1 (Table of Contents) Adds a new CCAP manual chapter 9.24.6 (Age Category Exceptions).

2 (Glossary) Adds the sentence, “The term “spouse” includes married same-sex spouses.” to the definition of family.

6.6 (Earned/Unearned Income) Adds additional language about the pre-Northstar and Legacy program to unearned income examples in order to reflect language used in DHS Bulletin #15-68-03 Child Care Assistance Program Policies for Northstar Care for Children. Removes the reference to the Work Benefit (WB) in the unearned income section.

6.12 (Excluded Income) Adds additional language about the pre-Northstar and Legacy programs to excluded income examples in order to reflect language used in DHS Bulletin #15-68-03 Child Care Assistance Program Policies for Northstar Care for Children.

9.6 (Payments to Families) Adds additional language about the authorization of care in a child’s home regarding a two parent household with one parent unable to care and disruption of a child’s night time sleep schedule.

9.12 (Authorized Hours- Students) Adds additional language to clarify guidelines for authorizing care for education. Other circumstances when determining authorized care, including to authorize child care assistance for a Minnesota Family Investment Program (MFIP) student that already has a baccalaureate degree as approved in the Employment Plan. This includes Masters programs and beyond.

9.24 (Provider Rates) Adds a new sentence to direct readers to the new manual section 9.24.6 (Age Category Exceptions). This sentence is reworded to read: “The family is responsible for any provider charges that exceed the maximum rates, in addition to the family copayment fee.” References to extended day kindergartens that charge a fee have been removed as that information is now obsolete.

9.24.6 (Age Category Exceptions) NEW SECTION Please review this section in its entirety.

9.27 (Higher Rates for Quality – Accreditation/Credential) Adds two new accreditations, AdvancED - Early Learning Accreditation and Green Apple Accreditation of Children’s Services (GAACS) - Early Education Center (EEC) Accreditation. Updates the hyperlink to Minnesota Child Care Assistance Program 15 Percent Quality Differential Maximum Rates (DHS-6442B).

10.6.6 (Redetermination Processing-Reinstatement) This sentence is reworded to read, “Family’s income does not need to meet the 47% of State Median Income applicant income level. See Chapter 6.3 (Income Limits).”

12.3.9 (Adverse Action Notices - Family) Adds a new paragraph: “If a 15-day adverse action closing notice is already in effect for one reason and prior to that original closing date a worker approves a second adverse action for a different reason, the worker must give 15-
day notice for each action. This may mean that the effective date for the second adverse action will extend beyond the first notice effective date. In cases where a second adverse action is given during the first 15-day notice period, workers should add a worker comment to the second adverse action notice explaining that the case is still scheduled to close as of the date on the first notice. If the reason for the first closure is resolved prior to the effective date, the case will remain open until the closure date printed on the second notice.

- Entering the reason for the second adverse action notice into MEC² and deleting unapproved results will assure that the information is documented for future reference.
- Sending a manual notice will assure that the family has complete information regarding the policies that they are not in compliance with for eligibility and allow the original closing date to be applied.

14.6 (Amount of Overpayment) Adds a new sentence, “The county agency may not charge interest on overpayments of child care assistance benefits, see Chapter 14.9.12 (Civil Recovery – Families).” Adds legal authority references: Minnesota Statutes 16D.13 and Minnesota Statutes 549.09.

14.9.12 (Civil Recovery Families) Adds a new sentence: “Interest can only be charged on Child Care Assistance Program claims that have been reduced/converted to a judgment.”

14.12.6 (Disqualifications for Providers) “Disqualification Consent Agreement (DCA)” (DHS-3429A) form number was corrected. Form name, form number, and hyperlink for Child Care Assistance Program (CCAP) Notice of Program Disqualification for CCAP Providers (DHS-3134A) was corrected.
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ADMINISTERING AGENCY
A county social services agency or a public or non-profit agency designated by the county board to administer the child care fund.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 4)

ADMINISTRATIVE EXPENSES
Costs associated with the administration of direct services covered by the child care fund. These include:
- Salaries, wages and related payroll expenses including those for direct personnel costs, expenses for general administration and supervision, secretarial, clerical, accounting and other support services.
- Travel, transportation and per diem or subsistence expenses.
- Materials and office supplies.
- Publication, telephone, postage, and photocopy costs.
- Others expenses directly attributable to the child care fund.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 5)

