proposals in other development regions. Funds allocated for child care service development program grants in excess of grants approved by the commissioner may be used for child care resource and referral programs under part 9565.5510.

Subp. 3. **Eligible grant recipients.** Eligible recipients of child care service grants are licensed providers of child care, applicants in the process of obtaining licensure, and organizations providing child care services to providers. If a grant applicant is in the process of obtaining licensure, the applicant must provide assurance of being able to meet licensure requirements and must verify that a completed application has been received by the county social service agency's family day care licensor or by the Department of Human Services, Division of Licensing. With the exception of mini-grants, priority for awarding child care services grants shall be given to grant applicants in the order they appear below:

A. public and private nonprofit agencies;

B. employer-based day care centers;

C. other for-profit day care centers; and

D. family day care providers.

Subp. 4. **Grant proposals.** Child care services grant

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proposals must be submitted to the commissioner on or before the date specified in the child care services grant announcement and must include information on any previous grant received in the past three years and any other pending grant request. A nonprofit organization must include proof of its nonprofit status at the time of the grant request. For-profit businesses and corporations shall indicate whether they are an employer-based day care center, other for-profit day care center, or a family day care provider at the time of the grant request.

Subp. 5. **Grant match requirements.** Child care services grants for facility improvements, interim financing, and staff training and development require a 25 percent local match by the grant applicant. A local match is not required for a mini-grant.

Subp. 6. **Grants for facility improvement expenses.** Child care services grants for facility improvement expenses must be used by the grantee for building improvements, equipment, toys, or supplies needed to establish, expand, or improve a licensed child care facility.

Subp. 7. **Grants for interim financing.** Child care services grants for interim financing must be used by the grantee to carry out activities necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing; to expand an existing child care program; to improve program quality; or to provide operating funds following receipt of state licensing. Interim financing grants providing operating funds may not be awarded for more than six consecutive months following receipt of state licensing. Interim financing grants used by the grantee to meet conditions necessary to receive or maintain state licensing, to expand an existing program, or to improve program quality may not be awarded for more than 18 months.

Subp. 8. **Grants for staff training and development.** Child care services grants for staff training and development must be used by the grantee to upgrade staff qualifications with priority given to staff training and development necessary to

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meet licensure requirements. Staff training and development includes, but is not limited to, training to obtain child development associate certification, training of new and existing providers, recruiting new providers, and staff development to retain quality providers.

Subp. 9. **Facility improvement and interim financing grant proposals.** A proposal for a facility improvement grant or interim financing grant shall include:

A. documentation of need for the grant;

B. documentation of the number of children and the age groups the grant applicant is licensed to serve;

C. the ages of children the provider currently serves;

D. the age group of children the provider intends to serve after the expenditure of the facility improvement or interim financing grant;

E. a schedule for making improvements or for expending the grant funds;

F. budget information submitted with the grant proposal that includes a line item budget specifying projected costs for:

(1) building improvement;

(2) staff salary and benefits;

(3) supplies;

(4) program materials;

(5) rent, if applicable;

(6) utilities;

(7) equipment; and

(8) the need for interim financing, if applicable; and

G. documentation of any state funding assistance received in the previous three years.

Subp. 10. **Facility improvement and interim financing priorities.** Facility improvement and interim financing grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, sections 245.872,

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subdivision 3. In evaluating proposals for facility improvement and interim financing grants, the advisory task force shall use the following priorities to rank grant proposals for each group listed in subpart 3:

A. proposals submitted to meet licensure requirements;

B. proposals submitted to start new programs or projects;

C. proposals submitted to expand license spaces;

D. proposals submitted to fund programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;

E. proposals submitted for programs and projects that serve sick children, infants, toddlers, children with special needs, and children from low-income families;

F. proposals submitted to enrich existing programs or projects; and

G. other information requested by the commissioner in the request for proposals necessary to assess the quality of the proposal.

Subp. 11. **Ranking facility improvement and interim financing grant proposals.** Facility improvement and interim financing grant proposals shall be ranked by the advisory task force based on the priorities established under subpart 10 and the completeness of the documentation required under subpart 9 for each group listed in subpart 3. Nothing in this subpart shall require the task force to recommend or rank a facility improvement or interim financing grant proposal that does not meet the grant proposal requirements under subpart 9.

Subp. 12. **Staff training and development grant proposals.** A proposal for a staff training and development grant shall include:

A. the name of the provider or organization and the amount of grant funds the applicant is applying for;

B. an explanation of why the grant is needed and how

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the grant funds will be used;

C. a detailed description of the training course with an explanation of how the course work will meet licensure requirements or improve child care services;

D. a detailed budget estimate of the training expenses including the proposed schedule for expending the funds, local match, and other sources of funding the applicant has received or applied for;

E. the length of time the applicant has provided licensed child care, if applicable, and the number and ages of children served; and

F. the length of time the applicant intends to provide child care services, if applicable, after completing the staff training and development course.

Subp. 13. **Staff training and development grant proposal priorities.** Staff training and development grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. In evaluating proposals for staff training and development grants, the advisory task force shall use the following priorities to rank grant proposals for each group listed in subpart 3:

A. staff training and development proposals from applicants who will work in geographic areas where there is a shortage of child care;

B. proposals from unlicensed providers who wish to become licensed;

C. proposals from public or private nonprofit agencies that will use grant money for scholarships for child care workers attending educational or training programs sponsored by the public or private nonprofit agency;

D. proposals from child care providers seeking accreditation or child care credentials; and

E. proposals from applicants who will work in facilities caring for sick children, infants, toddlers, children with special needs, and children from low-income families.

Subp. 14. **Ranking staff training and development grant**

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proposals. Staff training and development grant proposals shall be ranked by the advisory task force based on the priorities established under subpart 13 and the completeness of the documentation required under subpart 12 for each group listed in subpart 3. Nothing in this subpart requires the task force to recommend or rank a staff training and development grant proposal that does not meet the grant proposal requirements under subpart 12.

Subp. 15. **Mini-grants for child care service development.** Mini-grants for child care service development must be used by the grantee for facility improvements, including, but not limited to, improvements to meet licensing requirements, improvements to expand the facility, and toys and equipment; start-up costs; interim financing; or staff training and development.

Subp. 16. **Mini-grant proposals.** A mini-grant proposal must contain the following information:

A. the name of the provider or organization and the amount of grant funds the applicant is applying for;

B. an explanation of why the grant is needed and how the grant funds will be used;

C. a detailed budget estimate including the proposed schedule for expending the funds and any other sources of funding including state funds the applicant has received or applied for in the previous three years;

D. the length of time the applicant has provided licensed child care, if applicable, and the number and ages of children served; and

E. the length of time the applicant intends to provide child care services.

Subp. 17. **Mini-grant priorities.** Priority for service development mini-grants shall be given to grant applicants in the following order:

A. family day care providers;

B. public and private nonprofit agencies;

C. employer-based day care centers; and

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D. other for-profit day care centers.

Subp. 18. **Ranking mini-grant proposals.** Mini-grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. In evaluating mini-grant proposals, the advisory task force shall consider the completeness of documentation for items A to D in ranking mini-grant proposals for each of the groups listed in subpart 17:

A. physical plant improvement, equipment, or training needed to meet or exceed licensure requirements;

B. budget information submitted with the grant request;

C. documentation of pending or past negative licensing action by the licensor, if any, and improvements required by the licensor; and

D. child care needs in the service area.

Subp. 19. **Restriction on grant recommendations by advisory task force members.** Members of the advisory task force with a direct interest in a pending child care service development grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. A direct interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or a family member employed in or by the program. A family member employed in or by the program includes any person related to an advisory task force member by blood or marriage within the third degree of consanguinity.

Subp. 20. **Awarding of grants.** The commissioner shall award child care service development grants based on the recommendations of the grant advisory task force.

Subp. 21. **Grant expenditure records.** The recipient of a child care services grant shall maintain a record of all expenditures under the grant proposal. The department is not liable for costs incurred by an applicant before issuance of a child care services grant contract signed by the commissioner or the commissioner's designated representative or the letter of

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award for a mini-grant proposal.

Subp. 22. **Audit of grant expenditures.** The commissioner may audit the expenses of a grant recipient during the grant period and during the 12 months immediately following the close of the grant period. The grantee shall provide the commissioner access to records concerning grant expenditures. The grantee shall reimburse the department for any expenditure of grant funds unauthorized under the terms of the contract or for failing to meet the terms of the contract.

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Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Grants for Child Care Resources and Referral Programs and Child Care Services

AGENCY: Department of Human Services

MINNESOTA RULES: Chapter 9565

The attached rules are approved for publication in the State Register

Kathleen M. Traxler
Assistant Revisor

Department of Human Services.

In the Matter of the Proposed Adoption of the Rule of the State Department of Human Services Governing Grants for Child Care Resource and Referral Programs and Child Care Services, Minnesota Rules Parts 9565.5500 to 9565.5520

NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

Notice is hereby given that the State Department of Human Services intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, sections 245.872; 256H.20, subdivision 4; and Laws of Minnesota 1988, chapter 689, article 2, section 266.

All persons have 30 days or until 4:30 p.m. on May 17, 1989 in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Jim Schmidt
Minnesota Department of Human Services
444 Lafayette Road
St. Paul, Minn. 55155-3816
(612) 296-7815

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

The proposed permanent rule establishes requirements governing state grants for child care resource and referral programs and grants for child care services.

Under the child care resource and referral grant program, public and private nonprofit agencies may submit grant proposals to establish, expand, improve, or operate a child care resource and referral program or to plan a resource and referral program where no program currently exists. Funding for grant proposals is contingent on legislative appropriations.

The rule part governing child care resource and referral grants establish requirements for submitting grant proposals; describes information that grant applicants must submit as part of their grant proposal; sets forth standards and requirements regarding the resource file, the referral process, and the provision of services; sets limits on the dollar amount of the grant; requires a 25 percent local match; requires grant applicants to demonstrate that funding will be available to continue the program for two years after the state grant is discontinued; requires the grant proposals to be ranked by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3; sets forth criteria the advisory task force shall use to rank grant proposals; places restrictions on grant recommendations by advisory task force members; requires the Commissioner to award grants based on the recommendation of the advisory task force; requires grant recipients to maintain expenditure records; and authorizes audits of grant expenditures.

Under the child care services grant program, public and private nonprofit agencies, employers, for profit day care centers, family day care providers, and applicants in the process of obtaining a child care license may submit grant proposals to help the grantee meet or exceed child care licensing requirements, to fund physical plant improvements, to expand or improve a licensed child care program, to purchase equipment, or to fund child care training. Funding of child care services grant proposals is contingent on legislative appropriations.

The rule part governing child care services grants establish requirements for submitting grant proposals; describes information that grant applicants must submit as part of their grant proposal; creates a special category of mini-grants up to $1,000; establishes priorities for awarding grants; requires a 25 percent local match for all child care services grants except the mini-grant; establishes requirements for grants for facility improvement expenses, interim financing, staff training and development, and mini-grants; requires grant proposals to be ranked by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3; sets forth criteria the advisory task force shall use to rank grant proposals; places restrictions on grant recommendations by advisory task force members; requires the Commissioner to award grants based on the recommendation of the advisory task force; requires grant recipients to maintain expenditure records; and authorizes audits of grant expenditures.

The rule also defines terms used in the rule.

A free copy of the rule is available upon request from Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816. A copy of the rule may also be viewed at any of the 87 county welfare or human services agencies in the State of Minnesota.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN, 55155-3816 upon request.

Adoption of these rules will not result in additional spending by local public bodies.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN, 55155-3816.

Date: 3/28/89

SANDRA S. GARDEBRING
Commissioner

STATE OF MINNESOTA
DEPARTMENT OF HUMAN SERVICES

In the Matter of Proposed Rules
of the Department of Human Services
Governing Child Care Resource and
Referral and Child Care Services
Grants, Parts 9565.5500 to 9565.5520

STATEMENT OF NEED
AND REASONABLENESS

Introduction

The proposed rule parts 9565.5500 to 9565.5520 establish requirements governing grants for child care resource and referral programs and grants for child care services. The rule describes information that grant applicants must submit as part of their grant proposal; describes eligibility requirements and categories of grants; establishes funding priorities; provides criteria advisory task force members must consider in ranking grant proposals; requires recordkeeping; and provides audit authority to review grant expenditures. The statutory authority for the establishment of this rule is Minnesota Statutes, sections 245.872 and 256H.20 and Laws of Minnesota 1988, chapter 689, article 2, section 266. may adopt rules to administer & implement the provisions of section 245.836

BACKGROUND

The authority to award child care resource and referral program grants is provided in Minnesota Statutes, sections 245.872 and 256H.20. Authority to adopt rules for child care resource and referral program grants is provided in Minnesota Statutes, section 256H.20, subdivision 4.

The authority to award child care services grants is provided in Minnesota Statutes, sections 245.872. Authority to adopt rules for child care services grants is provided in Laws of Minnesota 1988, chapter 689, article 2, section 266.

