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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 920

February 12, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to human services; modifying several child care provisions; consolidating
1.3 the MFIP and basic sliding fee child care programs; amending Minnesota
1.4 Statutes 2006, sections 119B.02, subdivisions 1, 2; 119B.03, subdivisions 3, 9,
1.5 10; 119B.035, subdivisions 1, 2, 4, 5; 119B.05, subdivision 5; 119B.08; 119B.09,
1.6 subdivisions 1, 4a, 7, by adding a subdivision; 119B.10; 119B.11, subdivision
1.7 1; 119B.12, subdivision 2, by adding a subdivision; 119B.13, subdivision 1;
1.8 119B.15; 119B.24; repealing Minnesota Statutes 2006, sections 119B.011,
1.9 subdivisions 20, 20a; 119B.03, subdivisions 1, 2, 4, 5, 6, 6a, 6b, 8; 119B.05,
1.10 subdivision 1; 119B.07; 119B.09, subdivision 3; 119B.11, subdivision 4.

1.11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

CHILD CARE POLICY

1.14 Section 1. Minnesota Statutes 2006, section 119B.09, subdivision 1, is amended to read:

1.15 Subdivision 1. **General eligibility requirements for all applicants for child**
1.16 **care assistance.** (a) Child care services must be available to families who need child
1.17 care to find or keep employment or to obtain the training or education necessary to find
1.18 employment as defined in section 119B.10 and who:

1.19 ~~(1) have household income less than or equal to 250 percent of the federal poverty~~
1.20 ~~guidelines, adjusted for family size, and meet the requirements of section 119B.05;~~
1.21 ~~receive MFIP assistance; and are participating in employment and training services under~~
1.22 ~~chapter 256J or 256K; or~~

1.23 ~~(2) have household income less than or equal to 175 percent of the federal poverty~~
1.24 ~~guidelines, adjusted for family size, at program entry and less than 250 percent of the~~
1.25 ~~federal poverty guidelines, adjusted for family size, at program exit 75 percent of the~~
1.26 ~~state median income.~~

2.1 (b) Child care services must be made available as in-kind services.

2.2 (c) All applicants for child care assistance and families currently receiving child care
2.3 assistance must be assisted and required to cooperate in establishment of paternity and
2.4 enforcement of child support obligations for all children in the family as a condition
2.5 of program eligibility. For purposes of this section, a family is considered to meet the
2.6 requirement for cooperation when the family complies with the requirements of section
2.7 256.741.

2.8 Sec. 2. Minnesota Statutes 2006, section 119B.09, is amended by adding a subdivision
2.9 to read:

2.10 Subd. 11. **Deferral period.** If a family experiences a change in income or authorized
2.11 activity that results in a reduction in an amount of care that can be authorized, and the
2.12 family timely reports the change and receives care from a licensed family provider or a
2.13 licensed or license-exempt child care center, the notice of negative action must be mailed
2.14 at least 60 calendar days before the effective day of the action.

2.15 If a family's eligibility ends due to an increase in income, the family shall pay the
2.16 highest co-payment amount for the family size during the deferral period.

2.17 A family or child care provider may not be assessed an overpayment for a payment
2.18 made during the deferral period unless:

2.19 (1) there was an error in the amount of care authorized for the family; or

2.20 (2) the family or provider did not timely report a change as required under law.

2.21 Sec. 3. Minnesota Statutes 2006, section 119B.12, is amended by adding a subdivision
2.22 to read:

2.23 Subd. 3. **Child care assistance parental fee schedule.** (a) The commissioner
2.24 of human services shall develop a biweekly family co-payment schedule for child care
2.25 assistance families with annual incomes less than or equal to 75 percent of the state
2.26 median income. The schedule must be a sliding scale based on the income of the parent.
2.27 The co-payment must not exceed ten percent of the adjusted gross income for families at
2.28 the upper end of the highest step on the co-payment schedule. This schedule is effective
2.29 July 1, 2007, and must be implemented at or before the participant's next eligibility
2.30 redetermination. The fee schedule under Laws 2005, First Special Session, chapter 4,
2.31 article 3, must remain in effect until the schedule under this section is fully implemented.
2.32 The schedule under this section must be fully implemented by January 1, 2008.