AGE OF CHILD
Infant  (see INFANT)
Preschool  (see PRESCHOOL)
School Age  (see SCHOOL AGE)
Toddler (See TODDLER)

ALLOCATION
The share of the total state appropriation of child care funds that a county may earn and be reimbursed for in a calendar year. Department of Human Services (DHS) may increase a county’s allocation by redirecting unexpended or unencumbered funds, or when additional funds become available. DHS may decrease a county’s allocation proportionate to the reduction in the total allocation when funding decreases are implemented within a calendar year.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 8)

APPLICANT
All parents, stepparents, legal guardians or eligible relative caregivers who are members of the FAMILY and reside in the household that applies for child care assistance.
(Legal Authority: Minnesota Statutes 119B.011, Subd.2)

AT-RISK
Environmental or familial factors that create barriers to a child’s optimal achievement. Factors include, but are not limited to, a federal or state disaster, Limited English Proficiency (LEP) in a family, a history of abuse or neglect, family violence, homelessness, age of the mother, level of maternal education, mental illness, developmental disability, or parental chemical dependency or history of other substance abuse. See Chapter 9.54 (Special Needs).
(Legal Authority: Minnesota Rules 3400.0020, Subp.9a)

AUTHORIZED PROVIDER
A legal child care provider who has completed the county registration process, required training and has been approved for child care assistance payments. See Chapter 11 (Providers).
AUTHORIZED HOURS
The number of hours in a service period, not to exceed the maximum hour limit established in MN Statutes 119B.09, subd. 6, that may be paid for child care for a child. See definition for Scheduled Hours. (Legal Authority: MN Rules 3400.0020 subp. 10(a))

BASIC SLIDING FEE PROGRAM
A sub-program of the Child Care Assistance Program for non-Minnesota Family Investment Plan/Diversionary Work Program (MFIP/DWP) families with entrance income below or equal to 47 % of the State Median Income (SMI). See Chapter 4.3.12 (Basic Sliding Fee (BSF)).

BSF
See BASIC SLIDING FEE PROGRAM.

CALENDAR MONTH
A period that begins with the 1st day of the month and ends with the last day of the month.

CCAP
Child Care Assistance Program.

CCAP FAMILY
See FAMILY.

CHILD
A person 12 years old or younger, or age 13 or 14 who has a hearing impairment, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability which requires special instruction and services. (Legal Authority: Minnesota Statutes 119B.011, Subd. 4)

CHILD CARE
Care of a child by someone other than a parent, stepparent, legal guardian, eligible relative caregiver or their spouses in or outside the child’s own home. (Legal Authority: Minnesota Statutes 119B.011, Subd. 5)

CHILD CARE FUND PLAN
The county and designated administering agency shall submit a biennial plan to the commissioner of DHS. The plan shall include information requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

COPAYMENT FEE
The amount the family must contribute as its share of child care costs. This amount is based on household income and size. (Legal Authority: Minnesota Rules 3400.0020, Subp. 24)

COUNTY BOARD
The board of county commissioners in each county. (Legal Authority: Minnesota Statutes 119B.011, Subd. 9)
DISABILITY
A functional limitation or health condition that interferes with a child’s ability to walk, talk, see, hear, breathe or learn in order to meet the conditions required for an increased rate. See Chapter 9.54 (Special Needs).
(Legal Authority: Minnesota Rules 3400.0020, Subp. 17a)

DWP
Diversionary Work Program. See Chapter 4.3.3.15 (DWP Overview).

Discovery Date
The date the agency receives all documentation necessary to calculate a claim. (See Chapter 14.6 Amount of Overpayment.)

DOCUMENTATION
A written statement or record, including an electronic record, that substantiates information provided by a person or an action taken by an agency.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 18)

EARNED INCOME
See INCOME.

eDOCs
A Web site that gives access to the Minnesota Department of Human Services (DHS) forms and documents in multiple languages.

