

1.1 moves to amend H.F. No. 3433 as follows:

1.2 Page 1, after line 5, insert:

1.3 "Sec. Minnesota Statutes 2014, section 119B.011, subdivision 19b, is amended to
1.4 read:

1.5 Subd. 19b. **Student parent.** "Student parent" means a person who is:

1.6 (1) under 21 years of age and has a child;

1.7 (2) pursuing a high school or general equivalency diploma; and

1.8 ~~(3) residing within a county that has a basic sliding fee waiting list under section~~
1.9 ~~119B.03, subdivision 4; and~~

1.10 ~~(4)~~ (3) not an MFIP participant.

1.11 Sec. Minnesota Statutes 2014, section 119B.02, subdivision 1, is amended to read:

1.12 Subdivision 1. **Child care services.** The commissioner shall develop standards
1.13 for county and human services boards to provide child care services to enable eligible
1.14 families to participate in employment, training, or education programs. ~~Within the limits~~
1.15 ~~of available appropriations,~~ The commissioner shall distribute money to counties to
1.16 reduce the costs of child care for eligible families. The commissioner shall adopt rules to
1.17 govern the program in accordance with this section. The rules must establish a sliding
1.18 schedule of fees for parents receiving child care services. The rules shall provide that
1.19 funds received as a lump-sum payment of child support arrearages shall not be counted
1.20 as income to a family in the month received but shall be prorated over the 12 months
1.21 following receipt and added to the family income during those months. The commissioner
1.22 shall maximize the use of federal money under title I and title IV of Public Law 104-193,
1.23 the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and
1.24 other programs that provide federal or state reimbursement for child care services for
1.25 low-income families who are in education, training, job search, or other activities allowed
1.26 under those programs. Money appropriated under this section must be coordinated with

2.1 the programs that provide federal reimbursement for child care services to accomplish
 2.2 this purpose. ~~Federal reimbursement obtained must be allocated to the county that spent~~
 2.3 ~~money for child care that is federally reimbursable under programs that provide federal~~
 2.4 ~~reimbursement for child care services.~~ The counties commissioner shall use the federal
 2.5 money to expand child care services. The commissioner may adopt rules under chapter 14
 2.6 to implement and coordinate federal program requirements.

2.7 Sec. Minnesota Statutes 2014, section 119B.02, subdivision 2, is amended to read:

2.8 Subd. 2. **Contractual agreements with tribes.** The commissioner may enter into
 2.9 contractual agreements with a federally recognized Indian tribe with a reservation in
 2.10 Minnesota to carry out the responsibilities of county human service agencies to the extent
 2.11 necessary for the tribe to operate child care assistance programs under sections 119B.03
 2.12 and 119B.05. An agreement may allow the state to make payments for child care assistance
 2.13 services provided under ~~section~~ sections 119B.03 and 119B.05. The commissioner shall
 2.14 consult with the affected county or counties in the contractual agreement negotiations, if
 2.15 the county or counties wish to be included, in order to avoid the duplication of county
 2.16 and tribal child care services. ~~Funding to support services under section 119B.03 may be~~
 2.17 ~~transferred to the federally recognized Indian tribe with a reservation in Minnesota from~~
 2.18 ~~allocations available to counties in which reservation boundaries lie. When funding is~~
 2.19 ~~transferred under section 119B.03, the amount shall be commensurate to estimates of the~~
 2.20 ~~proportion of reservation residents with characteristics identified in section 119B.03,~~
 2.21 ~~subdivision 6, to the total population of county residents with those same characteristics.~~