These two grant programs are related in that both grants may be used to fund child care resource and referral programs. Therefore, the grant programs are encompassed within a single rule but in separate rule parts.

During the period from 1979 through 1986 no appropriations were made for child care service development. In 1987 the Legislature appropriated $250,000 for child care resource and referral grants and $250,000 for child care services grants for the 1988-1989 biennium (1987 Health, Human Services and Corrections Omnibus Appropriations bill). In 1988 the Legislature appropriated an additional $150,000 for child care resource and referral programs and child care services for state fiscal year 1989 (1988 Health and Human Services Omnibus Appropriation bill).

Requests for proposals for child care resource and referral and service development grants were handled by Informational Bulletins issued by the Department of Human Services. The information bulletins were Informational Bulletin #87-68R dated October 4, 1987, and Informational Bulletin #88-68C dated May 27, 1988.

The informational bulletins provided potential grant applicants information on grant requirements and the procedure for submitting grant proposals for child care resource and referral and child care services grants which included grants for facility improvement expenses, interim financing, and staff training expenses. A funding subgroup of the child care services grants was the child care mini-grant that provided funds for physical plant improvements or equipment needed to meet licensing requirements.

For the 1988-1989 biennium, the Department of Human Services received a total appropriation of $650,000 for child care grants. The program grant allocations were as follows.

1. Resource and Referral Grants -- $287,500
2. Child Care Services Grants -- $310,942
3. Mini-Grants -- $ 51,558

In response to the request for proposals, the Department of Human Services received 27 child care resource and referral grant proposals requesting $513,025. Eighteen of the proposals received funding. The Department received 243 child care services grant proposals requesting $3,005,595. Fifty-six of the proposals received funding. The Department received 1,577 mini-grant proposals requesting $816,836. Three hundred and nine of the proposals received funding. The total funding request from grant applicants for the three grants was $4,335,456. For every dollar appropriated, $6.67 was requested. Since the demand for assistance exceeds available resources, it is necessary that the grant programs clearly identify grant proposal requirements so all grant applicants are given an equal opportunity to compete for grant monies and all grant applications are considered and ranked based on uniform criteria.

Rule Development Procedure

In the development of the proposed rule, the Department used the procedures mandated by the APA and internal department policies that ensure maximum public input. Public input was sought through a Notice to Solicit Outside Opinion published May 9, 1988 in the State Register (12 S.R. 2428) and establishment of a child care fund advisory committee. The child care fund advisory committee consisted of 23 persons representing county agencies; post-secondary educational institutions; child care advocacy groups that included Child Care Works, Children's Defense Fund, Greater Minneapolis Day Care Association, Child Care Works Alliance, Resources for Child Care; Legal Services Advocates; and the Minnesota Indian Women's Resource Center. The advisory committee provided input into the development of two child care related rules, Rules 72 and 76. Rule 76 is the present rule which governs grants for Child Care Resource and Referral Programs and Child Care Services. The Advisory Committee met on July 13, 1988; August 10, 1988; September 14, 1988; October 4, 1988; and on October 25, 1988. The October 4, 1988 meeting of the advisory committee was scheduled exclusively for the purpose of discussing Rule 76. Subsequent to the advisory committee meeting, the rule draft was sent to the Advisory Committee for further comments.

Although the Department did not view the proposed rule as controversial, it requested comments from the advisory committee regarding any controversial issues related to the rule. Recognizing the diversity of the advisory committee composition, the Department believed the advisory committee would be extremely helpful in identifying any area of possible controversy. The advisory committee did not identify any parts of the rule as controversial. Due to the noncontroversial nature of this rule, the Department intends to publish a Notice of Intent to Adopt a Rule without a Public Hearing.

In preparing these rules, the Department considered the requirements of Minnesota Statutes, section 14.115. Minnesota Statutes, section 14.115 directs the Department to consider methods for reducing the impact of the rule on small businesses. The child care resource and referral grants do not impact small businesses since by statute these grants may only be awarded to public and private nonprofit agencies. The child care service development grants will not have a negative impact on small businesses since submission of a grant proposal is voluntary. If a grant is awarded, it would have a positive financial impact on the small business. Since small businesses are not mandated to do anything under this rule, there is no direct impact on small businesses. Adoption of this rule will not effect the ongoing operation of any business. Therefore, there are not alternative measures for reducing the rule impact.

However, in order to encourage submission of grant proposals, the grant proposal information required in these rules is the minimum information necessary to evaluate and rank different grant proposals. In addition, a special category of child care service development grant funds called the "mini-grant" has been established to enable the smallest of the small businesses with relatively low cost facility or training needs to compete for available grant funds. Mini-grant proposal involve funding requests of $1,000 or less. Priority for mini-grants is given to family day care providers who generally have limited fiscal resources available to them to meet or exceed family day care licensing standards.

9565.5500 DEFINITIONS.

This part defines words and phrases that have meaning specific to parts 9565.5500 to 9565.5520, that may have several possible interpretations or that need exact definition to be consistent with statute or other department rules.

Subpart 1. Scope. This provision is necessary to clarify that the definitions apply to parts 9565.5500 to 9565.5520. This subpart and the definitions that follow in subparts 2 to 15 are necessary to inform persons affected by the rule of the meaning of specific terms used in this rule.

Subp. 2. Child. This definition is necessary to clarify a term used in the rules. Since the grants pertain to child care resource and referral and child care service development programs, it is necessary to define the term "child". The term defines, by maximum age, an individual who is a child. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 3.

It should be noted that Laws of Minnesota 1988, chapter 689, article 2, section 105 proposed to codify "Grants for Child Care Services" under

Minnesota Statutes, section 245.836. Under this suggested codification, the grant sections would closely follow the definitions in Minnesota Statutes, section 245.83. Minnesota Statutes, section 245.83, subdivision 1 states, "As used in sections 245.83 to 245.858 the words defined in this section shall have the meanings given them." (Emphasis added). Therefore, the definitions in Minnesota Statutes, section 245.83 would clearly apply to the Grants for Child Care Services had the statute been codified as Minnesota Statutes, section 245.836. Although the Revisor of Statutes codified the Grants for Child Care Services under Minnesota Statutes, section 245.872, it would be unreasonable to use definitions contrary to Minnesota Statutes, section 245.83. Moreover, Minnesota Statutes, section 256H.20 governing child care resource and referral grants authorizes the Commission of Human Services to make grants to county boards to carry out the purposes of Minnesota Statutes, section 245.84. Use of the definitions in Minnesota Statutes, section 245.83 insures that the terms used by counties and the Department of Human Services are consistent.

Subp. 3. Child care. This definition is necessary to clarify a term used in the rules. Child care is defined as care "outside" of the child's home for any part of a 24-hour day by someone other than a parent, legal guardian, or AFDC caretaker. The distinction of "outside" the child's home implies a licensed program which is reinforced by the definition of "child care services". The term "AFDC caretaker" was added for clarity since by statutory definition, child care is care by someone other than a parent or legal guardian. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 3a.

Subp. 4. Child care services. This definition is necessary to clarify a term used in the rules. This definition identifies types of child care providers that qualify for a child care services grant and identifies types of child care services that child care resource and referral programs must identify under the resource and referral requirements. The definition in the rule expands upon the statutory definition by adding "and school age child care programs licensed under parts 9503.0005 to 9503.0170 or legally exempt meeting State Board of Education standards. Since the definition of child includes children age 12 and under (14 and under if handicapped), it is reasonable to include licensed school age programs or legally exempt school age programs that comply with rules adopted by the State Board of Education.

Moreover, Minnesota Statutes, section 256H.20, subdivision 3 requires grant recipients to identify existing child care services which includes "family day care homes, public and private day care programs, full-time and part-time programs, infant, preschool, and extended care programs; and programs for school age children" (Emphasis added). Including school age programs licensed under parts 9503.0005 to 9503.0170 or legally exempt meeting the state board of education standards is consistent with child care services identified under Minnesota Statutes, section 256H.20, subdivision 3.

The rule definition also deletes "play groups" and "parent cooperatives" from the child care definition in Minnesota Statutes, section 245.83, subdivision 2. These terms are antiquated terms which have no statutory or rule definition. To the extent these entities exist, they are licensed and classified as either family day care homes, group day care homes, or child day care centers. Therefore, deletion of these two terms will eliminate potential confusion over child care services that may qualify for child care services grants.

Subp. 5. Child care worker. This definition is necessary to clarify a term used in the rules. The term child care worker means a person who cares for children for compensation. It also includes a person who has applied for a license as a child care provider. This definition is important because it identifies individuals who may qualify for grants for staff training and development expenses. The definition is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 3b.

Subp. 6. Commissioner. This definition is necessary to clarify a term used in the rules. The commissioner is the person delegated authority to adopt rules for administering grants for child care services under Minnesota Statutes, section 245.872 and child care resource and referral grants to public or private nonprofit agencies under Minnesota Statutes, section 256H.20. It is necessary to include within the definition persons to whom the commissioner has the authority to delegate the functions described in the rule because it would be physically impossible for the commissioner to perform all of the tasks assigned to the commissioner in statute. It is reasonable to allow the delegation to enable the commissioner to delegate his or her responsibilities to qualified staff who can effectively manage and control implementation of the rule. Including this delegation of responsibility in the definition also serves to notify interested parties of the delegation. The definition is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 4.

Subp. 7. Department. This definition is necessary to clarify a term used in the rules. The use of the term department in the rules is specific to the Minnesota Department of Human Services. Substituting "department" for the full title of the department is a reasonable way of shortening the rule.

Subp. 8. Development region. This definition is necessary to clarify a term used in the rules. Minnesota Statutes, section 245.872 provides that child care service grants shall be allocated to development regions designated by the Governor under Minnesota Statutes, section 462.385. Therefore, it is reasonable to define the term "development region" as the term is defined in Minnesota Statutes, section 462.385, subdivision 5.

Subp. 9. Facility improvement expenses. This definition is necessary to clarify a term used in the rules. Facility improvement expenses include expenses for building improvements, equipment, toys, and supplies needed to establish, expand or improve a licensed child care facility. The definition is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 4a.

Subp. 10. Interim financing. This definition is necessary to clarify a term used in the rules. The legislative definition was modified by inserting semicolons to make the complex sentence easier to read and understand. The "requirement" that interim financing be limited to 18 months was deleted from the definition but is included in part 9565.5520, subpart 7 which deals with interim financing. The definition is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 5.

Subp. 11. Local match. This definition is necessary to clarify a term used in the rules. Minnesota Statutes, section 256H.20, subdivision 3, paragraph (g) requires a "local match" for child care resource and referral grants but the term is not defined. In order to administer the grant provisions, it is

necessary to define the term "local match". Local match is any nonstate source of funds. It is important that the match be nonstate since different state funding sources may be available for child care resource and referral grants and the statutory language specifically uses the term "local". Requiring a nonstate source of funds ensures the programs will not be 100 percent funded with state funds and complies with the intent of the statute to require a local match. The definition also permits the use of "in-kind donations or services" if those donations or services are directly related to the purpose of the grant. The definition provides a reasonable standard for determining what is or is not a local match.

Subp. 12. Mini-grant. This definition is necessary to clarify a term used in the rules. A mini-grant is a funding subgroup of the child care services grant that may be used for facility improvements, start-up costs, interim financing, or staff training and development. The use of the mini-grant category is reasonable because it provides a means of separating large expenditure grant proposals from smaller grant proposals (proposals that involve expenditures of less than $1,000). Administratively the mini-grant category allows the funding of relatively low cost improvements necessary to meet or exceed licensing requirements without forcing all grant applicants regardless of improvement or training costs to compete against each other. This funding category is reasonable because it provides an opportunity for applicants with low cost improvements to receive consideration for grant funding.

Subp. 13. Resource and referral program. This definition is necessary to clarify a term used in the rules. Although the Commissioner is delegated authority under Minnesota Statutes, section 256H.20 to make grants to public or private nonprofit agencies for child care resource and referral programs, section 256H.20 does not define "resource and referral program". However, under Minnesota Statutes, section 256H.20 the Commissioner is authorized to make grants to counties for carrying out the purposes of Minnesota Statutes, section 245.84. Minnesota Statutes, section 245.83 defines the term "resource and referral program". It would be unreasonable for the Commissioner and counties to have different definitions for the term "resource and referral program" under the same grant program. Therefore, the definition of child care resource and referral program is the definition provided in Minnesota Statutes, section 245.83, subdivision 6.

Subp. 14. Staff training or development expenses. This definition is necessary to clarify a term used in the rules. The definition establishes classes of expenditures which may qualify for staff training or development expenses under the child care service development grant. The definition is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 7.

Subp. 15. Training program. This definition is necessary to clarify a term used in the rules. Since grants are given for training and development, it is necessary to define what is an acceptable training program. An acceptable training program is a child development course or training course set forth under Minnesota Rules, parts 9502.0385 [Day Care Training] or 9503.0035 [Orientation, First Aid, and In Service Training]. The definition is reasonable because it specifically cites the training parts established in Minnesota Rules for family and group family day care and child care centers and is consistent with Minnesota Statutes, section 245.83, subdivision 8.