EDUCATION PROGRAM (applies to Basic Sliding Fee)
Remedial or basic education or English as a second language instruction, a program leading to a general equivalency or high school diploma, post-secondary programs excluding post-baccalaureate programs, and other education and training needs as documented in an EDUCATION PLAN. The Education Plan must outline education and training needs of a participant, meet state and county requirements for education plans and meet the requirements of programs that provide federal reimbursement for child care services.
(Legal Authority: Minnesota Statutes 119B.011, Subd. 11)

ELIGIBLE RELATIVE CAREGIVER
An eligible relative caregiver is a person who is the caregiver of a child receiving an MFIP or DWP child only grant. The relative caregiver may or may not be receiving MFIP. See Chapter 5.3 (Determining the Child Care Assistance Program (CCAP) Family), Chapter 5.9 (CCAP Family Composition Examples).
(Legal Authority: Minnesota Statutes 256J.08; Minnesota Rules 3400.0020, Subp. 20)

EMPLOYMENT PLAN (applies to MFIP/DWP)
An Employment Plan (EP) is developed by the job counselor and the participant which identifies the participant's most direct path to unsubsidized employment, lists the specific steps that the participant will take on that path, and includes a timetable for the completion of each step. The plan also identifies any subsequent steps that support long-term economic stability.
(Legal Authority: Minnesota Statutes, 256J.49, Subd. 5)
ESTABLISHED DATE
The date the agency computes an overpayment. See Chapter 14.6 (Amount of Overpayment).

EXCLUDED TIME FACILITY
A type of living arrangement which affects the determination of state residence and the county of financial responsibility. See Chapter 8.12 (Moving Between Counties).

FAMILY
The Child Care Assistance Program (CCAP) defines a family as parents, step-parents, guardians and their spouses, or other eligible relative caregivers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities, or parents, step-parents, guardians and their spouses, or other relative caregivers and their spouses temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same household. The term "spouse" includes married same-sex spouses. For information on how to determine CCAP Family, see Chapter 5.3 (Determining the CCAP Family).

FAMILY SUBSIDY PROGRAM
The Family Subsidy Program, also known as the Family Support Grant Program, is a state-funded program that provides cash grants to families with children with disabilities who live, or will live, in their family home. The grants provide families with the flexibility to purchase an array of supports and services to meet specific needs.

The goal of the Family Subsidy Program is to prevent or delay the out-of-home placement of children with disabilities and to promote family health and social well-being by enabling access to family-centered services and supports.

For additional information about the Family Subsidy Program families may either:
- Contact their local county social services agency.
- See the DHS Family Support Grant program website.

FICA

FULL CALENDAR MONTH
From the first day of the month through the last day of the month.

HOUSEHOLD OF APPLICANT/PARTICIPANT/FAMILY
The CCAP family as defined in Chapter 5.3 (Determining the CCAP Family).

HOUSEHOLD OF PROVIDER
The provider and those people living with the provider or in the home during child care hours.
GLOSSARY

INCOME
Earned or unearned income received by ALL FAMILY members, including public assistance cash benefits, at-home infant child care subsidy payments, and child support and maintenance distributed to or received by the family. See Chapter 6 (Income Eligibility).

INFANT
- **Licensed Family Child Care**: A child is an infant up to 12 months of age.
- **Legal Non-Licensed Family Child Care**: Follow the Licensed Family Child Care definition
- **Licensed Center Child Care**: A child is an infant up to 16 months of age. A child in center care may be considered to be an infant up to 18 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.
- **License Exempt Centers**: Follow the Licensed Center Child Care definition.
  (Legal Authority: Minnesota Statutes 245A.02; Subd.19, Minnesota Rules 9503.0005; Minnesota Rules 9503.0040)

IN-HOME CARE
Care provided in the child’s own home.

KNOWN TO THE AGENCY
Information about a family’s circumstances that the county agency receives from the family or discovers from sources such as MAXIS, PRISM, or MMIS.

For the purposes of this determination, the county agency includes the Minnesota Department of Human Services and the county human service agency(s) responsible for the administration of the child care, cash, food, and health care programs. It also includes any agency(s) that contracts with the human service agency(s) for the delivery of financial, health care, child care programs, and employment services.

LEGAL GUARDIAN
A person or an agency that has been appointed or accepted as guardian by a court of jurisdiction or tribal law.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 31b)

LUMP SUM
Cash received on a non-recurring or irregular basis that cannot be reasonably anticipated. Examples of lump sums include child support arrears, an inheritance, an insurance payment, and gambling winnings. See Chapter 6.15.15 (Annualizing Lump Sum Income).

MAXIS
Minnesota’s statewide automated eligibility system for public assistance programs.

