



Increase access to quality care for children with high needs

Issue:

- Almost half of Minnesota's children arrive for kindergarten not fully prepared to start school.
- Low-income single parents rely on child care in order to become financially self-sufficient. Yet rates in the Child Care Assistance Program have not been increased in years, affecting the quality of child care available to these families.
- Thirty-five percent of parents with low incomes report having to take "whatever child care is available."

Proposal:

The governor's budget proposal:

- Increases access to high quality child care by reimbursing providers who achieve a three-star Parent Aware rating up to 15 percent higher, and providers who achieve a four-star rating up to 20 percent higher.
- Encourages teen parents to finish their education. The proposal allows families headed by a parent under 21 years of age who is pursuing a high school or General Equivalency Diploma and does not qualify for Minnesota Family Investment Program benefits, to be eligible for the Minnesota Family Investment Program Child Care Assistance Program rather than Basic Sliding Fee program. Currently they might be placed on a waiting list.
- Increases continuity of care by allowing a 30-day reinstatement period for families served by Basic Sliding Fee, and allows children to remain in high quality care regardless of some changes in their parent's schedules.
- Increases rates for some providers and simplifies the overall rate structure.
- Strengthens program integrity by aligning disqualification periods and withholding authorizations or payments for up to three months to a provider in violation of licensing or Child Care Assistance Program rules.

Impact:

- With increased access to quality child care, more children will arrive for kindergarten prepared to learn, and low-income parents will have safer, more stable environments for their children while working or looking for work.
- Encourages more providers to increase quality, including by participation in Parent Aware.

Number of people affected:

- 2,100 additional children will receive care from providers participating in Parent Aware receiving a three- or four-star rating by 2017.
- 446 children in 2015 and 520 children in 2017 in the Child Care Assistance Program will be able to remain in high-quality care regardless of changes in parents' schedules.
- 30 Basic Sliding Fee cases a month would remain open under the 30-day reinstatement change.

Fiscal impact:

- FY 2014: \$6.99 million
- FY 2015: \$13.23 million
- FY 2016: \$15.18 million
- FY 2017: \$15.57 million

Related information:

- Minnesota Management & Budget website: <http://www.mmb.state.mn.us>
- Child Care Use in Minnesota: Report of the 2009 Statewide Household Child Care Survey, <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-6278-ENG>
- Child Care Assistance Program fact sheet: <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-4745-ENG>
- Parent Aware website: <http://www.parentawareratings.org>

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