2.33 (b) The parent co-payment under paragraph (a) must be reduced by ten percent if the
2.34 child care provider the parent uses is licensed child care, and an additional ten percent if

3.1 the child care provider the parent uses has been approved for a provider rate differential
3.2 for accreditation under section 119B.13, subdivision 3a.

3.3 Sec. 4. Minnesota Statutes 2006, section 119B.13, subdivision 1, is amended to read:

3.4 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~July 1, 2006~~ on the first
3.5 Monday in January 2008, the maximum rate paid for child care assistance in any county
3.6 or multicounty region under the child care fund ~~shall be the~~ must not exceed the 75th
3.7 percentile rate for like-care arrangements in the county effective January 1, 2006;
3.8 ~~increased by six percent~~ as surveyed by the commissioner, except that in counties where
3.9 the maximum rate is set at the 100 percent percentile on July 1, 2007, the maximum rate
3.10 shall continue to be set at the 100 percent percentile. Notwithstanding this subdivision,
3.11 no child care rate must decrease as a result of the implementation of the new rate on
3.12 January 1, 2008.

3.13 (b) Rate changes shall be implemented for services provided in ~~September 2006~~
3.14 March 2008 unless a participant eligibility redetermination or a new provider agreement is
3.15 completed between ~~July~~ January 1, 2006 ~~2008~~, and ~~August 31~~ February 28, 2006 ~~2008~~.

3.16 As necessary, appropriate notice of adverse action must be made according to
3.17 Minnesota Rules, part 3400.0185, subparts 3 and 4.

3.18 New cases approved on or after ~~July~~ January 1, 2006 ~~2008~~, shall have the maximum
3.19 rates under paragraph (a), implemented immediately.

3.20 (c) Not less than ~~once~~ every ~~two years~~ year, the commissioner shall survey rates
3.21 charged by child care providers in Minnesota to determine the 75th percentile for
3.22 like-care arrangements in counties, and implement the survey results using the 75th
3.23 percentile. When the commissioner determines that, using the commissioner's established
3.24 protocol, the number of providers responding to the survey is too small to determine
3.25 the 75th percentile rate for like-care arrangements in a county or multicounty region,
3.26 the commissioner may establish the 75th percentile maximum rate based on like-care
3.27 arrangements in a county, region, or category that the commissioner deems to be similar.

3.28 (d) A rate which includes a special needs rate paid under subdivision 3 may be in
3.29 excess of the maximum rate allowed under this subdivision.

3.30 (e) The department shall monitor the effect of this paragraph on provider rates. The
3.31 county shall pay the provider's full charges for every child in care up to the maximum
3.32 established. The commissioner shall determine the maximum rate for each type of care on
3.33 an hourly, half-day, full-day, and weekly basis, including special needs and disability care.

4.1 (f) When the provider charge is greater than the maximum provider rate allowed,
 4.2 the parent is responsible for payment of the difference in the rates in addition to any
 4.3 family co-payment fee.

4.4 ARTICLE 2

4.5 CHILD CARE ASSISTANCE CONSOLIDATION

4.6 Section 1. Minnesota Statutes 2006, section 119B.02, subdivision 1, is amended to read:

4.7 Subdivision 1. **Child care services.** The commissioner shall develop standards
 4.8 for county and human services boards to provide child care services to enable eligible
 4.9 families to participate in employment, training, or education programs. ~~Within the limits~~
 4.10 ~~of available appropriations,~~ The commissioner shall distribute money to counties to
 4.11 reduce the costs of child care for eligible families. The commissioner shall adopt rules to
 4.12 govern the program in accordance with this section. The rules must establish a sliding
 4.13 schedule of fees for parents receiving child care services. The rules shall provide that
 4.14 funds received as a lump sum payment of child support arrearages shall not be counted
 4.15 as income to a family in the month received but shall be prorated over the 12 months
 4.16 following receipt and added to the family income during those months. The commissioner
 4.17 shall maximize the use of federal money under title I and title IV of Public Law 104-193,
 4.18 the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and
 4.19 other programs that provide federal or state reimbursement for child care services for
 4.20 low-income families who are in education, training, job search, or other activities allowed
 4.21 under those programs. Money appropriated under this section must be coordinated with
 4.22 the programs that provide federal reimbursement for child care services to accomplish
 4.23 this purpose. ~~Federal reimbursement obtained must be allocated to the county that spent~~
 4.24 ~~money for child care that is federally reimbursable under programs that provide federal~~
 4.25 ~~reimbursement for child care services.~~ The ~~counties~~ commissioner shall use the federal
 4.26 money to expand child care services. The commissioner may adopt rules under chapter 14
 4.27 to implement and coordinate federal program requirements.