2.22 Sec. Minnesota Statutes 2014, section 119B.03, subdivision 9, is amended to read:

2.23 Subd. 9. **Portability pool.** ~~(a) The commissioner shall establish a pool of up to five~~
 2.24 ~~percent of the annual appropriation for the basic sliding fee program to provide continuous~~
 2.25 ~~child care assistance for eligible families who move between Minnesota counties. At the~~
 2.26 ~~end of each allocation period, any unspent funds in the portability pool must be used for~~
 2.27 ~~assistance under the basic sliding fee program. If expenditures from the portability pool~~
 2.28 ~~exceed the amount of money available, the reallocation pool must be reduced to cover~~
 2.29 ~~these shortages.~~

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

3.1 (1) ~~meet~~ meets the income and eligibility guidelines for the basic sliding fee
3.2 program; and

3.3 (2) ~~notify~~ notifies the new county of residence within 60 days of moving and ~~submit~~
3.4 submits information to the new county of residence to verify eligibility for the basic
3.5 sliding fee program.

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

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

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

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

3.13 Sec. Minnesota Statutes 2014, section 119B.05, subdivision 1, is amended to read:

3.14 Subdivision 1. **Eligible participants.** Families eligible for child care assistance
3.15 under the MFIP child care program are:

3.16 (1) MFIP participants who are employed or in job search and meet the requirements
3.17 of section 119B.10;

3.18 (2) persons who are members of transition year families under section 119B.011,
3.19 subdivision 20, and meet the requirements of section 119B.10;

3.20 (3) families who are participating in employment orientation or job search, or
3.21 other employment or training activities that are included in an approved employability
3.22 development plan under section 256J.95;

3.23 (4) MFIP families who are participating in work job search, job support,
3.24 employment, or training activities as required in their employment plan, or in appeals,
3.25 hearings, assessments, or orientations according to chapter 256J;

3.26 (5) MFIP families who are participating in social services activities under chapter
3.27 256J as required in their employment plan approved according to chapter 256J;

3.28 (6) families who are participating in services or activities that are included in an
3.29 approved family stabilization plan under section 256J.575;

3.30 (7) families who are participating in programs as required in tribal contracts under
3.31 section 119B.02, subdivision 2, or 256.01, subdivision 2; and

3.32 ~~(8)~~ families who are participating in the transition year extension under section
3.33 119B.011, subdivision 20a; and

3.34 ~~(9)~~ (8) student parents as defined under section 119B.011, subdivision 19b.

4.1 Sec. Minnesota Statutes 2014, section 119B.05, subdivision 5, is amended to read:

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

4.6 Sec. Minnesota Statutes 2014, section 119B.08, subdivision 3, is amended to read:

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

4.10 (1) a description of strategies to coordinate and maximize public and private
4.11 community resources, including school districts, health care facilities, government
4.12 agencies, neighborhood organizations, and other resources knowledgeable in early
4.13 childhood development, in particular to coordinate child care assistance with existing
4.14 community-based programs and service providers including child care resource and
4.15 referral programs, early childhood family education, school readiness, Head Start, local
4.16 interagency early intervention committees, special education services, early childhood
4.17 screening, and other early childhood care and education services and programs to the extent
4.18 possible, to foster collaboration among agencies and other community-based programs that
4.19 provide flexible, family-focused services to families with young children and to facilitate
4.20 transition into kindergarten. The county must describe a method by which to share
4.21 information, responsibility, and accountability among service and program providers;

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

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

4.31 The commissioner shall notify counties within 90 days of the date the plan is
4.32 submitted whether the plan is approved or the corrections or information needed to
4.33 approve the plan. The commissioner shall withhold a county's allocation until it has an
4.34 approved plan. ~~Plans not approved by the end of the second quarter after the plan is due~~
4.35 ~~may result in a 25 percent reduction in allocation. Plans not approved by the end of the~~

5.1 ~~third quarter after the plan is due may result in a 100 percent reduction in the allocation to~~
5.2 ~~the county~~ administrative payments to a county until it has an approved plan. Counties are
5.3 to maintain services despite any ~~reduction in their allocation~~ withholding of administrative
5.4 payments due to plans not being approved.

