

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 1574

(SENATE AUTHORS: WIKLUND)

DATE
03/01/2021

D-PG

OFFICIAL STATUS
Introduction and first reading
Referred to Human Services Reform Finance and Policy

1.1 A bill for an act
1.2 relating to child care assistance; modifying child care assistance rates; directing
1.3 the commissioner of management and budget to forecast the basic sliding fee child
1.4 care assistance program; amending Minnesota Statutes 2020, section 119B.13,
1.5 subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2020, section 119B.13, subdivision 1, is amended to read:

1.8 Subdivision 1. **Subsidy restrictions.** (a) The maximum rate paid for child care assistance
1.9 in any county or county price cluster under the child care fund shall be the greater of the
1.10 ~~25th~~ 75th percentile of the ~~2018~~ most recent child care provider rate survey or the rates in
1.11 effect at the time of the update. The rate increase is effective the first full service period on
1.12 or after January 1 of the year following the provider rate survey. For a child care provider
1.13 located within the boundaries of a city located in two or more of the counties of Benton,
1.14 Sherburne, and Stearns, the maximum rate paid for child care assistance shall be equal to
1.15 the maximum rate paid in the county with the highest maximum reimbursement rates or the
1.16 provider's charge, whichever is less. The commissioner may: (1) assign a county with no
1.17 reported provider prices to a similar price cluster; and (2) consider county level access when
1.18 determining final price clusters.

1.19 (b) A rate which includes a special needs rate paid under subdivision 3 may be in excess
1.20 of the maximum rate allowed under this subdivision.

1.21 (c) The department shall monitor the effect of this paragraph on provider rates. The
1.22 county shall pay the provider's full charges for every child in care up to the maximum

2.1 established. The commissioner shall determine the maximum rate for each type of care on
2.2 an hourly, full-day, and weekly basis, including special needs and disability care.

2.3 (d) If a child uses one provider, the maximum payment for one day of care must not
2.4 exceed the daily rate. The maximum payment for one week of care must not exceed the
2.5 weekly rate.

2.6 (e) If a child uses two providers under section 119B.097, the maximum payment must
2.7 not exceed:

2.8 (1) the daily rate for one day of care;

2.9 (2) the weekly rate for one week of care by the child's primary provider; and

2.10 (3) two daily rates during two weeks of care by a child's secondary provider.

2.11 (f) Child care providers receiving reimbursement under this chapter must not be paid
2.12 activity fees or an additional amount above the maximum rates for care provided during
2.13 nonstandard hours for families receiving assistance.

2.14 (g) If the provider charge is greater than the maximum provider rate allowed, the parent
2.15 is responsible for payment of the difference in the rates in addition to any family co-payment
2.16 fee.

2.17 ~~(h) All maximum provider rates changes shall be implemented on the Monday following~~
2.18 ~~the effective date of the maximum provider rate.~~

2.19 ~~(i) Beginning September 21, 2020,~~ (h) The maximum registration fee paid for child care
2.20 assistance in any county or county price cluster under the child care fund shall be the greater
2.21 of the ~~25th~~ 75th percentile of the ~~2018~~ most recent child care provider rate survey or the
2.22 registration fee in effect at the time of the update. Each maximum registration fee update
2.23 must be implemented on the same schedule as maximum child care assistance rate increases
2.24 under paragraph (a). Maximum registration fees must be set for licensed family child care
2.25 and for child care centers. For a child care provider located in the boundaries of a city located
2.26 in two or more of the counties of Benton, Sherburne, and Stearns, the maximum registration
2.27 fee paid for child care assistance shall be equal to the maximum registration fee paid in the
2.28 county with the highest maximum registration fee or the provider's charge, whichever is
2.29 less.

2.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.1 Sec. 2. **DIRECTION TO COMMISSIONER OF MANAGEMENT AND BUDGET.**

3.2 The commissioner of management and budget must include the state obligation for the
3.3 basic sliding fee child care assistance program under Minnesota Statutes, section 119B.03,
3.4 in the Minnesota Management and Budget February and November forecasts of state
3.5 revenues and expenditures under Minnesota Statutes, section 16A.103, beginning with the
3.6 November 2021 forecast, to ensure that all eligible applicants have access to child care
3.7 assistance program services.