4.28 Sec. 2. Minnesota Statutes 2006, section 119B.02, subdivision 2, is amended to read:

4.29 Subd. 2. **Contractual agreements with tribes.** The commissioner may enter into
 4.30 contractual agreements with a federally recognized Indian tribe with a reservation in
 4.31 Minnesota to carry out the responsibilities of county human service agencies to the extent
 4.32 necessary for the tribe to operate child care assistance programs for families eligible
 4.33 under sections ~~119B.03~~ 119B.09 and ~~119B.05~~ 119B.10. An agreement may allow for the
 4.34 tribe to be reimbursed for child care assistance services provided under ~~section 119B.05~~

5.1 this chapter. The commissioner shall consult with the affected county or counties in the
 5.2 contractual agreement negotiations, if the county or counties wish to be included, in
 5.3 order to avoid the duplication of county and tribal child care services. ~~Funding to support~~
 5.4 ~~services under section 119B.03 may be transferred to the federally recognized Indian tribe~~
 5.5 ~~with a reservation in Minnesota from allocations available to counties in which reservation~~
 5.6 ~~boundaries lie. When funding is transferred under section 119B.03, the amount shall be~~
 5.7 ~~commensurate to estimates of the proportion of reservation residents with characteristics~~
 5.8 ~~identified in section 119B.03, subdivision 6, to the total population of county residents~~
 5.9 ~~with those same characteristics.~~

5.10 Sec. 3. Minnesota Statutes 2006, section 119B.03, subdivision 3, is amended to read:

5.11 Subd. 3. **Eligible participants.** Families that meet the eligibility requirements
 5.12 under sections ~~119B.07, 119B.09; and 119B.10, except MFIP participants, diversionary~~
 5.13 ~~work program, and transition year families~~ are eligible for child care assistance under the
 5.14 ~~basic sliding fee~~ child care assistance program. Families enrolled in the ~~basic sliding fee~~
 5.15 child care assistance program shall be continued until they are no longer eligible. Child
 5.16 care assistance provided through the child care fund is considered assistance to the parent.

5.17 Sec. 4. Minnesota Statutes 2006, section 119B.03, subdivision 9, is amended to read:

5.18 Subd. 9. **Portability pool Family move; continued participation.** (a) ~~The~~
 5.19 ~~commissioner shall establish a pool of up to five percent of the annual appropriation for~~
 5.20 ~~the basic sliding fee program to provide continuous child care assistance for eligible~~
 5.21 ~~families who move between Minnesota counties. At the end of each allocation period, any~~
 5.22 ~~unspent funds in the portability pool must be used for assistance under the basic sliding fee~~
 5.23 ~~program. If expenditures from the portability pool exceed the amount of money available,~~
 5.24 ~~the reallocation pool must be reduced to cover these shortages.~~

5.25 ~~(b) To be eligible for portable basic sliding fee assistance, a family that has moved~~
 5.26 ~~from a county in which it~~ A family receiving child care assistance under the child care fund
 5.27 that has moved from a county in which the family was receiving basic sliding fee child
 5.28 care assistance to a another county with a waiting list for the basic sliding fee program
 5.29 must be admitted into the receiving county's child care assistance program if the family:

5.30 (1) ~~meet~~ meets the income and eligibility guidelines for the ~~basic sliding fee~~ child
 5.31 care assistance program; and

5.32 (2) ~~notify~~ notifies the new county of residence within 60 days of moving and ~~submit~~
 5.33 submits information to the new county of residence to verify eligibility for the ~~basic~~
 5.34 sliding fee child care assistance program.