9565.5510 CHILD CARE SOURCE AND REFERRAL PROGRAM GRANTS.

This part is necessary to establish standards and requirements for grant applicants; to establish minimum requirements for grant proposals; to establish criteria for ranking grant proposals; and to require retention of expenditure records.

Subpart 1. Availability of resource and referral program grants. This subpart is necessary to inform potential grant applicants of the availability of resource and referral program grants and to describe types of child care resource and referral grants that an applicant may apply for. There are three general types of child care resource and referral grants. One type is a grant for establishing, improving, or expanding a child care resource and referral program. Another type of grant is for providing consultation and technical assistance in establishing, improving, or expanding a child care resource and referral program. The third type of grant is a planning grant to plan for a child care resource and referral program. This subpart is also necessary to inform persons interested in obtaining a child care resource and referral grant of eligibility requirements. In order to be eligible to receive a child care resource and referral grant, an applicant must be a public or private nonprofit agency. This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20, subdivision 1.

Subp. 2. Federal funds; grant requirements. This subpart is necessary to inform grant applicants that they must comply with federal requirements when receiving federal grants for child care resource and referral programs and school age child care services under subpart 1. In addition, unless contrary to federal requirements, a grant applicant must also comply with the state grant requirements under subparts 3 through 16. This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20, subdivisions 2 and 4.

Subp. 3. Grant proposals. This subpart is necessary to inform grant applicants of basic grant proposal requirements. When funding is made available by the Legislature, the Department of Human Services will send out a grant announcement and request for proposals. The deadline for considering grant proposals will be established in the Department's request for proposals. It is not reasonable to attempt to fix a date certain in rule since the appropriation process is subject to some uncertainty. Furthermore, the amount of the appropriation will, to a large degree, determine the number of potential grant proposals since the applicant's perception of his or her likelihood of receiving a grant will be a determining factor in submitting a grant proposal. It is important that adequate time be given for an applicant to submit a grant proposal and for the advisory committee to review and rank the proposals. Therefore, no specific date is set in the rule.

It is also important to know the grant history of the various applicants. This information will ensure that grant proposals are not double funded by different agencies and will also provide a basis for comparing various grant proposals. As a matter of equity, if two grant proposals are equally ranked and one applicant has received state funding for one or more of the previous three years while another applicant has never received state assistance, then, with everything else equal, the applicant who has never received a state grant should be awarded the grant.

Finally, a public or private nonprofit agency must submit proof of its nonprofit status at the time of the application since being a nonprofit agency is an eligibility requirement established by statute.

This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20, subdivisions 1 and 4.

Subp. 4. Geographical area of service. This subpart is necessary to inform grant applicants that the resource and referral program must service a defined geographical area. This subpart is necessary to ensure that grants are not provided for overlapping and duplicating services and to identify areas of service responsibility. This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20, subdivision 3.

Subp. 5. Requirements of grant recipients. This subpart is necessary to inform grant recipients that they must meet the minimum requirements set forth under subparts 6 to 9 if they are awarded a resource and referral program grant. The Legislature has established certain program requirements for grant recipients. Subparts 6 to 9 set forth those requirements. This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20, subdivision 3.

Subp. 6. Development of resource file and referral process. This subpart is necessary to inform recipients of a resource and referral grant that they must develop a resource file and referral process. With the exception of item H, items which must be included in the resource file and referral process are consistent with those set forth in Minnesota Statutes, section 256H.20, subdivision 3, paragraphs (a) to (f). Item H requires the grant applicant to demonstrate that funding will be available to continue the program for at least two years following the state grant. This requirement is necessary to insure that the grantee has the financial capacity to continue to operate without state assistance. This requirement maximizes limited resources by insuring the operation of a resource and referral program beyond the period of the state grant. This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20, subdivision 3.

Subp. 7. Documentation of service requests. This subpart is necessary to inform recipients of resource and referral grants of their requirement to document service requests. The documentation of service requests serves a dual function. First, it provides a means of documenting the need for child care resource and referral services. And, second, it provides a means of auditing services to ensure program funds are being expended for program services. This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20, subdivision 3, paragraph (c).

Subp. 8. Educational information available to parents. This subpart is necessary to inform grant recipients of the requirement that certain educational information must be made available to parents. This information includes information and criteria for assessing and evaluating the quality and suitability of child care, information on available parent, early childhood, and family educational programs in the community, and community resources for developmental assessment of children. This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20, subdivision 3, paragraph (d).

Subp. 9. Technical assistance to providers and employers. This subpart is necessary to inform grant recipients of the requirement that technical assistance must be provided to employers and child care providers. Technical information that the grant recipient must be able to provide employers or providers is set forth in items A to F and is consistent with Minnesota Statutes, section 256H.20, subdivision 3, paragraph (e).

Subp. 10. Grant allocation. This subpart is necessary to inform the public of the amount of the allocation for child care resource and referral grants. Under Minnesota Statutes, section 256H.20, the Department may receive a state appropriation for child care resource and referral programs or may receive federal funds for resource and referral programs. In addition, the Department may receive funding under Minnesota Statutes, section 245.872. Minnesota Statutes, section 245.872 authorizes the Commissioner to make grants to develop child care services, including facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. (Emphasis added). The availability of grant funds under Minnesota Statutes, sections 256H.20 and 245.872 may depend on specific appropriation language.

The funding formula for allocating child care service grant funds to development regions is provided in Minnesota Statutes, section 245.872, subdivision 2. Child care services grants may be used for facility improvement expenses, interim financing, resource and referral, and staff training expenses.

Although under Minnesota Statutes, section 245.872 funds may be made available for child care resource and referral programs, no specific percentage of funds is mandated for facility improvement expenses, interim financing, resource and referral programs, or staff training expenses. However, Minnesota Statutes, section 245.872, subdivision 2, clause (1) restricts the award of funds to "no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses." In order to provide sufficient funding for resource and referral programs up to 25 percent of the grant funds available for child care services may be used for resource and referral programs. Actual allocations will depend on how funds are earmarked by the legislature. If no appropriation is made available to fund resource and referral programs under Minnesota Statutes, section 256H.20, then resource and referral programs may be funded out of Minnesota Statutes, section 245.872. If an appropriation is made to provide funds for child care resource and referral programs and child care services grants under both Minnesota Statutes, sections 256H.20 and 245.872, then funding of resource and referral programs under Minnesota Statutes, section 245.872 may not be necessary.

In order to insure that funds allocated will be expended, the rule provides that funds in excess of a development region's need may be used in other development regions. In addition, the rule provides that grants need not be awarded if the grant applicants fail to comply with the grant proposal requirements. This requirement is necessary to insure that all grant proposals comply with grant requirements and that poorly documented proposals will not receive funding simply due to the lack of competition in a development region. Finally, since resource and referral program funding is

only a subset of the child care services which may be funded under Minnesota Statutes, section 245.872, any funds allocated for resource and referral grants in excess of the grants approved by the commissioner shall be used for child care services under part 9565.5520.

Minnesota Statutes, section 256H.20 does not provide a specific funding formula for allocating resource and referral grant funds. Minnesota Statutes, section 256H.20, subdivision 1 states, "The commissioner of human services may make grants to public or private nonprofit agencies for the planning, establishment, expansion, improvement, or operation of child care resource and referral programs and child care services according to the provisions of this section and may make grants to county boards to carry out the purposes of section 245.84." Minnesota Statutes, section 256H.20, subdivision 3 states, "The commissioner may make grants to public or private nonprofit entities to fund child care resource and referral programs. Child care resource and referral programs must serve a defined geographic area...."

In order to insure statewide development of child care resource and referral programs, grant funds will be awarded on a statewide basis based on the quality of the individual grant proposal.

In order to give priority to the creation of new resource and referral programs, the commissioner may allocate up to 75 percent of the resource and referral funds for planning and start-up grants. Funds allocated for planning and start-up which are in excess of planning and start-up grant requests may be used to expand, improve, or operate existing ongoing resource and referral programs. This requirement is necessary to insure that priority is given to the development of new resource and referral programs and to insure appropriated funds are spent as intended by the legislature.

Subp. 11. Maximum grant amount and match requirements. This subpart is necessary to inform resource and referral grant applicant's of the maximum amount that the Commissioner may award a grant for. The maximum grant amount any entity may be awarded for the provision of service is $60,000. (Emphasis added). The $60,000 limit is set forth in statute under Minnesota Statutes, section 256H.20, subdivision 3, paragraph (g). The rule also establishes a maximum grant amount of $10,000 that the Commissioner may award an entity for a planning grant. While it is possible that an ambitious grant proposal could require substantially more planning funds, the $10,000 limit is sufficient for most planning efforts. A 25 percent local match is required for both service and planning grants. A service grant recipient must demonstrate that funding will be available for two years after the state grant is discontinued. A planning grant recipient must demonstrate that it has the expertise and organizational ability to complete the planning proposal within a maximum of two years. The specific time requirement for completing the planning project will be set forth in the grant contract and will depend on the scope of the planning project. The time requirement establishes a standard which will enable the Department to audit progress and expenditures under a planning grant. Obviously, if no time limit is placed on the planning grant, there is no means to insure funding accountability. This subpart is reasonable because with the exception of the planning grant standards it is consistent with Minnesota Statutes, section 256H.20, subdivision 3, paragraph (g). The authority for establishing standards for planning grant recipients is found in Minnesota Statutes, section 256H.20, subdivision 4.

Subp. 12. Resource and referral grant proposal ranking. This subpart is necessary to inform grant applicants that their grant proposal will be ranked by an advisory task force as provided in Minnesota Statutes, section 245.872, subdivision 3. In order to provide a means of ranking various proposals, specific criteria is set forth in items A to G. In addition, this subpart makes it clear that the task force is not required to recommend or rank a grant proposal that does not meet the grant proposal requirements in subparts 6 to 9. The purpose of this requirement is to insure that unacceptable grant proposals are not funded simply due to lack of competition within a particular development region.

With respect to the individual items in this subpart, item A is necessary to demonstrate a need for the resource and referral program in the geographical area to be served by the grant. The requirement that grants shall only be provided to one resource and referral program per service area insures limited funds will not be used to fund redundant services.

Item B is necessary to properly evaluate a grant proposal. Unless a grant proposal is based on complete and well developed budget considerations, it is unlikely to meet its stated objectives. The budget information will to a large degree define the parameters of any proposal.

Item C is related to item B and is necessary to insure program continuation is not dependent on state funding. The applicant must demonstrate that the program will be able to continue at least two years after receiving the state grant.

Item D is necessary to show that there is local support for the child care resource and referral program. This requirement is particularly important when two or more grant proposals are received for one service area. County social services agencies, parent groups, school groups, licensed child care providers, and community child care organizations are appropriate entities for indicating support for the resource and referral program. This requirement provides local input when there is competition for limited funds.

Item E is necessary to indicate the potential capacity of the program to achieve its stated goals. An understaffed program, especially if the program is overly ambitious, is unlikely to be able to achieve its objectives. In addition, it is necessary to identify organizational components and authority relationships.

Item F is necessary to insure the grant applicant has the capacity to meet state reporting and data collection requirements since the Commissioner is directed under Minnesota Statutes, section 245.871 to report on components of the child care system.

Item G is necessary to identify particular elements of the grant proposals which should be described in some detail. These elements include a description of the service area; means of identifying existing child care services; procedures for maintaining and updating the resource file; procedures for establishing a referral process; procedures for documenting service requests; procedures for providing technical assistance; and, methods of announcing service availability. This type of information is important in assessing the applicant's ability to provide child care resource and referral services.

This subpart is reasonable because it establishes clear criteria for evaluating and ranking grant proposals and is consistent with Minnesota Statutes, section 256H.20, subdivision 4.

Subp. 13. Restriction on grant recommendations by advisory task force. This subpart is necessary to place restrictions on grant recommendations by advisory task force members who may have a direct financial interest in a particular child care resource and referral grant. Since Minnesota Statutes, section 245.872, subdivision 3 requires that the grant review advisory task force members must be parents of children in child care, providers of child care, or citizens with a demonstrated interest in child care issues, it is possible that a particular task force member may have a direct financial interest in a resource and referral grant. This subpart prohibits a task force member with a direct financial interest in a grant to provide a recommendation or participate in the ranking of "that" grant proposal. Direct financial interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or a family member employed in or by the program. The term "family member" is qualified to include persons related to the advisory task force member by blood or marriage within the third degree of consanguinity. This includes such family members as parents, grandparents, brothers, sisters, nieces, nephews, uncles, aunts, and greatgrandparents. While most advisory task force members would likely refrain from making a recommendation on a grant in which they had a personal interest, this subpart prohibits the advisory task force member from participating in the ranking of that proposal. This subpart is reasonable because it eliminates a potential conflict of interest or impropriety in funding recommendations.

