

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2901 **DATE:** February 18, 2002  
**Version:** Second engrossment  
**Authors:** Sykora and Others  
**Subject:** Family and Early Childhood Education Finance Budget Reduction Bill  
**Analyst:** Danyell A. Punelli, 651-296-5058

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

### Section

#### **Article 1: Children and Family Support**

- 1 **Child care services.** Modifies the definition of "child care services."
- 2 **Service period.** Defines "service period" as a biweekly period used by the child care assistance program for billing and payment purposes.
- 3 **Child care services.** Strikes language related to county absent day policies. This language is obsolete now that CFL has established a statewide absent day policy in Minnesota Rules, chapter 3400.
- 4 **Establishment.** Makes a technical change.
- 5 **Assistance.** Strikes language requiring assistance to be calculated to reflect the parent fee requirement under the Basic Sliding Fee program for the family's actual income level and family size while the family is participating in the At-Home Infant Child Care program. Adds language requiring the annual income of applicant families to be based on an annualization of the income earned only during the time in which the family is participating in the At-Home Infant Child Care program.
- 6 **Implementation.** Strikes obsolete language regarding a January 1, 2000, At-Home Infant Child Care report.
- 7 **General eligibility requirements for all applicants for child care assistance.** Reduces income eligibility for child care assistance from 75 percent of state median income to 225 percent of the federal poverty guidelines (approximately 60 percent of state median income). Makes this section effective July 1, 2002.
- 8 **Sliding fee.** Changes the upper limit of child care assistance income eligibility to 225 percent of the federal poverty guidelines. Make this section effective July 1, 2003.
- 9 **Recovery of overpayments.** Requires recoupment amounts to be calculated and collected on a service period basis.

- 10 **Parent fee.** Changes assessment of parent fees to a service period rather than monthly basis.
- 11 **Subsidy restrictions.** Requires the commissioner to survey child care providers on an annual basis. Requires the commissioner to survey all licensed child care centers, except in counties with more than 200 licensed centers. Allows the commissioner to survey a sample of licensed centers in counties with more than 200 licensed centers.
- 12 **Provider payments.** Requires providers to bill the county for services provided based on service periods.
- 13 **Early childhood family education levy.** Strikes obsolete language pertaining to the fiscal year 2001 levy. Makes technical changes.
- 14 **Reserve account limit.** Adds language prohibiting ECFE reserve accounts from being greater than the greater of \$18,000 or 25 percent of a district's ECFE annual revenue for the prior year. Makes technical changes. Delays the reallocation of reduced aid and levy to fiscal year 2004. Requires reduced revenue to be in proportion to the actual amount levied if a district does not levy the full amount permitted.
- 15 **Reserve account limit.** Adds language making the school readiness aid reduction for districts over the maximum allowable reserve equal to the lesser of the excess reserve amount or the current year revenue times the ratio of a district's aid for the current year to the district's revenue for the current year.
- 16 **MFIP social services child care sunset and report.** Strikes language requiring any amount not needed for this program to be used for the Basic Sliding Fee program.
- 17 **Child care report.** Makes technical changes.
- 18 **Early childhood family education aid.** See spreadsheet.
- 19 **School age care aid.** See spreadsheet.
- 20 **Basic sliding fee.** See spreadsheet.
- 21 **MFIP child care.** See spreadsheet.
- 22 **Child care service grants.** See spreadsheet.
- 23 **Special revenue; child support collections.** See spreadsheet.
- 24 **Transition year families.** See spreadsheet.
- 25 **MFIP social services child care.** See spreadsheet.
- 26 **Federal funds.** Requires the commissioner of finance to submit a request for review and further recommendation to the legislative committees responsible for child care assistance, if federal funds become available for state expenditure while the legislature is not in session.
- 27 **MFIP child care; general fund lapse.** Allows any excess MFIP child care general fund appropriation up to \$3,000,000 to be transferred into the Basic Sliding Fee program instead of lapsing to the general fund. This section expires on July 1, 2003.
- 28 **Direction to the commissioner of children, families, and learning; child care co-payments.** Directs the commissioner to adjust child care assistance copayments based on a maximum income eligibility level of 225 percent of the federal poverty guidelines.
- 29 **Appropriation.** See spreadsheet.
- 30 **TANF appropriation.** See spreadsheet.

## Article 2: Prevention

- 1 **Funding.** Reduces the local match requirement for a parenting time center from a 35 percent local match to a 25 percent local match to conform with other statutes.
- 2 **Priority.** Beginning in fiscal year 2004, requires the commissioner to give priority to after

school enrichment grant applicants who can demonstrate a 25 percent nonstate match.

3 **Community education aid.** See spreadsheet.

4 **Violence prevention education grants.** See spreadsheet.

5 **Parenting time centers.** Changes the name of this program to conform to other statutes.

6 **After school enrichment grants.** See spreadsheet.

7 **Guard our youth.** See spreadsheet.

### **Article 3: Self-Sufficiency**

1 **Rulemaking.** Grants rulemaking authority to the Commissioner for community action programs.

2 **Contact hours.** Modifies the definition of "contact hours" for the Adult Basic Education (ABE) program.

3 **Nondistrict programs.** Defines "nondistrict programs" for the ABE program.

4 **Accounts; revenue; aid.** Allows ABE consortia to be fiscal agents and makes ABE consortia eligible to receive state aid payments directly from the commissioner.

5 **State total adult basic education aid.** Freezes the fiscal year 2003 appropriation at the fiscal year 2002 level. Allows state total ABE aid to increase by four percent in fiscal years 2004 and beyond.

6 **Adult basic education program aid limit.** Reduces the allowable growth for ABE programs from 17 percent per year to 9 percent per year beginning in fiscal year 2003.

7 **Nondistrict programs.** Allows any excess ABE general fund appropriations to be reallocated to nondistrict programs that do not receive base ABE aid.

8 **Minnesota economic opportunity grants.** See spreadsheet.

9 **Adult basic education aid.** See spreadsheet.

10 **Adult basic education audits.** See spreadsheet.

11 **Revisor instruction.** Instructs the Revisor of Statutes to codify the Family Assets for Independence initiative.

12 **Repealer.** Repeals language requiring the commissioner to hire a state ABE director.