6.1 ~~(e)~~ (b) The receiving county must:

6.2 ~~(1)~~ accept administrative responsibility for applicants for portable basic sliding fee
6.3 assistance at the end of the two months of assistance under the Unitary Residency Act;

6.4 ~~(2)~~ continue basic sliding fee assistance for the lesser of six months or until the
6.5 family is able to receive assistance under the county's regular basic sliding program; and

6.6 ~~(3)~~ notify the commissioner through the quarterly reporting process of any family
6.7 that meets the criteria of the portable basic sliding fee assistance pool.

6.8 Sec. 5. Minnesota Statutes 2006, section 119B.03, subdivision 10, is amended to read:

6.9 Subd. 10. **Application; entry points.** Two or more methods of applying for the
6.10 ~~basic sliding fee~~ child care assistance program under this chapter must be available to
6.11 applicants in each county. To meet the requirements of this subdivision, a county may
6.12 provide alternative methods of applying for assistance, including, but not limited to, a mail
6.13 application, or application sites that are located outside of government offices.

6.14 Sec. 6. Minnesota Statutes 2006, section 119B.035, subdivision 1, is amended to read:

6.15 Subdivision 1. **Establishment.** A family in which a parent provides care for the
6.16 family's infant child may receive a subsidy in lieu of assistance if the family is eligible
6.17 for or is receiving assistance under the ~~basic sliding fee~~ child care assistance program.
6.18 An eligible family must meet the eligibility factors under section 119B.09, except as
6.19 provided in subdivision 4, and the requirements of this section. Subject to federal match
6.20 and maintenance of effort requirements for the child care and development fund, the
6.21 commissioner shall establish a pool of up to three percent of the annual state appropriation
6.22 for the ~~basic sliding fee~~ child care assistance program to provide assistance under the
6.23 at-home infant child care program and for administrative costs associated with the
6.24 program. At the end of a fiscal year, the commissioner may carry forward any unspent
6.25 funds under this section to the next fiscal year within the same biennium for assistance
6.26 under the ~~basic sliding fee~~ child care assistance program.

6.27 Sec. 7. Minnesota Statutes 2006, section 119B.035, subdivision 2, is amended to read:

6.28 Subd. 2. **Eligible families.** A family with an infant under the age of one year is
6.29 eligible for assistance if:

6.30 (1) the family is not receiving MFIP, other cash assistance, or other child care
6.31 assistance;

6.32 (2) the family has not previously received a life-long total of 12 months of assistance
6.33 under this section; and

7.1 (3) the family is participating in the ~~basic sliding fee~~ child care assistance program
7.2 or provides verification of participating in an authorized activity at the time of application
7.3 and meets the program requirements.

7.4 Sec. 8. Minnesota Statutes 2006, section 119B.035, subdivision 4, is amended to read:

7.5 Subd. 4. **Assistance.** (a) A family is limited to a lifetime total of 12 months of
7.6 assistance under subdivision 2. The maximum rate of assistance is equal to 90 percent
7.7 of the rate established under section 119B.13 for care of infants in licensed family child
7.8 care in the applicant's county of residence.

7.9 (b) A participating family must report income and other family changes as specified
7.10 in the county's plan under section 119B.08, subdivision 3.

7.11 (c) Persons who are admitted to the at-home infant child care program retain their
7.12 position in any ~~basic sliding fee~~ child care assistance program. Persons leaving the
7.13 at-home infant child care program reenter the ~~basic sliding fee~~ child care assistance
7.14 program at the position they would have occupied.

7.15 (d) Assistance under this section does not establish an employer-employee
7.16 relationship between any member of the assisted family and the county or state.

7.17 Sec. 9. Minnesota Statutes 2006, section 119B.035, subdivision 5, is amended to read:

7.18 Subd. 5. **Implementation.** The commissioner shall implement the at-home infant
7.19 child care program under this section through counties that administer the ~~basic sliding fee~~
7.20 child care assistance program under ~~section 119B.03~~ this chapter. The commissioner must
7.21 develop and distribute consumer information on the at-home infant child care program to
7.22 assist parents of infants or expectant parents in making informed child care decisions.