MEC²
Minnesota Electronic Child Care System.
MFIP
Minnesota Family Investment Program. See Chapter 4.3.3.3 (MFIP Overview).

MFIP/DWP CHILD CARE
A sub-program of the Child Care Assistance Program for families receiving MFIP or DWP. See Chapter 4.3.3.3. (MFIP Overview).

MFIP/DWP CHILD CARE FOR STUDENT PARENTS
Child care assistance for student parents under age 21, pursuing a high school or general equivalency diploma, who are not MFIP participants, and who reside in a county with a Basic Sliding Fee waiting list. See Chapter 4.3.15 (MFIP/DWP Child Care for Student Parents).

MINOR PARENT
A parent who is less than 18 years of age.

OVERPAYMENT
The portion of a child care payment that is greater than the amount for which a participant or provider is eligible.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 33)

PARENT
A child’s biological, step, or adoptive mother or father.

PARENTALLY RESPONSIBLE INDIVIDUAL (PRI)
All parents, stepparents, legal guardians, or eligible relative caregivers and their spouses who are members of the FAMILY and reside in the household that applies for child care assistance. See APPLICANT and FAMILY.

PRE-SCHOOL
- **Licensed Family Child Care:** A child is a preschooler at 24 months of age up to being eligible to attend kindergarten within the next four months.
- **Legal Non-Licensed Family Child Care:** Follow the Licensed Family Child Care definition. *
- **Licensed Center Child Care:** A child is a preschooler at 33 months of age up to the age of being eligible to attend kindergarten within the next four months. A child in center care may be considered to be a preschooler at 31 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child. *
- **Licensed Exempt Centers:** Follow the Licensed Center Child Care definition.*

Preschool/School age category changes; in August of each year, MEC² will complete the annual school age change batch. This process changes the Age Category for children who have reached the appropriate age to start kindergarten in the fall and who have a kindergarten start date entered on the child’s school window. Without a date entered in that field, the age change cannot occur and the child will remain in the preschool age category when they should be changed to school age. Please refer to the MEC² User Manual for further information.
(Legal Authority: Minnesota Statutes 245A.02, Subd.19; Minnesota Rules 9503.0005)
GLOSSARY

PROVIDER
Individuals or centers licensed by a state or tribe, license-exempt centers, and legal non-licensed individuals providing legal child care services. For more information, see Chapter 11 (Providers).

(Legal Authority: Minnesota Statutes 119B.011, Subd. 19)

PROVIDER RATE
The amount the provider charges for child care.

(Legal Authority: Minnesota Rules 3400.0020, Subp. 35)

PROVISIONAL AUTHORIZATION
A temporary approval of a legal nonlicensed provider to provide care and receive payment for the care of a specific child or children receiving child care assistance when all the requested registration information/documentation, except the background check, is available to the county. See Chapter 9.3 (Payments to Providers).

(Legal Authority: Minnesota Rules 3400.0110 Subp. 2a and 2b.; Minnesota Statutes 119B.125 Subd. 5)

PROVISIONAL PAYMENT
A temporary payment paid to a legal nonlicensed (LNL) provider based on a provisional authorization. See Chapter 9.3 (Payments to Providers).

(Legal Authority: Minnesota Rules 3400.0110, Subp.2a and 2b; Minnesota Statutes 119B.125 Subd. 5)

RECOUPEMENT OF OVERPAYMENTS
The reduction of child care assistance payments to an eligible family or a child care provider in order to correct an overpayment of child care assistance.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 21)

REDETERMINATION
The process by which information is collected periodically by the county and used to determine whether a recipient is eligible for continued assistance and the amount of care to be authorized under the child care fund. See Chapter 10 (Redetermination of Eligibility).

(Legal Authority: Minnesota Rules 3400.0020, Subp. 37)

REGISTRATION
The process used by a county to determine whether the provider selected by a family applying for or receiving child care assistance to care for that family’s children meets the necessary requirements for payment of CCAP for child care provided by that provider.

(Legal Authority: Minnesota Rules 3400.0120, Subp. 2; Minnesota Statutes. 119B.011, Subd. 19a)

RESERVE
See TEMPORARY INELIGIBILITY.

RESIDENCE
The primary place where the family lives as identified by the applicant or participant.

(Legal Authority: Minnesota Rules 3400.0020, Subp. 38a.)
GLOSSARY

RSDI
See RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE.

RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE
A program operated by the Social Security Administration that provides a monthly income to retired people, survivors or dependents of insured people, and people with disabilities.

SCHEDULED HOURS
The specific days and hours during a service period that a child will attend child care as determined by the child care worker, the parent and the provider based on the parents verified eligible activity schedules, the child’s school schedule, and any other factors relevant to the families child care needs.
(Legal Authority: MN Rules 3400.0020, Subp. 38b)

SCHOOL AGE
- **Licensed Family Child Care**: A child is school age when they are at least of sufficient age to attend the first day of kindergarten within the next four months through age 12 or age 14 if the child has a verified special need. For information on Special Needs, see Chapter 9.54 (Special Needs).
- **Legal Non-Licensed Family Child Care**: Follow the Licensed Family Child Care definition.**
- **Licensed Center Child Care**: A child is school age when they are at least of sufficient age to attend the first day of kindergarten within the next four months through age 12 or age 14 if the child has a verified special need. For information on Special Needs, see Chapter 9.54 (Special Needs).**
- **License Exempt Centers**: Follow the Licensed Center Child Care definition.**

**CCAP recommends that counties consider a child to be school age (for payment purposes) on September 1st following the child’s 5th birthday unless the parent informs the county that the child will not be starting school in September of that year. In this case, the child would not be school age until September 1st of the following year. If a child starts school before the child’s 5th birthday, the child is considered school age on the day the child starts school.
(Legal Authority: Minnesota Statues 245A.02, Subd. 19; Minnesota Rules 9503.0005)

SMI
State Median Income.

SSI
See SUPPLEMENTAL SECURITY INCOME.

STUDENT
A person enrolled in an educational program as defined by the definition of EDUCATION PROGRAM.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 40)

SUPPLEMENTAL SECURITY INCOME
A program operated by the Social Security Administration that provides monthly income to low income people who are AGED, BLIND, or have a DISABILITY.
SUSPENDED
The family remains eligible up to 1 year if there are temporary breaks when child care assistance is not needed. See Chapter 8.9 (Suspending).

TEMPORARY ABSENCE
A period of time a family member is physically absent from the family’s residence but still included in the household size as he/she intends to return to the residence. See Chapter 5.6 (CCAP Family – Temporary Absence).

TEMPORARY INELIGIBILITY
When a family has been receiving child care assistance and a change makes them ineligible and the ineligibility is believed to be temporary, the family’s position in CCAP should be reserved. The case remains active for a maximum of 90 days, one academic semester/quarter, or until deactivated from military service (if a family had been receiving child care assistance but increased income from active military service made them ineligible). Payments cannot be made while a family is temporarily ineligible. See Chapter 8.6 (Temporary Ineligibility).

TODDLER

- **Licensed Family Child Care**: A child is a toddler at 12 months of age up to 24 months of age.

- **Legal Non-Licensed Family Child Care**: Follow the Licensed Family Child Care Definition.

- **Licensed Center Child Care**: A child is a toddler at 16 months of age up to 33 months of age. A child in center care may be considered to be a toddler up to 35 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.

- **License Exempt Centers**: Follow the Licensed Center Child Care definition.

TRANSITION YEAR CHILD CARE
Child care assistance used to support employment or job search for families who have received MFIP assistance or who were eligible to receive MFIP assistance after choosing to discontinue receipt of the cash portion of MFIP assistance or who have received DWP assistance for at least 3 of the last 6 months before losing eligibility for MFIP or DWP. Transition year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

TRANSITION YEAR EXTENSION CHILD CARE
Child care assistance used to support employment or job search for families who have completed their transition year of child care assistance and who are eligible for, but on a waiting list for, basic sliding fee services, for the duration of time necessary for the families to be moved from the basic sliding fee waiting list into the basic sliding fee program.

(Legal Authority: Minnesota Statutes 119B.09, Subd. 4a; Minnesota Rules 3400.0040, Subp. 17)

(Legal Authority: Minnesota Statutes 119B.011, Subd. 20)

(Legal Authority: Minnesota Statutes 119B.011, Subd. 20a)
GLOSSARY

UNITARY RESIDENCE
The 2-month period when a county remains financially responsible for child care assistance benefits after a participant moves from that one county to another county.
Earned income is a payment a family member had to expend individual effort or labor to receive. Examples are:

- Wages/salaries (including overtime and bonuses if ongoing).
- Paid vacation or sick leave.
- Uniform, mileage and meal allowances if federal income tax is deducted from the allowance.
- Fair market value of housing if housing is provided as part of total work compensation.
- Tips/gratuities.
- Self-employment income.
- Commissions.
- Incentive payments from work or training programs.
- Jury duty pay.