Subp. 14. Awarding of grants. This subpart is necessary to inform grant applicants that the Commissioner will award resource and referral grants based on the recommendations of the advisory task force. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivision 2.

Subp. 15. Expenditure records. This subpart is necessary to to inform grant recipients that they must keep a record of all expenditures under the resource and referral program. Furthermore, the department is not liable for program costs incurred prior to a grant contract signed by the Commissioner. The requirement that expenditure records be maintained is necessary for auditing purposes to insure that grant funds were properly expended. This subpart is reasonable because it is provides a means of quality control to insure funds are spent for the purposes for which they were appropriated.

Subp. 16. Audit of grant expenditures. This subpart is necessary to inform grant recipients that they may be subject to grant audits during the grant year and for a period of up to one year after the close of the grant period. This subpart is necessary to provide for financial accountability of public funds.

9565.5520 GRANTS FOR CHILD CARE SERVICES

This part is necessary to establish standards and requirements for applicants seeking child care services grants for facility improvement expenses, interim financing, resource and referral programs, and staff training expenses; to establish minimum requirements for grant proposals; to establish criteria for ranking grant proposals; and, to require retention of expenditure records to permit agency audits.

Subpart 1. Child care services grants. This subpart is necessary to inform potential grant applicants that child care services grants are available for facility improvement expenses, interim financing, and staff training expenses. In addition, a special child care services grant called a mini-grant is available for child care service development. Mini-grants may be used for facility improvement expenses, interim financing, and staff training expenses, but the amount of the grant may not exceed $1,000. In addition, fewer grant requirements are imposed on mini-grant applicants. A discussion of the mini-grant may be found in subparts 15 to 18. In addition to other types of grants, Minnesota Statutes, section 245.872 authorizes resource and referral grants. Resource and referral grants are addressed under part 9565.5510. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivision 1 and Laws of Minnesota 1988, Chapter 689, article 2, section 266.

Subp. 2. Allocation of funds. This subpart is necessary to inform grant applicants and development regions of the funding allocations for child care services grants. Funds shall be allocated according to the allocation formula in Minnesota Statutes, section 245.872, subdivision 2. Up to 25 percent of a development region's allocation may be reserved for resource and referral programs under part 9565.5510. The remainder of the funds shall be used for facility improvement expenses, interim financing, child care staff training and for mini-grants. Minnesota Statutes, section 245.872, subdivision 2 provides that no more than 75 percent of the allocation for child care service development may be allocated to either child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses. This statutory requirement can be addressed prior to the announcement that child care services grants are available.

This subpart also provides that funds allocated to a development region in excess of its needs or where inadequate grant proposals were submitted may be used in other development regions for child care service development. This requirement insures that unacceptable grant proposals will not be approved when there is no or limited competition for a child care services grant in a development region. If the total funds available for child care service development are greater than the total grant requests, then the commissioner may use the excess funds for resource and referral grants under part 9565.5510. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivision 2 and Laws of Minnesota 1988, chapter 689, article 2, section 266.

Subp. 3. Eligible grant recipients. This subpart is necessary to inform potential applicants of eligibility requirements and the priority for awarding grants. Eligible grant applicants include licensed providers of child care, applicants in the process of obtaining a child care license, and

organizations providing child care services to providers. Organizations providing child care services to providers include educational institutions that provide training or educational courses on child development and health and safety and other organizations that provide support services to providers. This subpart is reasonable because out of the $310,942 allocated in the 1988-1989 biennium, the Department of Human Services received 243 child care service development grant proposals requesting $3,005,595. Since the demand for assistance exceeds available resources, it is necessary that priorities for child care service development grants be set.

It is reasonable to prioritize nonprofit agencies first in the ranking because they are not operating businesses for profit and often operate with very limited resources. This funding source complements funding from foundations and other grant making bodies who may require a showing of funding support from other public and private agencies as a condition of the grant. It is reasonable to include public agencies in the first priority because public bodies are charged with protecting and promoting the health, safety, and public welfare of its citizens. Improving availability and quality of child care services falls within the scope of a public agency's duty.

It is reasonable to prioritize employer-based day care centers second because the Department of Human Services would like to encourage employers to become more active in providing child care at places of employment. The state has an interest in encouraging employer participation in child care services through flexible benefits, and more directly, through employer sponsored or employer based child care services. A comprehensive employer child care delivery system requires a broad partnership between government and the private sector. Employees need a variety of provider options to meet the unique needs of their family and work or educational circumstances. Today, employer based services is a rare option despite the large number of parents in the work force needing child care for their young children. This ranking provides a means to assist employers in the development of child care services. Due to the underdeveloped nature of employer sponsored child care, it is reasonable to prioritize employer-based day care centers over other for profit organizations.

Finally, it is reasonable to prioritize family day care providers last since they operate out of their homes and have lower overhead and administrative costs and funds are specifically set aside for them under the Mini-grant program.

Subp. 4. Grant proposals. This subpart is necessary to inform grant applicants of general grant proposal requirements. The grant proposal must be received on or before the date specified in the child care services grant announcement and must include information on grant funds received in the previous three years as well as other pending grant requests. Finally, nonprofit organizations must include proof of their nonprofit status at the time of the grant request.

When funding is made available by the Legislature, the Department of Human Services will send out a grant announcement and request for proposals. The deadline for considering grant proposals will be established in the Department's request for proposals. It is not reasonable to attempt to fix a

date certain in rule since the appropriation process is subject to some uncertainty. Furthermore, the amount of the appropriation will, to a large degree, determine the number of potential grant proposals since the applicant's perception of his or her likelihood of receiving a grant will be a determining factor in submitting a grant proposal. It is important that adequate time be given for an applicant to submit a grant proposal and for the advisory committee to review and rank the proposals. Therefore, no specific date is set in the rule.

It is also important to know the grant history of the various applicants. This information will ensure that grant proposals are not double funded by different agencies and will also provide a basis for comparing various grant proposals. As a matter of equity, if two grant proposals are equally ranked and one applicant has received state funding for one or more of the previous three years while another applicant has never received state assistance, then, with everything else equal, the applicant who has never received a state grant should be awarded the grant.

Finally, agencies must submit proof of their nonprofit or business status at the time of the application since this information is needed to prioritize proposals according to the priority list in subpart 3. This subpart is reasonable because it informs potential grant applicant's of general grant proposal requirements. Specific grant proposal requirements will depend on the type of grant requested. For example, the information required in a grant proposal for a facility improvement grant is different than the information required in a grant proposal for a staff training and development grant.

This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivision 1.

Subp. 5. Grant match requirements. This subpart is necessary to inform potential grant applicants of the match requirement for a child care services grant. The legislature did not specifically require a local match for child care services grants. However, since funding is extremely limited it is reasonable to require a match to increase the total funds available. In addition, the match requirement will indicate outside support for the grant request and is consistent with the requirement that the grantee indicate he or she has the financial means to continue the program after receiving the state grant. No match requirement is set for the mini-grants since the amount of funds involved is less than $1,000 and the grant is generally for a specific improvement. The mini-grant is generally used to assist family day care providers in improving their facilities or to assist providers in the process of becoming licensed. Since the purpose of the legislative appropriation is to improve child care services and since the income of many family day care providers is limited, no match is required. Creating a small state grant without a match requirement provides a direct financial incentive to improve child care services. This subpart is reasonable because it is consistent with Minnesota Statutes, section 256H.20 which requires a local match of 25 percent for child care resource and referral programs. Minnesota Statutes, section 245.872 provides grant funds for resource and referral program and the 25 percent local match requirement insure uniformity between similar grant programs. This subpart is consistent with the Commissioner's authority under Laws of Minnesota 1988, chapter 689, article 2, section 266 to adopt rules to administer and implement the child care services grants.

Subp. 6. Grants for facility improvement expenses. This subpart is necessary to identify what types of expenses qualify as a facility improvement expenses under the facility improvement expenses grant. Grants for facility improvement expenses may be used for building improvements, equipment, toys, or supplies needed to establish, expand, or improve a licensed child care facility. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 4a and section 245.872, subdivisions 1 and 4.

Subp. 7. Grants for interim financing. This subpart is necessary to identify how grants for interim financing may be used. Grants for interim financing may be used to carry out activities necessary for family day care homes, group family day care homes and child care centers to receive and maintain state licensing; to expand an existing child care program; to improve program quality; or to provide operating funds following receipt of state licensing. The standard for activities which may be funded with an interim financing grant is set forth in Minnesota Statutes, section 245.83, subdivision 5. It should be noted that there is not a clear statutory distinction between activities which may be funded with a facility improvement expenses grant or an interim financing grant. No attempt has been made to modify the legislative definitions for "facility improvement expenses" or "interim financing". Therefore, a grant applicant depending on the specific grant request could receive funding for a facility improvement under either a grant for interim financing or a grant for facility improvement expenses. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.83, subdivision 5, and section 245.872, subdivisions 1 and 4.

Subp. 8. Grants for staff training and development. This subpart is necessary to identify how grants for staff training and development may be used. The grants may be used to upgrade staff qualifications with priority given to staff training and development necessary to meet licensure requirements. Allowable expenses under this subpart includes, but is not limited to, tuition, transportation, required training materials and supplies, and wages for substitutes while the child care workers are engaged in training. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivisions 1 and 5 and section 245.83, subdivisions 7 and 8.

Subp. 9. Facility improvement and interim financing grant proposals. This subpart is necessary to inform applicants for a facility improvement expenses or interim financing grant of minimum grant proposal requirements. The grant proposal must document the need for the grant; the number and age groups the grantee is licensed to serve; the ages of children the grantee currently serves; the age group the grantee intends to serve after receiving the grant; a schedule for expending the grant funds; budgetary information on the improvement costs; and documentation of any state assistance received in the previous three years. Items A, E, F, and G require budgetary information to determine the need and reasonableness of the funding request. Items B, C, D require information on the ages of children served since child care needs for some age groups may be more critical than for others. This subpart is reasonable because it informs all applicants of grant proposal requirements and is consistent with the requirement in Laws of Minnesota 1988, chapter 689, article 2, section 266 that the Commissioner adopt rules to administer and implement the provisions for the child care services grants.

Subp. 10. Facility improvement and interim financing priorities. This subpart is necessary to establish priorities for funding facility improvement expenses and interim financing grant proposals. Minnesota Statutes, section 245.872, subdivision 4 establishes funding priorities for facility improvement and interim financing. Subdivision 4 states in part, "In evaluating applications for funding and making recommendations to the commissioner, the grant review advisory task force shall give priority to:

(1) new programs or projects, or the expansion or enrichment of existing programs or projects; ...".

As set forth in item 1, any type of project would be a funding priority since the improvements will be for either a new or existing program. Therefore, it is necessary to establish clear priorities for evaluating applications and making rank recommendations. Subpart 10, while consistent with Minnesota Statutes, section 245.872, subdivision 4, establishes specific grant proposal priorities. These priorities are proposals to meet licensure requirements; proposals to start new programs; proposals to expand license spaces; proposals for programs in areas with special needs; proposals that serve sick children, infants, toddlers, children with special needs, and children from low income families; and proposals to enrich existing programs. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivision 4 and Laws of Minnesota 1988, chapter 689, article 2, section 266.

Subp. 11. Ranking facility improvement and interim financing grant proposals. This subpart is necessary to inform advisory task force members of the priority for ranking facility improvement and interim financing grant proposals. Grant proposals shall be ranked based on the priorities in subpart 10 and the completeness of documentation required in subpart 9. This subpart also makes it clear that the advisory task force is not required to rank a grant proposal that does not meet the grant proposal requirements under subpart 9. A grant proposal will not be approved simply because there is a lack of competition for funding. As a practical matter, it is unlikely that there will be a shortage of grant applicants. However, to insure fiscal responsibility and accountability it is necessary that all grant applicants meet proposal requirements. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivisions 3 and 4 and Laws of Minnesota 1988, chapter 689, article 2, section 266.

Subp. 12. Staff training and development grant proposals. This subpart is necessary to inform applicants for staff training and development grants of grant proposal requirements. The grant proposal must include basic information such as the name of the provider organization and the amount of the grant requested; an explanation of why the grant is needed and how it will be used; a description of the training course and how the course will meet licensure requirements or improve child care services; a detailed budget; the length of time the applicant has provided child care services; and the length of time the applicant intends to provide child care services after completing the training. This information is necessary to properly evaluate grant requests. This subpart is reasonable because it is consistent with Laws of Minnesota 1988, chapter 689, article 2, section 266 which authorizes the Commissioner to adopt rules to administer and implement the provisions of the child care services grants.

Subp. 13. Staff training and development grant proposal priorities. This subpart is necessary to inform grant applicants and the advisory task force of the priorities for awarding staff training and development grant proposals. Priority is given to increasing the availability of licensed child care. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivision 5 and Laws of Minnesota 1988, chapter 689, article 2, section 266.