7.23 Sec. 10. Minnesota Statutes 2006, section 119B.05, subdivision 5, is amended to read:

7.24 Subd. 5. **Federal reimbursement.** Counties and the state shall maximize their
7.25 federal reimbursement under federal reimbursement programs for money spent for persons
7.26 eligible under this chapter. The commissioner shall allocate any federal earnings to the
7.27 county to be used to expand child care services under this chapter.

7.28 Sec. 11. Minnesota Statutes 2006, section 119B.08, is amended to read:

7.29 **119B.08 REPORTING AND PAYMENTS.**

7.30 Subdivision 1. **Reports.** The commissioner shall specify requirements for reports
7.31 under the authority provided in section 256.01, subdivision 2, paragraph (17).

8.1 Subd. 2. **Quarterly payments.** The commissioner may make payments to each
8.2 county in quarterly installments. ~~The commissioner may certify an advance up to 25~~
8.3 ~~percent of the allocation.~~ Subsequent payments shall be made on a reimbursement basis
8.4 for reported expenditures and may be adjusted for anticipated spending patterns. Payments
8.5 may be withheld if quarterly reports are incomplete or untimely.

8.6 Subd. 3. **Child care fund plan.** The county and designated administering agency
8.7 shall submit a biennial child care fund plan to the commissioner. The commissioner shall
8.8 establish the dates by which the county must submit the plans. The plan shall include:

8.9 (1) a description of strategies to coordinate and maximize public and private
8.10 community resources, including school districts, health care facilities, government
8.11 agencies, neighborhood organizations, and other resources knowledgeable in early
8.12 childhood development, in particular to coordinate child care assistance with existing
8.13 community-based programs and service providers including child care resource and
8.14 referral programs, early childhood family education, school readiness, Head Start, local
8.15 interagency early intervention committees, special education services, early childhood
8.16 screening, and other early childhood care and education services and programs to the
8.17 extent possible, to foster collaboration among agencies and other community-based
8.18 programs that provide flexible, family-focused services to families with young children
8.19 and to facilitate transition into kindergarten. The county must describe a method by which
8.20 to share information, responsibility, and accountability among service and program
8.21 providers;

8.22 (2) a description of procedures and methods to be used to make copies of the
8.23 proposed state plan reasonably available to the public, including members of the public
8.24 particularly interested in child care policies such as parents, child care providers, culturally
8.25 specific service organizations, child care resource and referral programs, interagency
8.26 early intervention committees, potential collaborative partners and agencies involved in
8.27 the provision of care and education to young children, and allowing sufficient time for
8.28 public review and comment; and

8.29 (3) information as requested by the department to ensure compliance with the child
8.30 care fund statutes and rules promulgated by the commissioner.

8.31 The commissioner shall notify counties within 90 days of the date the plan is
8.32 submitted whether the plan is approved or the corrections or information needed to
8.33 approve the plan. The commissioner shall withhold a county's allocation until it has an
8.34 approved plan. ~~Plans not approved by the end of the second quarter after the plan is due~~
8.35 ~~may result in a 25 percent reduction in allocation. Plans not approved by the end of the~~
8.36 ~~third quarter after the plan is due may result in a 100 percent reduction in the allocation to~~

9.1 ~~the county~~ payments to a county until it has an approved plan. Counties are to maintain
 9.2 services despite any ~~reduction in their allocation~~ withholding of payments due to plans
 9.3 not being approved.

9.4 Subd. 4. ~~Termination of allocation~~ **Withholding or reduction of funds.** The
 9.5 commissioner may withhold; or reduce; or terminate the allocation of any funds intended
 9.6 to reimburse counties for child care costs under the child care fund if the county that does
 9.7 not meet the reporting or other requirements of this program. The ~~commissioner shall~~
 9.8 ~~reallocate to other counties money so reduced or terminated~~ withholding or reduction of
 9.9 funds under this subdivision does not relieve counties of their requirements under this
 9.10 chapter.

