



Minnesota's 2025-2027 Child Care Development Fund Plan

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MN Department of Human Services



Submit questions and comments to
dhs.ccdfplan@state.mn.us

Child Care and Development Block Grant

- The department is required to complete this plan by the federal Office of Child Care every three years. The plan communicates how we will use federal Child Care and Development Block Grant funds to improve the health, safety and quality of child care, as well as help families with low incomes access care for their children.
- States are required to set aside 9% of overall funds for activities to improve child care quality, and 3% to improve quality in infant and toddler settings.
- The department will host public hearings on April 23rd and April 25th to review the draft Plan and allow additional opportunities for feedback and questions. The hearings will be done remotely, one during the day and one in the evening. Attendance links and information will be sent closer to the hearing dates.

Child Care Quality Set Aside

- Currently, these funds are used for:
- Protecting the health and safety of children in child care through regulation and monitoring
- Helping child care programs improve practices through professional development, coaching and consulting services, and achieving higher standards in Parent Aware, Minnesota's Quality Rating Improvement System.

Child Care Quality Set Aside

- Providing resources and information to help parents select child care that meets their family's needs through child care information services available on www.parentaware.org.
- Improving the skills and qualifications of child care providers through training and coaching.
- Improving the overall quality of early learning and afterschool programs.
- Supporting the early childhood workforce with wage bonuses and access to degree credential programs through the T.E.A.C.H and REETAIN programs.

Child Care Quality Set Aside

- Providing resources and supports to Family, Friend and Neighbor caregivers.
- Helping child care providers and communities plan for and manage the business side of child care through training, loans and grants from First Children's Finance.
- In addition, the 2023 Legislature directed DHS to use CCDF funds to support:
 - Individuals and organizations access resources and navigate systems to start and grow child care programs through Child Care Wayfinder.
 - Support the business side of child care with resources to access technology and to help family child care providers share services to support their in-home businesses.

Child Care Quality Set Aside

- Question #1
 - What is working well about the way the quality funds are currently used to support child care programs and to recruit and retain the child care workforce ?
- Question #2
 - How can we improve our efforts to support the child care field with Minnesota's quality set-aside funds?
- Question #3
 - How do you recommend using the CCDF quality set-aside based on ten CCDF allowed uses of quality improvement funds?

Minnesota Child Care Assistance Program

The Child Care Assistance Program (CCAP):

- Helps pay for child care while parents work or go to school
- Helps ensure children have more opportunities to thrive as learners

22,000 children served throughout the state:

- 69 percent are children of color or American Indian children
- 63 percent are age 5 or younger



Changes for the Child Care Assistance Program

- October 30, 2023: Rates updated to the 75th percentile of the most recent market rate survey (and every 3 years – next update: January 2025)
- August 25, 2024: Expand family definition so Relative Custodians and Foster Parents can receive CCAP
- April 28, 2025: State agency begins registering providers.
- Additional funds for Basic Sliding Fee child care (\$15 million per year)
- Update how income is counted (tribal per capita, non-recurring, RSDI, etc.)
- Great Start Scholarships program (report due 7/2026, implement by 7/2028)

Income and Copays

- Entrance level: Families must have 47% of the state median income or less to **enter** Basic Sliding Fee child care.
- Exit Level: Families **exit** when income is more than:
 - 67% at redetermination, or
 - 85% during the 12-month eligibility period.
- Federal Rule says to reduce copays to less than 7% of income (MN goes up to 14%).
 - MN may also recommend eliminating the \$2 copay

Household size	47% entrance level	67% exit level (at redetermination)	85% exit level (during eligibility period)
2	\$40,156	\$57,244	\$72,623
3	\$49,605	\$70,713	\$89,711
4	\$59,053	\$84,182	\$106,798

Federal changes include:

- Encouraging states to establish payment rates based on cost modeling which focuses on provider costs to operate their child care program. Minnesota is studying this, with a report to the Legislature due January 2025.
- Paying providers in advance of caring for children rather than after care was provided.
- Paying providers for direct services using grants/slots for some children.
- Paying providers based on a child's enrollment – expanding payment beyond scheduled and authorized hours and absent days.

CCAP Questions

- Question #1: Payments
 - What should MN consider as we make payment related changes?
- Question # 2: Income
 - Are the entrance levels sufficient or should they be increased?
 - Do exit levels support a phasing out of eligibility or prevent a cliff effect?
- Question # 3: Other
 - Are there other things we should consider?
 - Challenges for providers to CCAP participation?
 - How to better support families experiencing homelessness?
 - How 12-month eligibility policies could better support children's and family's needs?

The CCDF Plan includes requirements for:

- Inspections and oversight
- Monitoring and inspection results
- Training and standards



Standards and training

Federal requirements:

- Health and safety **standards** and **training** requirements for licensed and license-exempt providers receiving CCDF in the following areas:

1. Prevent and control infectious diseases (including immunization)
2. Sudden unexpected infant death and use of safe sleep practice
3. Administration of medication
4. Prevention and response to allergies (including food allergies)
5. Building and physical premises safety
6. Abusive head trauma
7. Emergency preparedness & response
8. Handling and storage of bodily fluids
9. Transportation
10. Pediatric first aid and CPR
11. Recognition and reporting of child maltreatment
12. Child development

Modernization projects

- The **systems transformation project** supports the development of the Provider Hub
 - Available today – Licensed and Certified Child Care Centers and Wayfinder
 - In development – Family Child Care and other services for providers such as applications for scholarships, CCAP, and attendance tracking.
- The **regulation modernization project** supports the development of:
 - Risk-based tiered violation systems
 - Key indicator systems for abbreviated inspections
 - Revised licensing standards

Background Studies

- The plan requires that the department conduct comprehensive background checks for all child care staff members (including prospective staff members) including:
 - All child care providers that are:
 - (1) licensed, regulated, or registered under State/Territory law, regardless of whether they receive CCDF funds; or
 - (2) all other child care providers eligible to deliver CCDF services (e.g., license-exempt CCDF eligible child care providers).
 - For family child care home providers, all household members age 18 or older must have a comprehensive background check.
- These background studies are fingerprint-based and include all checks required under the CCDBG. At the state level, these background studies are governed by Minnesota Statutes Chapter 245C.
- The department is currently using CCDF funds to cover the costs of these background studies until the end of 2024.
- CCDF regulations do not allow for much variability in how the department completes background studies.

Background Studies – Required Checks

Child care background studies must be completed every 5 years and must include the following checks:

- Required national checks:
 - A fingerprint search of FBI criminal history records
 - A name-based search of the FBI's NCIC National Sex Offender Registry
- Required in-state checks:
 - A fingerprint search of Minnesota's criminal history record repository
 - A search of Minnesota's predatory offender registry
 - A search of Minnesota's maltreatment registry
- Required inter-state checks (for anyone who has lived outside of Minnesota in the last five years):
 - An out-of-state search of criminal history records
 - An out-of-state search of the sex offender registry
 - An out-of-state search of the child abuse and neglect registry

Note: State law (Chapter 245C) governs how these requirements apply to individuals under age 18.

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Next steps:

Feedback will be used draft CCDF Plan

Drafted plan will be posted this spring

Public hearings will be held in April.



Thank You!

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