Subp. 14. Ranking staff training and development grant proposals. This subpart is necessary to inform the advisory task force that grant proposals must be evaluated and ranked based on the priorities under subpart 13 and the completeness of documentation under subpart 12. In addition, this subpart makes it clear that the advisory task force is not required to rank a grant proposal that does not meet the grant proposal requirements under subpart 12. A grant proposal will not be approved simply because there is a lack of competition for funding. As a practical matter, it is unlikely that there will be a shortage of grant applicants. However, to insure fiscal responsibility and accountability it is necessary that all grant applicants meet proposal requirements. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivisions 3 and 5 and Laws of Minnesota 1988, chapter 689, article 2, section 266.

Subp. 15. Mini-grants for child care service development. This subpart is necessary to inform grant applicants of the availability of a special type of child care services grant. This grant is a mini-grant which may not exceed $1,000. The mini-grant must be used for facility improvement expenses, interim financing, or staff training and development. These are the same categories as the regular child care services grant. The mini-grants have been established to encourage family day care providers to submit grant proposals to improve and enrich their present programs; to encourage unlicensed providers to become licensed; and to encourage the start up of new family day care providers. As noted in the background information, during the 1988-1989 biennium, the Department received 1,577 grant proposals for mini-grants but was only able to fund 309 proposals. Since the family day care provider is an integral component of the state's child care network, it is important that funding be made available for applicants who lack the financial capacity to make relatively small improvements. This subpart is reasonable because it is consistent with Laws of Minnesota, chapter 689, article 2, section 266.

Subp. 16. Mini-grant proposals. This subpart is necessary to inform grant applicants of information required in a grant proposal. The grant proposal must include basic information such as the name of the provider or organization and the amount of the grant requested; an explanation of why the grant is needed and how it will be used; a detailed budget; the length of time the applicant has provided child care services, if applicable; and the length of time the applicant intends to provide child care services. This information is necessary to properly evaluate grant requests. This subpart is reasonable because it is consistent with Laws of Minnesota 1988, chapter 689, article 2, section 266 which authorizes the Commissioner to adopt rules to administer and implement the provisions of the child care services grants.

Subp. 17. Mini-grant priorities. This subpart is necessary to inform grant applicants and the advisory task force of the priority for awarding mini-grants. This subpart is reasonable because out of the $51,558 allocated in the 1988-1989 biennium, the Department of Human Services received 1,577 mini-grant proposals requesting $816,836. Since the demand for assistance exceeds available resources, it is necessary that priorities for child care mini-grants be set.

It is reasonable to rank family day care providers first for the mini-grants because there are over 11,000 licensed family day care providers in Minnesota and they provide the majority of licensed child care services to families. Since the purpose of the legislative appropriation is to improve and expand child care services and the income of many family day care providers is limited, a limited grant can be very helpful in start up costs or improvement costs for a family day care provider but would be considerably less helpful to a larger day care center. In addition, family day care providers are prioritize last under the larger child care service development grants. It is reasonable to rank public and nonprofit agencies second, employer based centers third and for profit centers fourth for the same reasons outlined under the child care services grants in subpart 3.

Subp. 18. Ranking mini-grant proposals. This subpart is necessary to inform the advisory task force of grant proposal information which must be considered in evaluating and ranking mini-grant proposals. Proposals are to be evaluated and ranked based on the completeness of documentation which indicates the physical plant improvement, equipment, or training needed to meet or exceed licensure; budgetary information; documentation of negative licensing actions; and child care needs in the service area. This subpart is reasonable because it informs grant applicants of information that will be evaluate in considering their grant requests; it provides uniform criteria for all applicants; and, it is consistent with the authority granted to the Commissioner to adopt rule to administer and implement the provisions of the child care services grants under Laws of Minnesota 1988, chapter 689, article 2, section 266.

Subp. 19. Restriction on grant recommendations by advisory task force members. This subpart is necessary to place restrictions on grant recommendations by advisory task force members who may have a direct financial interest in a particular child care services grant. Since Minnesota Statutes, section 245.872, subdivision 3 requires that the grant review advisory task force members must be parents of children in child care, providers of child care, or citizens with a demonstrated interest in child care issues, it is possible that a particular task force member may have a direct financial interest in a child care services grant. This subpart prohibits a task force member with a direct financial interest in a grant to provide a recommendation or participate in the ranking of "that" grant proposal. Direct financial interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or a family member employed in or by the program. The term "family member" is qualified to include any of the following persons related to the advisory task force member by blood or marriage within the third degree of consanguinity. This includes such family members as parents, grandparents, brothers, sisters, nieces, nephews, uncles, aunts, and greatgrandparents. While most advisory task force members

would likely refrain from making a recommendation on a grant in which they had a personal interest, this subpart prohibits the advisory task force member from participating in the ranking of that proposal. This subpart is reasonable because it eliminates a potential conflict of interest or impropriety in funding recommendations. This subpart is consistent with the authority granted to the Commissioner under Laws of Minnesota 1988, chapter 689, article 2, section 266 to adopt rules to administer and implement the child care services grant provisions.

Subp. 20. Awarding of grants. This subpart is necessary to inform grant applicants and the advisory task force members that the Commissioner shall award child care service development grants based on the recommendations of the grant advisory task force. This subpart is reasonable because it is consistent with Minnesota Statutes, section 245.872, subdivision 2.

Subp. 21. Grant expenditure records. This subpart is necessary to to inform grant recipients that they must keep a record of all grant expenditures under the child care services grant program. Furthermore, the department is not liable for program costs incurred prior to a grant contract signed by the Commissioner or the letter of award for a mini-grant. The requirement that expenditure records be maintained is necessary for auditing purposes to insure that grant funds were properly expended. This subpart is reasonable because it is provides a means of quality control to insure funds are spent for the purposes for which they were appropriated. This subpart is also reasonable because it is consistent with the authority granted to the Commissioner to adopt rules to administer and implement the child care services grants under Laws of Minnesota, chapter 689, article 2, section 266.

Subp. 22. Audit of grant expenditures. This subpart is necessary to inform grant recipients that they may be subject to grant audits during the grant year and for a period of up to one year after the close of the grant period. This subpart is necessary to provide for financial accountability of public funds.

Expert Witnesses

If this rule should go to public hearing, the Department does not plan to have outside expert witnesses testify on its behalf.

DATE: 3/28/89

SANDRA S. GARDEBRING
Commissioner

D. If the county or postsecondary institution fails to demonstrate compliance or fails to implement the correction plan approved by the commissioner, the commissioner may withhold the county's or postsecondary institution's child care fund allocations until the county or postsecondary institution is in compliance with the statute or rule.

E. Funds withheld from a county under this part may be reallocated to other counties based on the formula in Minnesota Statutes, section 256H.03, subdivision 2. Funds withheld from a postsecondary institution may be reallocated to other postsecondary institutions based on the formula in Minnesota Statutes, section 256H.07, subdivision 1.

F. Counties and postsecondary institutions may appeal the sanction in accordance with Minnesota Statutes, chapter 14, for contested cases.

9565.5230 AUDIT EXCEPTIONS.

The commissioner shall recover from counties and postsecondary institutions state or federal money spent for child care that is ineligible under parts 9565.5000 to 9565.5240. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.

9565.5240 FAIR HEARING PROCESS.

Subpart 1. **Hearing request.** An applicant or recipient of a child care subsidy adversely affected by an administering agency's action may request a fair hearing according to Minnesota Statutes, section 256.045, subdivision 3.

Subp. 2. **Informal conference.** The administering agency shall offer an informal conference to persons adversely affected by an agency action to attempt to resolve the dispute. The administering agency shall advise adversely affected persons that a request for a conference with the agency is optional and does not delay or replace the right to a fair hearing under subpart 1.

Department of Human Services

Proposed Permanent Rules Relating to Grants for Child Care Resource and Referral Programs and Child Care Services

Notice of Intent to Adopt a Rule Without a Public Hearing

Notice is hereby given that the State Department of Human Services intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes,* sections 14.22 to 14.28. The statutory authority to adopt the rule is *Minnesota Statutes,* sections 245.872; 256H.20, subdivision 4; the *Laws of Minnesota* 1988, chapter 689, article 2, section 266.

All persons have 30 days or until 4:30 p.m. on May 17, 1989 in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to *Minnesota Statutes*, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Jim Schmidt
Minnesota Department of Human Services
444 Lafayette Road
St. Paul, MN 55155-3816
(612) 296-7815

KEY: **PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

The proposed permanent rule establishes requirements governing state grants for child care services.

Under the child care resource and referral grant program, public and private nonprofit agencies may submit grant proposals to establish, expand, improve, or operate a child care resource and referral program or to plan a resource and referral program where no program currently exists. Funding for grant proposals is contingent on legislative appropriations.

The rule part governing child care resource and referral grants establish requirements for submitting grant proposals; describes information that grant applicants must submit as part of their grant proposal; sets forth standards and requirements regarding the resource file, the referral process, and the provision of services; sets limits on the dollar amount of the grant; requires a 25 percent local match; requires grant applications to demonstrate that funding will be available to continue the program for two years after the state grant is discontinued; requires the grant proposals to be ranked by an advisory task force established under *Minnesota Statutes*, section 245.872, subdivision 3; sets forth criteria the advisory task force shall use to rank grant proposals; places restrictions on grant recommendations by advisory task force members; requires the Commissioner to award grants based on the recommendation of the advisory task force; requires grant recipients to maintain expenditure records; and authorizes audits of grant expenditures.

Under the child care services grant program, public and private nonprofit agencies, employers, for profit day care centers, family day care providers, and applicants in the process of obtaining a child care license may submit grant proposals to help the grantee meet or exceed child care licensing requirements, to fund physical plant improvements, to expand or improve a licensed child care program, to purchase equipment, or to fund child care training. Funding of child care services grant proposals is contingent on legislative appropriations.

The rule part governing child care services grants establish requirements for submitting grant proposals; describes information that grant applicants must submit as part of their grant proposal; creates a special category of mini-grants up to $1,000; establishes priorities for awarding grants; requires a 25 percent local match for all child care services grants except the mini-grant; establishes requirements for grants for facility improvement expenses, interim financing, staff training and development, and mini-grants; requires grant proposals to be ranked by an advisory task force established under *Minnesota Statutes*, section 245.872, subdivision 3; sets for criteria the advisory task force shall use to rank grant proposals; places restrictions on grant recommendations by advisory task force members; requires the Commissioner to award grants based on the recommendations of the advisory task force; requires grant recipients to maintain expenditure records; and authorizes audits of grant expenditures.

The rule also defines terms used in the rule.

A free copy of the rule is available upon request from Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816. A copy of the rule may also be viewed at any of the 87 county welfare or human services agencies in the State of Minnesota.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816 upon request.

Adoption of these rules will not result in additional spending by local public bodies.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or wish to receive a copy of the adopted rule, must submit the written request to Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816.

Sandra A. Gardebring
Commissioner

Rules as Proposed (all new material)

9565.5500 DEFINITIONS.

Subpart 1. **Scope.** As used in parts 9565.5500 to 9565.5520, the following terms have the meanings given them in this part.

Subp. 2. **Child.** "Child" means a person 12 years old or younger or a person 14 years old or younger who is handicapped, as defined in Minnesota Statutes, section 120.03.

Subp. 3. **Child care.** "Child care" means the care of a child by someone other than a parent, legal guardian, or AFDC caretaker outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subp. 4. **Child care services.** "Child care services" means licensed child care provided in family day care homes, group family

day care homes, nursery schools, day nurseries, child day care centers, head start, and school age child care programs legally exempt from licensure under Minnesota Statutes, section 245A.03, subdivision 2, clauses (5) and (12).

Subp 5. **Child care worker.** "Child care worker" means a person who cares for children for compensation, including a licensed provider of child care services, an employee of a provider, and a person who has applied for a license as a provider.

Subp. 6. **Commissioner.** "Commissioner" means the commissioner of the Department of Human Services or the commissioner's designated representative.

Subp. 7. **Department.** "Department" means the Minnesota Department of Human Services.

Subp. 8. **Development region.** "Development region" means a development region as defined in Minnesota Statutes, section 462.384, subdivision 5.

Subp. 9. **Facility improvement expenses.** "Facility improvement expenses" means building improvements, equipment, toys, and supplies needed to establish, expand, or improve a licensed child care facility.

Subp. 10. **Interim financing.** "Interim financing" means funds to carry out activities necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing; to expand an existing program or to improve program quality; and to provide operating funds for no more than six consecutive months after a family day care home, group family day care home, or child care center has received a license from the commissioner.

Subp. 11. **Local match.** "Local match" means a nonstate source of funds used to match state grants-in-aid funds. Local match may include, but is not limited to, federal funds, fees for services, local tax levies, foundation money, or private contributions. In-kind donations or services are acceptable as local match provided the local match is directly related to the purpose of the state grant.

Subp. 12. **Mini-grant.** "Mini-grant" means a special category of funding under the child care services grants program that may be used by the grantee for facility improvements, start-up costs, interim financing, or staff training and development.