9.11 Sec. 12. Minnesota Statutes 2006, section 119B.09, subdivision 4a, is amended to read:

9.12 Subd. 4a. **Temporary ineligibility of military personnel.** Counties must reserve a
 9.13 family's position under the child care assistance fund if a family has been receiving child
 9.14 care assistance but is temporarily ineligible for assistance due to increased income from
 9.15 active military service. Activated military personnel may be temporarily ineligible until
 9.16 deactivation. ~~A county must reserve a military family's position on the basic sliding fee~~
 9.17 ~~waiting list under the child care assistance fund if a family is approved to receive child care~~
 9.18 ~~assistance and reaches the top of the waiting list but is temporarily ineligible for assistance.~~

9.19 Sec. 13. Minnesota Statutes 2006, section 119B.09, subdivision 7, is amended to read:

9.20 Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child
 9.21 care assistance under this chapter is the later of the date the application was signed; the
 9.22 beginning date of employment, education, or training; or the date the infant is born for
 9.23 applicants to the at-home infant care program; ~~or the date a determination has been made~~
 9.24 ~~that the applicant is a participant in employment and training services under Minnesota~~
 9.25 ~~Rules, part 3400.0080, subpart 2a, or chapter 256J.~~

9.26 (b) Payment ceases for a family under the at-home infant child care program when a
 9.27 family has used a total of 12 months of assistance as specified under section 119B.035.
 9.28 ~~Payment of child care assistance for employed persons on MFIP is effective the date of~~
 9.29 ~~employment or the date of MFIP eligibility, whichever is later.~~ Payment of child care
 9.30 assistance for MFIP or DWP participants in employment and training services is effective
 9.31 the date of commencement of the services or the date of MFIP or DWP eligibility,
 9.32 whichever is later. ~~Payment of child care assistance for transition year child care must be~~
 9.33 ~~made retroactive to the date of eligibility for transition year child care.~~

10.1 Sec. 14. Minnesota Statutes 2006, section 119B.10, is amended to read:

10.2 **119B.10 EMPLOYMENT OR TRAINING ELIGIBILITY.**

10.3 Subdivision 1. **Assistance for persons seeking and retaining employment.** (a)

10.4 Persons who are seeking employment and who are eligible for assistance under this ~~section~~
10.5 chapter are eligible to receive up to 240 hours of child care assistance per calendar year.

10.6 (b) Employed persons who work at least an average of 20 hours and full-time
10.7 students who work at least an average of ten hours a week and receive at least a minimum
10.8 wage for all hours worked are eligible for continued child care assistance for employment.
10.9 For purposes of this section, work-study programs must be counted as employment.

10.10 Child care assistance during employment must be authorized as provided in paragraphs
10.11 (c) and (d).

10.12 (c) When the person works for an hourly wage and the hourly wage is equal to or
10.13 greater than the applicable minimum wage, child care assistance shall be provided for the
10.14 actual hours of employment, break, and mealtime during the employment and travel time
10.15 up to two hours per day.

10.16 (d) When the person does not work for an hourly wage, child care assistance must be
10.17 provided for the lesser of:

10.18 (1) the amount of child care determined by dividing gross earned income by the
10.19 applicable minimum wage, up to one hour every eight hours for meals and break time,
10.20 plus up to two hours per day for travel time; or

10.21 (2) the amount of child care equal to the actual amount of child care used during
10.22 employment, including break and mealtime during employment, and travel time up to
10.23 two hours per day.

10.24 Subd. 1a. Assistance for persons participating in employment plan. The
10.25 following persons are also eligible for child care assistance:

10.26 (1) persons who are participating in employment orientation or job search, or
10.27 other employment or training activities that are included in an approved employability
10.28 development plan under chapter 256K;

10.29 (2) persons who are participating in work, job search, job support, employment, or
10.30 training activities as required in their job search support or employment plan or in appeals,
10.31 hearings, assessments, or orientations according to chapter 256J;

10.32 (3) persons who are participating in social services activities under chapter 256J
10.33 or 256K as required in their employment plan approved according to chapter 256J or
10.34 256K; and

10.35 (4) families who are participating in programs as required in tribal contracts under
10.36 section 119B.02, subdivision 2, or 256.01, subdivision 2.

11.1 Subd. 2. **Financial eligibility required.** Persons participating in employment
11.2 programs, training programs, or education programs are eligible for continued assistance
11.3 from the child care fund, if they are financially eligible under the sliding fee scale set
11.4 by the commissioner in section 119B.12.

