

Subject Increasing child care assistance rates and forecasting basic sliding fee program

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Summary

The first section of this bill increases the rates paid to child care providers under the child care assistance program. Under current law, the maximum rates are set at the 25th percentile of the 2018 child care provider rate survey. The bill increases the maximum rates to the 75th percentile of the most recent child care provider rate survey. Modifying current law to provide that the rates are based on the “most recent” survey means that the rates will automatically update every three years, as the Department of Human Services is required by statute to conduct the survey every three years.

The second section of this bill directs Minnesota Management and Budget to forecast basic sliding fee (BSF) child care assistance beginning with the November 2021 forecast. Under current law, BSF receives a capped appropriation. As a result of the capped appropriation, not everyone who is eligible for BSF assistance necessarily receives it.