Subp. 13. **Resource and referral program.** "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. Services include parent education, technical assistance for providers and employers, information regarding staff development programs, and referrals to social services.

Subp. 14. **Staff training or development expenses.** "Staff training or development expenses" means the cost to a child care worker of tuition, transportation, required materials and supplies, and wages for a substitute while the child care worker is engaged in a training program.

Subp. 15. **Training program.** "Training program" means child development courses and training courses that meet the requirements of part 9502.0385 or 9503.0035. To qualify as a training program under this subpart, a course of study must teach specific skills that a child care worker needs to meet licensing requirements.

9565.5510 CHILD CARE RESOURCE AND REFERRAL PROGRAM GRANTS.

Subpart 1. **Availability of resource and referral program grants.** As provided in Minnesota Statutes, sections 245.872 and 256H.20, resource and referral program grants are available to public or private nonprofit agencies for establishing, expanding, improving, or operating a resource and referral program and for planning a resource and referral program where no program currently exists.

Subp. 2. **Federal funds; grant requirements.** Federal funds received for planning, developing, establishing, expanding, or improving local resource and referral and school age child care services that are available as grants under subpart 1 must be expended according to federal requirements and, unless contrary to federal requirements, according to subparts 3 to 16. Applications for grants using federal funds shall include assurances that all federal grant requirements will be met.

Subp. 3. **Grant proposals.** Resource and referral program grant proposals must be submitted by a public or private nonprofit agency to the commissioner on or before the date specified by the commissioner in the grant announcement. A public or private nonprofit agency must submit proof of its nonprofit status at the time of its grant request and shall include in its grant proposal the dollar amount of any resource and referral grants received in the previous three years and any pending grant applications that, if received, would duplicate or complement the resource and referral grant.

Subp. 4. **Geographical area of service.** A public or private nonprofit agency receiving a resource and referral program grant

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must provide service to the geographical area identified in the grant proposal as approved by the commissioner. The commissioner shall only award funds to support the operation of one resource and referral program per service area.

Subp. 5. **Requirements of grant recipients.** A public or private nonprofit agency receiving resource and referral program grant funds must comply with the requirements in subparts 6 to 9.

Subp. 6. **Development of resource file and referral process.** A public or private nonprofit agency receiving a resource and referral grant shall:

A. maintain a resource file that includes the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, and transportation available to the program;

B. update the resources file at least every three months;

C. publicize its services through popular media sources, social service agencies, employers, and other appropriate methods approved by the commissioner;

D. design services to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources;

E. establish a referral process that responds to parental need while fully recognizing the confidentiality rights of parents;

F. afford parents maximum access to referral information including telephone referral services for 20 or more hours per week;

G. provide child care resource and referral information to all persons requesting services and technical assistance to all types of child care providers and employers;

H. demonstrate that funding will be available to continue the program for at least two years following the state grant; and

I. develop a resource file of child care services provided by all licensed or legally operating public and private agencies within its service area. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, toddler, preschool, and extended care programs; and programs for school age children. The resource file may also include information on legally unlicensed providers and in-home providers who are legally exempt from licensure.

Subp. 7. **Documentation of service requests.** The child care resource and referral agency must maintain a written record of the number of calls and contacts for service. Information documented must include the ages of children served; the time category of child care requested for each child; special time categories such as nights, weekends, and swing shifts; and the reason that child care is needed. The information must also contain the names and addresses of clients to allow follow-up evaluation of the resource and referral service.

Subp. 8. **Educational information available to parents.** The child care resource and referral agency shall have the following educational information available for parents:

A. information and criteria for assessing and evaluating the quality and suitability of child care services including licensing regulations, availability of financial assistance, child abuse reporting procedures, and child development information; and

B. information on available parent, early childhood, and family education programs in the community and community resources for developmental assessment of children.

Subp. 9. **Technical assistance to providers and employers.** The child care resource and referral agency shall provide technical assistance to employers and existing and potential providers of all types of child care services. The technical assistance shall include:

A. information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

B. information and resources that help existing child care providers to maximize their ability to serve the children and parents of their community including information to child care workers on child care training opportunities and child care courses and on financial aid available from postsecondary institutions;

C. dissemination of information on current public issues affecting the local and state delivery of child care services;

D. facilitation of communication between existing child care providers and child care-related services in the community served;

E. recruitment of licensed providers; and

F. employer child care options, and the benefits available to employers using the various options to expand child care services to employees.

Subp. 10. **Grant allocation.** The commissioner may allocate up to 25 percent of the funds appropriated to develop child care services under Minnesota Statutes, section 245.872, for resource and referral programs.

Funds made available under Minnesota Statutes, section 245.872, for resource and referral program grants shall be allocated to development regions according to the formula in Minnesota Statutes, section 245.872, subdivision 2. Funds allocated to a development region that exceed grant requests or that were not used for grants due to an applicant's failure to comply with requirements under the grant proposal may be used to fund grant proposals in other development regions. Child care services funds made available for resource and referral program grants in excess of grants approved by the commissioner shall be used for child care services under part 9565.5520.

The commissioner shall allocate funds appropriated or received under Minnesota Statutes, section 256H.20, for resource and referral programs. The commissioner may allocate up to 75 percent of the funds appropriated under Minnesota Statutes, section 256H.20, for grants to plan or start up resource and referral programs. The commissioner shall allocate the remaining funds for grants to expand, improve, or operate ongoing resource and referral programs. Resource and referral program grants available under Minnesota Statutes, section 256H.20 shall be awarded on a statewide basis based on the quality of the grant proposals. Funds allocated for planning and start-up grants in excess of grant requests may be used to fund grant proposals for ongoing programs.

Subp. 11. **Maximum grant amount and match requirements.** The maximum child care resource and referral program grant the commissioner may award an agency to establish, improve, expand, or operate an existing child care resource and referral service is $60,000 per year. The maximum grant the commissioner may award a public or private nonprofit agency to plan a resource and referral program is $10,000 per year. Except for planning grants, a public or private nonprofit agency receiving a child care resource and referral grant must match those funds with a local match of 25 percent and must demonstrate that funding will be available to continue the program for two years after the state grant is discontinued. A public or private nonprofit agency receiving a grant to plan a resource and referral program must match those funds with a local match of 25 percent and must demonstrate that it has the expertise and organizational ability to complete the planning proposal within a maximum period of two years.

Subp. 12. **Resource and referral grant proposal ranking.** Grant proposals that meet the requirements of subparts 6 to 9 shall be ranked by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. The advisory task force shall use the criteria in items A to G to rank the grant proposals.

A. The grant applicant's ability to demonstrate the need for a child care resource and referral program in the geographical area to be served under the grant. Grants shall be awarded to only one resource and referral program per service area.

B. The extent that the program budget and grant proposal is complete, reasonable, and able to achieve the program's stated objectives.

C. The ability of the grant applicant to demonstrate that the program and nonstate funding for the program will continue for at least two years following the state grant.

D. The ability of the grant applicant to demonstrate support from the county social services agency, parent groups, schools, licensed child care providers, and community child care organizations.

E. The organizational structure of the resource and referral program and its capability to achieve the goals of the resource and referral program.

F. The ability of the program to meet reporting and data collection requirements of the commissioner.

G. The detailed description of the grant proposal as it relates to the child care resource and referral program with particular emphasis on:

(1) defining the geographical service area;

(2) identifying existing child care services;

(3) maintaining and updating the resource file;

(4) establishing a referral process that responds to parental need and recognizes the parents' right of confidentiality;

(5) documenting parental requests for service and education aids;

(6) providing technical assistance to employers and all existing and potential providers of child care; and

(7) announcing service availability through popular media sources, social agencies, employers, and child care providers.

Subp. 13. **Restriction on grant recommendations by advisory task force.** Members of the advisory task force with a direct financial interest in a pending resource and referral grant proposal may not provide a recommendation or participate in the ranking

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of that grant proposal. A direct financial interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or employment of a family member in or by the program. A family member employed in or by the program includes any person related to an advisory task force member by blood or marriage within the third degree of consanguinity.

Subp. 14. **Awarding of grants.** The commissioner shall award resource and referral program grants based on the recommendations of the grant advisory task force.

Subp. 15. **Expenditure records.** The recipient of a child care resource and referral grant shall maintain a record of all expenditures under the resource and referral program. The department is not liable for costs incurred by an applicant before issuance of a resource and referral grant contract signed by the commissioner or the commissioner's designated representative.

Subp. 16. **Audit of grant expenditures.** The commissioner may audit the expenses of a grant recipient during the grant period and during the 12 months immediately following the close of the grant period. The grantee shall provide the commissioner with copies of invoices and receipts of expenditures under the resource and referral grant. The grantee shall reimburse the department for any expenditure of grant funds unauthorized by the resource and referral grant contract.

9565.5520 GRANTS FOR CHILD CARE SERVICES.

Subpart 1. **Child care services grants.** Child care services grants are available for facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. In addition, as provided under subparts 15 to 18, child care services grants of up to $1,000 per grantee may be made available to help a grantee meet or exceed child care licensing requirements, to fund physical plant improvements, to expand or improve a licensed child care program, to purchase equipment, or to fund child care training.

Subp. 2. **Allocation of funds.** The commissioner shall allocate grant money appropriated for child care services as provided in Minnesota Statutes, section 245.872, subdivision 2. The commissioner may allocate up to 25 percent of the available funds for child care resource and referral programs as provided in part 9565.5510, subpart 10. The remaining funds shall be allocated for facility improvements, interim financing, child care staff training, and mini-grants. The commissioner shall not allocate more than 75 percent of the remaining funds for either child care facilities or staff training. Funds allocated to a development region in excess of a region's request for child care service development grants or where grants were not awarded due to an applicant's failure to comply with the requirements under the grant proposal may be used to fund child care service development grant proposals in other development regions. Funds allocated for child care service development program grants in excess of grants approved by the commissioner may be used for child care resource and referral programs under part 9565.5510.

Subp. 3. **Eligible grant recipients.** Eligible recipients of child care service grants are licensed providers of child care, applicants in the process of obtaining licensure, and organizations providing child care services to providers. If a grant applicant is in the process of obtaining licensure, the applicant must provide assurance of being able to meet licensure requirements and must verify that a completed application has been received by the county social service agency's family day care licensor or by the Department of Human Services, Division of Licensing. With the exception of mini-grants, priority for awarding child care services grants shall be given to grant applicants in the order they appear below:

A. public and private nonprofit agencies;

B. employer-based day care centers;

C. other for-profit day care centers; and

D. family day care providers.

Subp. 4. **Grant proposals.** Child care services grant proposals must be submitted to the commissioner on or before the date specified in the child care services grant announcement and must include information on any previous grant received in the past three years and any other pending grant request. A nonprofit organization must include proof of its nonprofit status at the time of the grant request. For-profit businesses and corporations shall indicate whether they are an employer-based day care center, other for-profit day care center, or a family day care provider at the time of the grant request.

Subp. 5. **Grant match requirements.** Child care services grants for facility improvements, interim financing, and staff training and development require a 25 percent local match by the grant applicant. A local match is not required for a mini-grant.

Subp. 6. **Grants for facility improvement expenses.** Child care services grants for facility improvement expenses must be used by the grantee for building improvements, equipment, toys, or supplies needed to establish, expand, or improve a licensed child care facility.

Subp. 7. **Grants for interim financing.** Child care services grants for interim financing must be used by the grantee to carry out activities necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing; to expand an existing child care program; to improve program quality; or to provide operating funds following receipt of state licensing. Interim financing grants providing operating funds may not be awarded for more than six consecutive months following

receipt of state licensing. Interim financing grants used by the grantee to meet conditions necessary to receive or maintain state licensing, to expand an existing program, or to improve program quality may not be awarded for more than 18 months.

Subp. 8. **Grants for staff training and development.** Child care services grants for staff training and development must be used by the grantee to upgrade staff qualifications with priority given to staff training and development necessary to meet licensure requirements. Staff training and development includes, but is not limited to, training to obtain child development associate certification, training of new and existing providers, recruiting new providers, and staff development to retain quality providers.

Subp. 9. **Facility improvement and interim financing grant proposals.** A proposal for a facility improvement grant or interim financing grant shall include:

A. documentation of need for the grant;

B. documentation of the number of children and the age groups the grant applicant is licensed to serve;

C. the ages of children the provider currently serves;

D. the age group of children the provider intends to serve after the expenditure of the facility improvement or interim financing grant;

E. a schedule for making improvements or for expending the grant funds;

F. budget information submitted with the grant proposal that includes a line item budget specifying projected costs for:

(1) building improvement;

(2) staff salary and benefits;

(3) supplies;

(4) program materials;

(5) rent, if applicable;

(6) utilities;

(7) equipment; and

(8) the need for interim financing, if applicable; and

G. documentation of any state funding assistance received in the previous three years.

Subp. 10. **Facility improvement and interim financing priorities.** Facility improvement and interim financing grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, sections 245.872, subdivision 3. In evaluating proposals for facility improvement and interim financing grants, the advisory task force shall use the following priorities to rank grant proposals for each group listed in subpart 3:

A. proposals submitted to meet licensure requirements;

B. proposals submitted to start new programs or projects;

C. proposals submitted to expand license spaces;

D. proposals submitted to fund programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;

E. proposals submitted for programs and projects that serve sick children, infants, toddlers, children with special needs, and children from low-income families;

F. proposals submitted to enrich existing programs or projects; and

G. other information requested by the commissioner in the request for proposals necessary to assess the quality of the proposal.