11.5 Subd. 3. **Child care assistance during education.** (a) The following persons are
11.6 eligible for child care assistance for education or training:

11.7 (1) persons who meet the requirements of section 119B.09 who are enrolled in
11.8 remedial or basic education or English as a second language, or persons up to the age of
11.9 19 who are enrolled in an educational program to attain a high school diploma or general
11.10 equivalency diploma;

11.11 (2) persons who meet the requirements of this section and section 119B.09 who
11.12 receive child care assistance to reduce the costs of child care for education when employed
11.13 an average of at least ten hours per week under subdivision 1, and are not receiving MFIP
11.14 benefits as defined in section 119B.011, subdivision 17; and

11.15 (3) persons who meet the requirements of this section and section 119B.09 who
11.16 receive child care assistance to reduce the costs of child care for education when enrolled
11.17 in a postsecondary educational institution as a full-time undergraduate student, and are not
11.18 receiving MFIP benefits as defined in section 119B.011, subdivision 17.

11.19 (b) Notwithstanding subdivisions 5 and 6, assistance for persons under paragraph
11.20 (a), clause (3), is limited to 48 months or the length of time necessary to complete the
11.21 degree, whichever is shorter.

11.22 Subd. 4. **Satisfactory progress.** Students enrolled in an education program
11.23 under section 119B.011, subdivision 11, must be making satisfactory progress toward
11.24 completion of the program as stipulated in the school's satisfactory progress policy.

11.25 Subd. 5. **Limiting duration of training.** Counties may not limit the duration of
11.26 child care subsidies for a person in an employment or educational program, except when
11.27 the person is found to be ineligible under the child care fund eligibility standards. Any
11.28 limitation must be based on a person's employment plan in the case of an MFIP participant.

11.29 Subd. 6. **Maximum length of time for training.** The maximum length of time a
11.30 participant is eligible for child care assistance under the child care fund for education and
11.31 training is no more than the maximum time allowed to complete the credit requirements
11.32 for an associate or baccalaureate degree as stipulated in the school's satisfactory progress
11.33 policy. This length of time excludes basic or remedial education programs, English as
11.34 a second language, high school, and general equivalency diploma programs needed to
11.35 prepare for postsecondary education or employment.

12.1 Subd. 7. MFIP student moves to another county. If an MFIP participant who is
 12.2 receiving child care assistance under this chapter moves to another county, continues
 12.3 to participate in educational or training programs authorized in the MFIP participant's
 12.4 employment plans, and continues to be eligible for child care assistance under this chapter,
 12.5 the MFIP participant must receive continued child care assistance from the county
 12.6 responsible for the MFIP participant's current employment plan under section 256G.07.

12.7 Sec. 15. Minnesota Statutes 2006, section 119B.11, subdivision 1, is amended to read:

12.8 Subdivision 1. **County contributions required.** (a) In addition to payments from
 12.9 ~~basic sliding fee~~ child care assistance program participants, each county shall contribute
 12.10 from county tax or other sources a fixed local match equal to its calendar year 1996
 12.11 required county contribution reduced by the administrative funding loss that would have
 12.12 occurred in state fiscal year 1996 under section 119B.15. The commissioner shall recover
 12.13 funds from the county as necessary to bring county expenditures into compliance with this
 12.14 subdivision. The commissioner may accept county contributions, including contributions
 12.15 above the fixed local match, in order to make state payments.

12.16 (b) The commissioner may accept payments from counties to:

12.17 (1) fulfill the county contribution as required under subdivision 1;

12.18 (2) pay for services authorized under this chapter beyond those paid for with federal
 12.19 or state funds or with the required county contributions; or

12.20 (3) pay for child care services in addition to those authorized under this chapter, as
 12.21 authorized under other federal, state, or local statutes or regulations.

12.22 (c) The county payments must be deposited in an account in the special revenue
 12.23 fund. Money in this account is appropriated to the commissioner for child care assistance
 12.24 under this chapter and other applicable statutes and regulations and is in addition to other
 12.25 state and federal appropriations.