5.5 Sec. Minnesota Statutes 2014, section 119B.09, subdivision 4a, is amended to read:

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

5.13 Sec. Minnesota Statutes 2014, section 119B.13, subdivision 1, is amended to read:

5.14 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014~~ July 1, 2016,
5.15 the maximum rate paid for child care assistance in any county or county price cluster
5.16 under the child care fund shall be the greater of the ~~25th~~ 50th percentile of the ~~2011~~ most
5.17 recent biennial child care provider rate survey under section 119B.02, subdivision 7, or the
5.18 maximum rate ~~effective November 28, 2011~~ in effect on June 30, 2016. The commissioner
5.19 may: (1) assign a county with no reported provider prices to a similar price cluster; and
5.20 (2) consider county level access when determining final price clusters.

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

5.23 (c) The department shall monitor the effect of this paragraph on provider rates. The
5.24 county shall pay the provider's full charges for every child in care up to the maximum
5.25 established. The commissioner shall determine the maximum rate for each type of care
5.26 on an hourly, full-day, and weekly basis, including special needs and disability care. The
5.27 maximum payment to a provider for one day of care must not exceed the daily rate. The
5.28 maximum payment to a provider for one week of care must not exceed the weekly rate.

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

5.32 (e) When the provider charge is greater than the maximum provider rate allowed,
5.33 the parent is responsible for payment of the difference in the rates in addition to any
5.34 family co-payment fee.

6.1 (f) All maximum provider rates changes shall be implemented on the Monday
6.2 following the effective date of the maximum provider rate.

6.3 (g) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum
6.4 registration fees in effect on January 1, 2013, shall remain in effect."

6.5 Page 3, after line 4, insert:

6.6 "Sec. Minnesota Statutes 2014, section 256.017, subdivision 9, is amended to read:

6.7 Subd. 9. **Timing and disposition of penalty and case disallowance funds.** Quality
6.8 control case penalty and administrative penalty amounts shall be disallowed or withheld
6.9 from the next regular reimbursement made to the county agency for state and federal
6.10 benefit reimbursements and federal administrative reimbursements for all programs
6.11 covered in this section, according to procedures established in statute, but shall not be
6.12 imposed sooner than 30 calendar days from the date of written notice of such penalties.
6.13 Except for penalties withheld under the child care assistance program, all penalties
6.14 must be deposited in the county incentive fund provided in section 256.018. Penalties
6.15 withheld under the child care assistance program shall be reallocated to counties ~~using the~~
6.16 ~~allocation formula under section 119B.03, subdivision 5.~~ All penalties must be imposed
6.17 according to this provision until a decision is made regarding the status of a written
6.18 exception. Penalties must be returned to county agencies when a review of a written
6.19 exception results in a decision in their favor."

6.20 Page 4, after line 17, insert:

6.21 "Sec. **DIRECTION TO COMMISSIONER OF MANAGEMENT AND**
6.22 **BUDGET.**

6.23 The state obligation for the basic sliding fee child care assistance program under
6.24 Minnesota Statutes, section 119B.03, must be included in the Minnesota Management
6.25 and Budget February and November forecast of state revenues and expenditures under
6.26 Minnesota Statutes, section 16A.103, beginning with the November 2016 forecast."

6.27 Page 5, after line 7, insert:

6.28 "Sec. **REPEALER.**

6.29 (a) Minnesota Statutes 2014, sections 119B.011, subdivision 20a; 119B.03,
6.30 subdivisions 1, 2, 4, 5, 6, 6a, 6b, and 8; and 119B.09, subdivision 3, are repealed.

6.31 (b) Minnesota Rules, parts 3400.0020, subpart 8; 3400.0030; 3400.0060, subparts 2,
6.32 4, 6, 6a, and 7; 3400.0140, subpart 10; and 3400.0183, subpart 1, are repealed."

6.33 Renumber the sections in sequence and correct the internal references

6.34 Amend the title accordingly