Gross earned income is income from employment prior to any payroll deductions. Gross earned income includes such things as 401K contributions, all insurance premium payments on the pay stub and pre-tax medical/dental accounts. Refer to Chapter 6.18 (Income Deductions) for information on income deductions that should be deducted from annual gross income.

Unearned income is a payment a family member did not have to expend individual effort or labor to receive. Expenditures necessary to secure payment of unearned income are deducted from the unearned income. Examples of unearned income are:

- Cash portion of MFIP.
- DWP.
- Relative Custody Assistance (pre-Northstar Care for Children payments).
- Legacy Adoption Assistance basic maintenance and supplemental needs payments (pre-Northstar Care for Children payments).
- Interest or dividends.
- Unemployment Compensation.
- Disability insurance payments.
- Insurance payments or settlements.
- Veteran benefits.
- Pension payments.
- Child or spousal support, medical or child care support which is not assigned to the state.
- Retirement, Survivors, Disability Insurance (RSDI). RSDI may have gross and net amounts
- Severance payments.
- Lump sums such as insurance settlements, court settlements and child support arrears.
- The amount of scholarships, work study income and grants that exceeds the amount used to cover costs or reimburse for tuition, fees, books and education supplies.
- The amount of student loans that exceeds the amount used for tuition, fees, books, supplies and living expenses.

Expenditures necessary to secure payment of unearned income are deducted from the unearned income. Sometimes, other deductions may be withheld from an unearned income source. These deductions must be verified and reviewed to determine if they are an allowable deduction. An example is RSDI. The RSDI verification will identify a gross amount, if any deductions were withheld and the net amount. Usually, the gross amount of RSDI is the amount to be annualized. See Chapter 6.18 (Income Deductions) for information on income deductions that should be deducted from annual gross income.

LEGAL AUTHORITY
Minnesota Statutes 119B.09
Minnesota Statutes 119B.011
Minnesota Rules 3400.0170
Exclude the following types of income. All excluded income must be verified. See Chapter 7.9 (Income Verification).

- Supplemental Security Income (SSI). SSI may have gross and net amounts.
- Earnings and payments to individuals participating in programs under Title 1 of the Workforce Investment Act.
- Scholarships, work study income and grants that cover costs or reimburse for tuition, fees, books and educational supplies. (See optional tools Student Income Calculation Form – Child Care Assistance Program Caseworker Tool (DHS-6974) and Child Care Assistance Program Student Income and Expense Form (DHS-6974A) for guidance.)
- Student loans for tuition, fees, books and living expenses. (See optional tools Student Income Calculation Form – Child Care Assistance Program Caseworker Tool (DHS-6974) and Child Care Assistance Program Student Income and Expense Form (DHS-6974A) for guidance.)
- State and Federal earned income tax credits.
- State and Federal income tax refunds.
- In-kind income such as (SNAP) Supplemental Nutrition Assistance Program (including the food portion of Minnesota Family Investment Program), Energy Assistance, legacy foster care (pre-Northstar Care for Children payments), Medical Assistance, Child Care Assistance and housing subsidies.
- Grants from the Family Subsidy Program. For the definition of the FAMILY SUBSIDY PROGRAM, see Chapter 2 (Glossary).
- Northstar Care for Children payments for Foster Care, Adoption Assistance, and Kinship Assistance.
- Non-recurring lump sum income to the extent that it is earmarked and used for the purpose for which it is intended.
- Earned income for full time or part time students up to the age of 19, who have not earned a high school diploma or general high school equivalency diploma (GED). This includes earnings from summer employment when the family member is not actually attending school, as long as the student intends to return to school the following year.
- Child support and spousal maintenance, medical support and child care support which is assigned to the State.
- Assistance specially excluded as income by other laws, including but not limited to AmeriCorps.
- Payments made by a source other than the family of part or all of the family’s child care expenses not payable under the Child Care Assistance Program if the funds are paid directly to the family’s child care provider on behalf of the family.

