

**Subject** Basic sliding fee child care assistance program

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## Summary

This basic sliding fee (BSF) child care assistance program is one of Minnesota's two child care assistance programs. The program receives a capped appropriation, and the money is annually allocated to counties according to a formula in statute. Because the program receives a capped appropriation, not everyone who is eligible for BSF assistance receives it. Families may join a waiting list for BSF when funding is insufficient. (In contrast, the Minnesota Family Investment Program (MFIP) child care assistance program is fully funded, which means everyone who is eligible for it receives it.)

This bill changes how families are prioritized on the BSF waiting list and modifies the formula for allocating money to counties for their BSF programs. Regarding the waiting list reprioritization, the bill shifts transition year extension families—those that have left MFIP and are receiving MFIP child care assistance until they can be moved from the BSF waiting list to BSF child care assistance—from the second priority group under current law to the last priority group. The bill also establishes a new priority group—eligible families who are not in any other priority groups—and makes them the third priority group.

Regarding the changes to the allocation formula, the bill removes the requirement for up to one-quarter of BSF funding to be allocated according to each county's six-month average number of families on the waiting list in the first, second, or third priority groups and each county's reinstatement list (i.e., a list of families whose assistance was terminated because of insufficient funds). The bill also increases and modifies a different part of the formula. The bill provides that up to one-half (instead of one-quarter) of BSF funding is allocated according to each county's most recent 12 (instead of six) months of waiting lists and reinstatement lists.