12.26 Sec. 16. Minnesota Statutes 2006, section 119B.12, subdivision 2, is amended to read:

12.27 Subd. 2. **Parent fee.** A family must be assessed a parent fee for each service period.
 12.28 A family's parent fee must be a fixed percentage of its annual gross income. Parent fees
 12.29 must apply to families eligible for child care assistance under ~~sections 119B.03 and~~
 12.30 ~~119B.05~~ section 119B.09. Income must be as defined in section 119B.011, subdivision
 12.31 15. The fixed percent is based on the relationship of the family's annual gross income to
 12.32 100 percent of the annual federal poverty guidelines. Parent fees must begin at 75 percent
 12.33 of the poverty level. The minimum parent fees for families between 75 percent and 100
 12.34 percent of poverty level must be \$10 per month. Parent fees must provide for graduated

13.1 movement to full payment. Payment of part or all of a family's parent fee directly to the
 13.2 family's child care provider on behalf of the family by a source other than the family shall
 13.3 not affect the family's eligibility for child care assistance, and the amount paid shall be
 13.4 excluded from the family's income. Child care providers who accept third-party payments
 13.5 must maintain family specific documentation of payment source, amount, and time period
 13.6 covered by the payment.

13.7 Sec. 17. Minnesota Statutes 2006, section 119B.15, is amended to read:

13.8 **119B.15 ADMINISTRATIVE EXPENSES.**

13.9 The commissioner shall use up to 1/21 of the state and federal funds available for the
 13.10 ~~basic sliding fee program and 1/21 of the state and federal funds available for the MFHP~~
 13.11 ~~child care assistance program for payments to counties for administrative expenses~~ the
 13.12 administrative costs of the delivery of direct services.

13.13 Sec. 18. Minnesota Statutes 2006, section 119B.24, is amended to read:

13.14 **119B.24 DUTIES OF COMMISSIONER.**

13.15 In addition to the powers and duties already conferred by law, the commissioner
 13.16 of human services shall:

13.17 (1) administer the child care fund, ~~including the basic sliding fee program~~ authorized
 13.18 under sections 119B.011 to 119B.16;

13.19 (2) monitor the child care resource and referral programs established under section
 13.20 119B.19; and

13.21 (3) encourage child care providers to participate in a nationally recognized
 13.22 accreditation system for early childhood and school-age care programs. Subject
 13.23 to approval by the commissioner, family child care providers and early childhood
 13.24 and school-age care programs shall be reimbursed for one-half of the direct cost of
 13.25 accreditation fees, upon successful completion of accreditation.

13.26 Sec. 19. **DIRECTION TO COMMISSIONER OF FINANCE.**

13.27 The state obligation for the child care assistance program under Minnesota Statutes,
 13.28 chapter 119B, must be included in the Department of Finance February and November
 13.29 forecast of state revenues and expenditures under Minnesota Statutes, section 16A.103,
 13.30 beginning with the November 2007 forecast.

13.31 Sec. 20. **REVISOR'S INSTRUCTION.**

14.1 In the next bound edition of Minnesota Statutes and Minnesota Rules, the revisor
 14.2 shall renumber the statutory section in column A with the section in column B, and make
 14.3 necessary cross-reference changes consistent with the renumbering:

	<u>Column A</u>	<u>Column B</u>
14.4		
14.5	<u>119B.035</u>	<u>119B.105</u>
14.6	<u>119B.05, subd. 4</u>	<u>119B.03, subd. 11</u>
14.7	<u>119B.05, subd. 5</u>	<u>119B.03, subd. 12</u>

14.8 **Sec. 21. REVISOR'S INSTRUCTION.**

14.9 The revisor of statutes shall correct internal cross references to sections affected by
 14.10 section 22. The revisor may make changes necessary to correct the punctuation, grammar,
 14.11 or structure of the remaining text and preserve its meaning.

14.12 **Sec. 22. REPEALER.**

14.13 Minnesota Statutes 2006, sections 119B.011, subdivisions 20 and 20a; 119B.03,
 14.14 subdivisions 1, 2, 4, 5, 6, 6a, 6b, and 8; 119B.05, subdivision 1; 119B.07; 119B.09,
 14.15 subdivision 3; and 119B.11, subdivision 4, are repealed.