LEGAL AUTHORITY
Minnesota Statutes 119B.011
Minnesota Rules 3400.0170
Make payments directly to the family when a provider cares for children in the children’s own home. This applies whether the provider is licensed or legal nonlicensed (LNL).

CCAP prohibits child care assistance to be paid to a provider that resides in the same household or occupies the same residence as the child.

CCAP only allows child care assistance for care authorized in the child’s home if the child’s parents have authorized activities outside of the home (or in a two parent household, one parent has been determined unable to care) and if one or more of the following circumstances are met:

1. The parents’ qualifying activity occurs during times when out-of-home care is not available or when out-of-home care would result in the disruption of the child’s nighttime sleep schedule. If the child care is needed during any period when out-of-home care is not available, in-home care can be approved for the entire time care is needed.
2. The family lives in an area where out-of-home care is not available.
3. A child has a verified illness or disability that would place the child or other children in an out-of-home facility at risk or creates a headship for the child and the family to take the child out of the home to a child care home or center.

See Chapter 11.27 (In-Home Child Care Requests and Provider Information) for in-home child care request instructions.

If the provider is licensed at an address where the child does not live, but the provider provides care for a child in the child’s home, the provider is providing LNL care for that child and, for that care, should be paid up to the maximum LNL rate when the parent meets the above listed criteria for authorized activities and is approved by DHS.

When your county pays the parent(s) and he/she fails to pay the provider the family is ineligible for child care assistance until:

- The payment is made. OR
- The family reaches an agreement for payment with the provider and the county. AND
- The family continues to comply with the payment agreement.

Do NOT require the family to pay providers in advance of receiving payment from the child care fund as a condition for receiving these payments.

Monitor these payments to ensure funds are used for child care, following your county’s established process.

The family is responsible for meeting any employer-related requirements when the care is provided in the child’s home.

A 1099 form is issued by DHS to the in-home provider at the end of the year.

Fact Sheets on minimum wage and overtime provisions of the Fair Labor Standards Act (FLSA) are available at [www.dol.gov/whd](http://www.dol.gov/whd). Give these fact sheets to all people who employ in-home child care providers.

LEGAL AUTHORITY
Minnesota Statutes 119B.09 Subd. 8, 9, 10 and 13
Minnesota Statutes 119B.13, Subd. 5 and 6
Minnesota Rules 3400.0110, Subp. 1 and 7
Minnesota Rules 3400.0035, Subp. 9
Minnesota Rules 3400.0040, subp. 6a
AUTHORIZED HOURS - STUDENTS

Do not authorize more than 120 hours per child every 2 weeks.

Authorize only the time necessary to complete the credit requirements for an associate or baccalaureate degree as determined by the educational institution. Require the student to provide documentation from the school on the credit requirements for the approved program.

A student must be in good standing and making satisfactory progress toward completion of the program. Require the student to provide documentation from the school.

See Chapter 4.3.12.3 (Basic Sliding Fee Students) for information about approving education as an authorized activity for BSF.

GUIDELINES FOR AUTHORIZING CARE FOR EDUCATION

Authorize care as needed for:
● all hours of actual class time
● credit hours for independent study and internships
● up to two hours of travel time per day
● two hours per week per credit hour for post-secondary students for study time and academic appointments. When a student has more than 1 hour between classes on any 1-day, reduce the authorized study time by the number of hours between classes.

See Chapter 9.15 (Authorized Hours – Employment) for information about authorizing care for employment hours when a student is employed

OTHER CIRCUMSTANCES WHEN DETERMINING AUTHORIZED CARE

● Child Care Assistance for remedial classes is subject to the county approval of an acceptable course of study. Authorize child care assistance for remedial classes as needed for the student to attend class and complete class assignments.
● For Minnesota Family Investment Program (MFIP) or Diversionary Work Program (DWP) students with an approved education or training plan, authorize child care assistance according to the approved Employment Plan (EP).
● Authorize child care assistance for a Basic Sliding Fee student that already has a baccalaureate degree for continuing education units or certification or coursework necessary to update credentials to obtain or retain employment.
● Authorize child care assistance for a Minnesota Family Investment Program (MFIP) student that already has a baccalaureate degree as approved in the Employment Plan. This includes Masters programs and beyond.
● Students on school breaks who are expected to return to school at the end of the break remain eligible during the break:
   1. If the break is expected to last 15 calendar days or less, care should continue to be authorized during the break period.
   2. If education is the family’s only authorized activity, and the break is expected to last more than 15 calendar days, the case should be suspended for the break period. A 15 day notice of adverse should be sent to the client and provider in advance of the scheduled break. The case should be suspended the day the break begins.
   3. If education is not the family’s only authorized activity, and the break is expected to last more than 15 calendar days, the number of hours authorized should be reduced to reflect the authorized hours needed for the family’s other authorized activities during the break period. A 15 day notice of adverse action should be sent to the client and provider in advance of the scheduled break. The reduction in authorized hours should be effective the day the break begins.
AUTHORIZED HOURS - STUDENTS