Subp. 11. **Ranking facility improvement and interim financing grant proposals.** Facility improvement and interim financing grant proposals shall be ranked by the advisory task force based on the priorities established under subpart 10 and the completeness of the documentation required under subpart 9 for each group listed in subpart 3. Nothing in this subpart shall require the task force to recommend or rank a facility improvement or interim financing grant proposal that does not meet the grant proposal requirements under subpart 9.

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Subp. 12. **Staff training and development grant proposals.** A proposal for a staff training and development grant shall include:

A. the name of the provider or organization and the amount of grant funds the applicant is applying for;

B. an explanation of why the grant is needed and how the grant funds will be used;

C. a detailed description of the training course with an explanation of how the course work will meet licensure requirements or improve child care services;

D. a detailed budget estimate of the training expenses including the proposed schedule for expending the funds, local match, and other sources of funding the applicant has received or applied for;

E. the length of time the applicant has provided licensed child care, if applicable, and the number and ages of children served; and

F. the length of time the applicant intends to provide child care services, if applicable, after completing the staff training and development course.

Subp. 13. **Staff training and development grant proposal priorities.** Staff training and development grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. In evaluating proposals for staff training and development grants, the advisory task force shall use the following priorities to rank grant proposals for each group listed in subpart 3:

A. staff training and development proposals from applicants who will work in geographic areas where there is a shortage of child care;

B. proposals from unlicensed providers who wish to become licensed;

C. proposals from public or private nonprofit agencies that will use grant money for scholarships for child care workers attending educational or training programs sponsored by the public or private nonprofit agency;

D. proposals from child care providers seeking accreditation or child care credentials; and

E. proposals from applicants who will work in facilities caring for sick children, infants, toddlers, children with special needs, and children from low-income families.

Subp. 14. **Ranking staff training and development grant proposals.** Staff training and development grant proposals shall be ranked by the advisory task force based on the priorities established under subpart 13 and the completeness of the documentation required under subpart 12 for each group listed in subpart 3. Nothing in this subpart requires the task force to recommend or rank a staff training and development grant proposal that does not meet the grant proposal requirements under subpart 12.

Subp. 15. **Mini-grants for child care service development.** Mini-grants for child care service development must be used by the grantee for facility improvements, including, but not limited to, improvements to meet licensing requirements, improvements to expand the facility, and toys and equipment; start-up costs; interim financing; or staff training and development.

Subp. 16. **Mini-grant proposals.** A mini-grant proposal must contain the following information:

A. the name of the provider or organization and the amount of grant funds the applicant is applying for;

B. an explanation of why the grant is needed and how the grant funds will be used;

C. a detailed budget estimate including the proposed schedule for expending the funds and any other sources of funding including state funds the applicant has received or applied for in the previous three years;

D. the length of time the applicant has provided licensed child care, if applicable, and the number and ages of children served; and

E. the length of time the applicant intends to provide child care services.

Subp. 17. **Mini-grant priorities.** Priority for service development mini-grants shall be given to grant applicants in the following order:

A. family day care providers;

B. public and private nonprofit agencies;

C. employer-based day care centers; and

D. other for-profit day care centers.

Subp. 18. **Ranking mini-grant proposals.** Mini-grant proposals shall be evaluated by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3. In evaluating mini-grant proposals, the advisory task force shall consider the completeness of documentation for items A to D in ranking mini-grant proposals for each of the groups listed in subpart 17:

A. physical plant improvement, equipment, or training needed to meet or exceed licensure requirements;

B. budget information submitted with the grant request;

C. documentation of pending or past negative licensing action by the licensor, if any, and improvements required by the licensor; and

D. child care needs in the service area.

Subp. 19. **Restriction on grant recommendations by advisory task force members.** Members of the advisory task force with a direct interest in a pending child care service development grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. A direct interest includes, but is not limited to, employment with the program or a financial interest in the program, membership on the program's board of directors, or a family member employed in or by the program. A family member employed in or by the program includes any person related to an advisory task force member by blood or marriage within the third degree of consanguinity.

Subp. 20. **Awarding of grants.** The commissioner shall award child care service development grants based on the recommendations of the grant advisory task force.

Subp. 21. **Grant expenditure records.** The recipient of a child care services grant shall maintain a record of all expenditures under the grant proposal. The department is not liable for costs incurred by an applicant before issuance of a child care services grant contract signed by the commissioner or the commissioner's designated representative or the letter of award for a mini-grant proposal.

Subp. 22. **Audit of grant expenditures.** The commissioner may audit the expenses of a grant recipient during the grant period and during the 12 months immediately following the close of the grant period. The grantee shall provide the commissioner access to records concerning grant expenditures. The grantee shall reimburse the department for any expenditure of grant funds unauthorized under the terms of the contract or for failing to meet the terms of the contract.

Adopted Rules

The adoption of a rule becomes effective after the requirements of Minn. Stat. § 14.14-14.28 have been met and five working days after the rule is published in *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

An emergency rule becomes effective five working days after the approval of the Attorney General as specified in Minn. Stat. § 14.33 and upon the approval of the Revisor of Statutes as specified in § 14.36. Notice of approval by the Attorney General will be published as soon as practicable, and the adopted emergency rule will be published in the manner provided for adopted rules under § 14.18.

Department of Commerce

Adopted Permanent Rules Relating to Group Insurance Replacement

The rule proposed and published at *State Register*, Volume 13, Number 20, pages 1175-1176, November 14, 1988 (13 S.R. 1175) is adopted with the following modifications:

Rules as Adopted

2755.0400 LIABILITY OF PRIOR CARRIER.

The prior carrier remains liable to the extent of its accrued liability and any contractual liability for extension of benefits at the time of replacement. "Accrued liability" includes, but is not limited to, responsibility for covered inpatient expenses, subject to applicable deductibles, copayments, and limitations, incurred by a covered individual who is an inpatient on the date of replacement. The responsibility on the part of the prior carrier continues until the covered individual is discharged from the ~~hospital~~ inpatient facility or contract maximums have been reached, whichever first occurs.

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STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE DEPARTMENT OF HUMAN SERVICES GOVERNING GRANTS FOR CHILD CARE RESOURCE AND REFERRAL PROGRAMS AND CHILD CARE SERVICES, PARTS 9565.5500 TO 9565.5520.

AFFIDAVIT OF MAILING

Nancy Storelee, being first duly sworn, deposes and says:

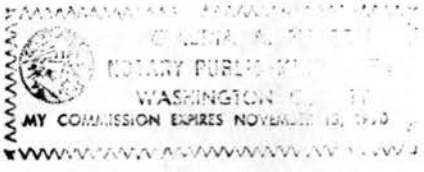
That on the 12th day of April, 1989, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice by depositing in the State of Minnesota Central Mail System for first class mailing, a copy thereof, properly enveloped, with postage prepaid, to all persons and associations who have requested that their names be placed on file with the Department of Human Services for the purpose of receiving notice of hearing by this Department.

Nancy Storelee

Subscribed and sworn to before me

this 13 day of April, 1989

Claudia G. Eliason



Department of Human Services

In the Matter of the Proposed Adoption of the Rule of the State Department of Human Services Governing Grants for Child Care Resource and Referral Programs and Child Care Services, Minnesota Rules Parts 9565.5500 to 9565.5520

NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

Notice is hereby given that the State Department of Human Services intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, sections 245.872; 256H.20, subdivision 4; and Laws of Minnesota 1988, chapter 689, article 2, section 266.

All persons have 30 days or until 4:30 p.m. on May 17, 1989 in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Jim Schmidt
Minnesota Department of Human Services
444 Lafayette Road
St. Paul, Minn. 55155-3816
(612) 296-7815

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

The proposed permanent rule establishes requirements governing state grants for child care resource and referral programs and grants for child care services.

Under the child care resource and referral grant program, public and private nonprofit agencies may submit grant proposals to establish, expand, improve, or operate a child care resource and referral program or to plan a resource and referral program where no program currently exists. Funding for grant proposals is contingent on legislative appropriations.

The rule part governing child care resource and referral grants establish requirements for submitting grant proposals; describes information that grant applicants must submit as part of their grant proposal; sets forth standards and requirements regarding the resource file, the referral process, and the provision of services; sets limits on the dollar amount of the grant; requires a 25 percent local match; requires grant applicants to demonstrate that funding will be available to continue the program for two years after the state grant is discontinued; requires the grant proposals to be ranked by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3; sets forth criteria the advisory task force shall use to rank grant proposals; places restrictions on grant recommendations by advisory task force members; requires the Commissioner to award grants based on the recommendation of the advisory task force; requires grant recipients to maintain expenditure records; and authorizes audits of grant expenditures.

Under the child care services grant program, public and private nonprofit agencies, employers, for profit day care centers, family day care providers, and applicants in the process of obtaining a child care license may submit grant proposals to help the grantee meet or exceed child care licensing requirements, to fund physical plant improvements, to expand or improve a licensed child care program, to purchase equipment, or to fund child care training. Funding of child care services grant proposals is contingent on legislative appropriations.

The rule part governing child care services grants establish requirements for submitting grant proposals; describes information that grant applicants must submit as part of their grant proposal; creates a special category of mini-grants up to $1,000; establishes priorities for awarding grants; requires a 25 percent local match for all child care services grants except the mini-grant; establishes requirements for grants for facility improvement expenses, interim financing, staff training and development, and mini-grants; requires grant proposals to be ranked by an advisory task force established under Minnesota Statutes, section 245.872, subdivision 3; sets forth criteria the advisory task force shall use to rank grant proposals; places restrictions on grant recommendations by advisory task force members; requires the Commissioner to award grants based on the recommendation of the advisory task force; requires grant recipients to maintain expenditure records; and authorizes audits of grant expenditures.

The rule also defines terms used in the rule.

A free copy of the rule is available upon request from Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816. A copy of the rule may also be viewed at any of the 87 county welfare or human services agencies in the State of Minnesota.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN, 55155-3816 upon request.

Adoption of these rules will not result in additional spending by local public bodies.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Jim Schmidt, Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN, 55155-3816.

Date: 3/24/89

SANDRA S. GARDEBRING
Commissioner

STATE OF MINNESOTA
DEPARTMENT OF HUMAN SERVICES

In the Matter of the Proposed Adoption of the Rule of the State Department of Human Services Governing Grants for Child Care Resource and Referral Programs and Child Care Services, Minnesota Rules, Parts 9565.5500 to 9565.5520

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Commissioner's intent to adopt the above-entitled rule was published in the State Register on April 17, 1989 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22, on April 12, 1989. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comments on the rule for 30 days after notice of proposed rulemaking. The agency received comments from two individuals including one request for a public hearing. Therefore, the agency did not receive requests for a public hearing from 25 or more persons. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

Number 1. The rule as published proposed that a grant applicant demonstrate funding will be available to continue the program for at least two years following the state grant. Mr. Thomas Papin, Human Services Director for Itasca County, stated " it is difficult for a county agency to become a resource and referral provider since a two-year guarantee is necessary and our County Attorney has gone on record stating the Board is unable to make such a commitment."

As indicated in the statement of need and reasonableness, the purpose of the requirement that an applicant demonstrate a funding commitment is to maximize limited resources by insuring the operation of a resource and referral program beyond the period of the state grant. Program viability must be an important consideration when awarding grants to insure public funds are expended in an intelligent, efficient, and economical manner. With limited funds, the state grant should serve as a catalyst to the development of resource and referral programs. It cannot serve as the principle source of funds for an ongoing program since continued funding is not assured.

Mr. Papin has properly pointed out that county boards can not impose funding commitments on future boards. Therefore, the county would be unable to demonstrate funds will be available for at least two years following the state grant. As such, as the proposed rule is worded, the county would not be able to qualify for a resource and referral grant.

It is not the intent of the rule to preclude county participation in the resource and referral program. On the contrary, the best way for the state to maximize limited resources is to assist counties and nonprofit agencies in developing resource and referral programs where possible. During the last biennium, four counties received funding to establish or maintain a child care resource and referral program. It is clearly the intent of the rule to continue to award grants to counties. Part 9565.5510, subpart 1, clearly states, "As provided in Minnesota Statutes, sections 245.872 and 256H.20, resource and referral program grants are available to public or private nonprofit agencies for establishing, expanding, improving, or operating a resource and referral program and for planning a resource and referral program where no program currently exists."

Since a resource and referral program grant requires a 25 percent local match, a county's grant request indicates a commitment to provide a resource and referral program for its residents. Moreover, since future state funding is not assured, it is highly unlikely that a county would initiate participation solely on the availability of a one year state grant. It is necessary that the language of the proposed rule be modified so counties will not be unintentionally excluded from qualifying for resource and referral program grants which would be contrary to statute.

Minnesota Rule, parts 9565.5500 to 9565.5520 as proposed, are amended as follows:

(A). Page 4, lines 33 to 35 (Subpart 6, item H)

H. demonstrate ~~that funding will be available~~ a commitment to continue the program ~~for at least two years following~~ after the state grant is discontinued; and

(B). Page 7, lines 10 to 26 (Subpart 11)

Subp. 11. **Maximum grant amount and match requirements.** The maximum child care resource and referral program grant the commissioner may award an agency to establish, improve, expand, or operate an existing child care resource and referral service is $60,000 per year. The maximum grant the commissioner may award a public or private nonprofit agency to plan a resource and referral program is $10,000 per year. Except for planning grants, a public or private nonprofit agency receiving a child care resource and referral grant must match those funds with a local match of 25 percent and must demonstrate ~~that funding will be available~~ a commitment to continue the program ~~for two years~~ after the state grant is discontinued. A public or private nonprofit agency receiving a grant to plan a resource and referral program must match those funds with a local match of 25 percent and must demonstrate that it has the expertise and organizational ability to complete the planning proposal within a maximum period of two years.

(C). Page 8, lines 5 to 7 (Subpart 12, item C)

C. The ability of the grant applicant to demonstrate ~~that the program and nonstate funding for the program will continue for at least two year following~~ a commitment to continue the program after the state grant is discontinued.

The change under (A) to (C) above is not a substantial change. A commitment is still required to continue a resource and referral program after the state grant is discontinued. However, a fixed funding period as a basis for determining future commitment is not required. This change will ensure that counties are not denied an opportunity to qualify for a state grant.

Number 2. Mr. Papin disagreed with the statement of the fiscal impact of the rule. He stated, "The Rule, as drafted, sets up a vehicle for State administration and direct funding of resource and referral programs which operate within the framework of county structures. However, any information and data which these resource and referral programs need, as well as additional support systems, will be the responsibility of the counties to provide. I disagree with the fiscal impact statement which indicates that there will be no additional spending by local public bodies."

The proposed rules simply provide a means of awarding state grants for resource and referral and child care services programs. The authority to award grants is set forth in Minnesota Statutes, sections 245.872 and 256H.20. There are no grant requirements imposed on a county unless a county is a grant recipient. If a county is a grant recipient, it is governed by the same rules as other recipients. These requirements are set forth in statute under Minnesota Statutes, section 256H.20, subdivision 3. Since the rule provides that the Commissioner shall only award funds to support the operation of one resource and referral program per service area, duplicative services will not be funded by the state grant.

Moreover, part 9565.5110, subpart 12 sets forth criteria for ranking grant proposals that will ensure a grantee has the ability to provide resource and referral services under the state grant. Although we expect information to be shared between a private nonprofit agency and a county, there is no basis for Mr. Papin's statement that any information and data which these resource and referral programs need, as well as additional support systems, will be the responsibility of the counties to provide. Therefore, we do not believe a change in the fiscal note is warranted.

Number 3. The Department also received two comments from Mr. Richard Backman, Social Service Division Manager, Washington County Community Social Services. Mr. Backman also addressed the issue of the two year funding commitment. This concern has been addressed under Number 1.

Number 4. Mr. Backman also suggested the requirement that Resource and Referral Programs provide technical assistance to providers and employers be made permissive, i.e., change the "shall" to "may". His concern is that the informational requirements are very broad and the

resource and referral program may not be able to provide all the technical assistance necessary to start up new child care services. The technical assistance subpart does not require the resource and referral program to "do" whatever is necessary to get a new service up an running but rather to share information with providers and employers who may wish to provide child care services. For example, the resource and referral program would not be required to know technical licensing and zoning requirements but would be required to inform the potential provider of the names and address of appropriate licensing and zoning officials.

We do not intend to modify the rule to make the provision of technical assistance permissive since it is important that resource and referral grantees provide similar services. We believe mandatory requirements will promote the sharing of information between different programs, will provide standards for evaluating services, and will strengthen the state network of resource and referral programs by insuring minimum program uniformity.

Mr. Backman pointed out that the wording of item F under Subpart 9 on page 6 was awkward. We agree and propose to clarify this subpart by adding "identification of" to precede employer child care options. This change is necessary to clarify what the requirement is under item F. We also propose to overstrike the word "all" in item A. A brochure has been prepared which identifies major information necessary to initiate new child care services under item A. The use of the word "all" is overly broad. Both changes are minor and necessary for clarity.

Minnesota Rule, parts 9565.5500 to 9565.5520 as proposed, are amended as follows:

(D.) Page 5, lines 29 to 36 and page 6, lines 1 to 17 (Subpart 9)

Subp. 9. **Technical assistance to providers and employers.** The child care resource and referral agency shall provide technical assistance to employers and existing and potential providers of all types of child care services. The technical assistance shall include:

A. information on ~~all~~ aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

B. to E. [Unchanged.]

F. identification of employer child care options, and the benefits available to employers using the various options to expand child care services to employees.

Conclusions

I hereby conclude that:

1. All modifications made to the proposed rule are not substantial changes.

2. The rules, as modified, are necessary and reasonable.

3. Any duplication in these rules of language contained in Minnesota Statutes is crucial to the ability of persons affected by the rules to comprehend their meaning and effect.

4. The Department has complied with all applicable provisions of law and rule in the promulgation of these rules.

5. If any finding or part of a finding, above, is properly characterized as a conclusion, it is adopted as a conclusion.

The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as Grants for Child Care Resource and Referral Programs and Child Care Services, Minnesota Rules, parts 9565.5500 to 9565.5520 (as modified) is adopted this 16th day of June, 1989, pursuant to authority vested in me by Minnesota Statutes, section 245.872, section 256H.20, subdivision 4, and Laws of Minnesota 1988, chapter 689, article 2, section 266.

SANDRA S. GARDEBRING
Commissioner

ITASCA COUNTY SOCIAL SERVICE
Court House Grand Rapids, Minnesota 55744 218-327-2941
Thomas Papin, Director

April 13, 1989

Mr. Jim Schmidt
Minnesota Dept. of Human Services
Rules and Bulletins Division
2nd Floor South - Human Services Bldg.
444 Lafayette Road
St. Paul, MN. 55155-3816

RE: Minnesota Rule 9565.5500 to 9565.5520

Dear Mr. Schmidt:

I strongly object to the Child Care Resource and Referral Program Rule being adopted as drafted. I also object to the adoption of this Rule without the opportunity for a Public Hearing and request that this be scheduled for a Public Hearing.

I have many concerns with this Rule, some philosophical, others procedural. The Rule, as drafted, sets up a vehicle for State administration and direct funding of resource and referral programs which operate within the framework of county structures. However, any information and data which these resource and referral programs need, as well as additional support systems, will be the responsibility of the counties to provide. I disagree with the fiscal impact statement which indicates there will be "no additional spending by local public bodies".

It also appears to me that it is difficult for a county agency to become a resource and referral provider since a two-year guarantee is necessary and our County Attorney has gone on record stating the Board is unable to make such a commitment.

I will be providing more specific information to the Minnesota Association of County Social Service Administrators' (MACSSA) Rules Committee. I would also be happy to discuss this with you in more detail. However, I do not support this Rule.

Respectfully,

Tom Papin

Thomas Papin
Human Services Director

cc: Dan Papin, Chair, MACSSA Rules Committee
George Steiner, President, MACSSA
Nancy J. Obradovich
/bah

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WASHINGTON COUNTY

COMMUNITY SOCIAL SERVICES

GOVERNMENT CENTER
14900 61ST STREET NORTH, P.O. BOX 30 • STILLWATER, MINNESOTA 55082-0030
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James R. Schug
Director
Richard C. Backman
Social Service
Division Manager
Charlotte Farnum
Economic Assistance
Division Manager
Evelyn T. Rusch
Office Manager

May 11, 1989

Zoe Nicholie
Minnesota Dept. of Human Services
444 Lafayette Rd.
St. Paul, Mn. 55155

Dear Ms. Nicholie:

I have just had a chance to review the Department of Human Services proposed permanent rules regarding grants for child care resource and referral programs and child care services. I have reviewed the portion on child care resource and referral program grants and have two suggestions. The first has to do with technical assistance to providers and employees, Page 5, line 29 through 36, and Page 6, line 1 through 17. I would request that line 33 on Page 5 that "shall" be changed to "may". My concern regarding this is that such things listed in A as all aspects of initiating child care services including licensing, zoning, program and budget development is too broad. Also C, the question on dissemination of information on current issues affecting the local and state delivery of child care services is also very broad. Who is the information to be disseminted to, how frequently and to what detail. F likewise, Number F is incomplete. There are specialized companies which charge very high rates to assist employers in developing flexible benefits for their employees, including child care services. This is an extremely technical area and individual to each employer and often times individual to each employee.

It is my suggestion that technical assistance to providers and employees be rewritten either with the "may" included or rewritten to indicate which items A through F are "shall" and which items A through F are "may".

My other concern is on Page 7, lines 16 through 21. I certainly understand your intent that a resource and referral grant recipient must demonstrate that the program will continue for two years after the state grant is discontinued but, to what extent must that grant recipient demonstrate this intention? What is the state's recourse if a resource and referral grant recipient cannot continue the program for two years? What if only six months? What if the R and R grant recipient continues the program, but at a smaller scale than under the state grants?

Washington County does not discriminate [illegible] color, national origin, sex, religion, age and handicapped status [illegible] the provision of services.

I believe that both of these issues outlined above are significant especially as it relates to agencies receiving small grants. Thank you very much for the opportunity to comment on this proposed permanent rule. I may be reached at 779-5018 for any clarifications of my comments.

Sincerely

Richard Backman

Richard Backman,
Social Service Division Manager

RB:ep
cc: J. Schug
K. Smith

In the Matter of the Adoption
of the Rule of the State Department
of Human Services Governing Grants for
Child Care Resource and Referral Programs
and Child Care Services, Minnesota Rules,
Parts 9565.5500 to 9565.5520

DECLARATION OF
COUNSEL

I, David Iverson, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. Any exceptions are listed below. For Attorney General billing purposes, the four-digit docket client code is 0827.

Special Assistant
Attorney General

Dated:

FISCAL NOTE RULE 76

GRANTS FOR CHILD CARE RESOURCE AND REFERRAL PROGRAMS AND CHILD CARE SERVICES

The proposed rule will have not have a negative fiscal impact on any local public body. However, since child care resource and referral program grants and child care services grants may be made available to public and private nonprofit agencies, there would be a positive fiscal impact equal to the dollar amount of any grant awarded to a public agency.

DATE: 3/23/89

SANDRA S. GARDEBRING
Commissioner

STATE OF MINNESOTA
DEPARTMENT OF HUMAN SERVICES

Human Services Building
444 Lafayette Road
St. Paul, Minnesota 55155-38__

Rec'd 6/20/89

TO: Rita Desmond
The Office of the Attorney General
Public Finance Division
515 Transportation Building
John Ireland Boulevard
St. Paul, MN 55155

FROM: Jim Schmidt, DHS
Rules & Bulletins Division

SUBJECT: Review of a Rule Adopted Without a Public Hearing; Grants for Child Care Resource and Referral Programs and Child Care Services, Minnesota Rules, Part 9565.5500 to 9565.5520

Enclosed are the documents required to be submitted under Minnesota Rules, part 2010.0300 for your review of a rule adopted without a public hearing for the above entitled matter.

Official documents in this submitted material include:

1. A copy or photocopy of the notice of solicitation of outside information or opinions as published in the State Register.

2. A copy of the proposed rule with a certificate of approval as to form by the revisor of statutes attached.

3. The notice of intent to adopt a rule without a public hearing as mailed.

4. The statement of need and reasonableness in support of the proposed rule complying with part 2010.0700.

5. The affidavit of mailing the notice of intent to adopt a rule without a public hearing. The affidavits state that the mailing list maintained by the agency pursuant to Minnesota Statutes, sections 14.22 and 14.14, subdivision 1a is accurate, complete, and current and that the notice of intent to adopt the rule without a public hearing was mailed to all persons and groups whose names appear on the list.

6. A copy or photocopy of the notice of intent to adopt the rule without a public hearing as published in the State Register.

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7. Four copies of the rule as adopted. Any modification made to the proposed rule is reflected on the rule as adopted and is approved as to form by the revisor of statutes.

8. The findings of fact, conclusions, and order adopting the rule.

9. All written requests, submissions, or comments on the rule received by the agency except requests solely for copies of the rule or of the statement of need and reasonableness.

10. The declaration of the attorney in the attorney general's office who represents the agency.

11. No requests to be notified of submittal of the rule to the Attorney General were received.

If you have any questions on this submitted material, please call me at 296-7815.