LEGAL AUTHORITY
Minnesota Statutes 119B.07
Minnesota Rules 3400.0040
The Department of Human Services conducts a statewide child care provider rate survey. All licensed family child care providers and licensed child care centers and licensed school age care programs are included in the survey. The resulting information is compiled and used by the Department of Human Services (DHS) and legislators to consider changes to the maximum rates. The maximum rates in place are based on provider survey responses within a particular county or survey responses within a group of counties.

Maximum rates that can be paid vary according to the type of provider, the age of the child and the location where care is provided. See Chapter 9.24.3 (Child Care Rates) for a link to the hourly, full-day, and weekly child care maximum rates.

Authorize payment up to the county maximum rate, not to exceed the provider charge for all hours of child care authorized in the participant’s case.

Apply the age categories for children in family child care (Licensed/Legal Non-Licensed) and child care centers (Licensed/License Exempt Centers). See Chapter 2 (Glossary) under infant, toddler, preschool and school age for these age categories. See Chapter 9.24.6 (Age Category Exceptions) for information about exceptions to the standard age categories.

Use the maximum rates in the provider’s county of residence. If the provider lives outside of the State of Minnesota, use the maximum rate in the participant’s county of residence.

All changes to maximum provider rates will be implemented in MEC2 the Monday following the effective date of the new rate.

The family is responsible for any provider charges that exceed the maximum rates, in addition to the family copayment fee.

See Chapter 9.27 (Higher Rates for Quality – Accreditation/Differential).
See Chapter 9.30 (Higher Rates for Quality – Parent Aware Rated Providers).

LEGAL AUTHORITY
Minnesota Statutes 119B.13
Maximum rates vary by age category. The child care assistance age category of a child is typically determined by the standard age categories for children in family child care (Licensed/Legal Non-Licensed) and child care centers (Licensed/License Exempt Centers). See Chapter 2 (Glossary) under infant, toddler, preschool and school age for these age categories.

When the age category of the child is changed, refer to the “Service Authorizations” section of the MEC2 User Manual so that the appropriate maximum rate is paid.

CENTER LICENSING PROVISION FOR AGE FLEXIBILITY
The licensing provision for age flexibility allows children in child care centers to remain in a younger age-category classroom for a short period of time without a variance. When the child meets the age criteria to qualify for the licensing provision for age flexibility and the parent or provider notifies the county that the child remains in the younger age-category classroom, payment should be made at the rates associated with the age-rate category of the classroom that the child attends. When changing the age category, use the “Provision for Age Rate Flexibility” override reason and enter a case note explaining why the override was done.

Infant: A child is an infant up to 16 months of age. A child in center care may be considered to be an infant up to 18 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.

Toddler: A child is a toddler at 16 months of age up to 33 months of age. A child in center care may be considered to be a toddler up to 35 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.

Preschooler: A child is a preschooler at 33 months of age up to the age of being eligible to attend kindergarten within the next four months. A child in center care may be considered to be a preschooler at 31 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.

School Age: A child is school age when they are at least of sufficient age to attend the first day of kindergarten within the next four months. The Child Care Assistance Program will pay for school age children through age 12 or age 14 if the child has a verified special need.

SPECIALIZED INFANT AND TODDLER FAMILY AND GROUP FAMILY CHILD CARE PROVIDERS
A child attending a specialized infant and toddler family and group family day care is considered a “toddler” if they are least 12 months old but less than 30 months old. If the child meets the age criteria and the provider is licensed as a specialized infant and toddler family and group family child care provider, payments should be made at the toddler age-rate category. When changing the age category, use the “Provision for Age Rate Flexibility” override reason and enter a case note explaining why the override was done.

LICENSING VARIANCE
Licensed family child care: Licensing may grant a variance to a licensed family child care provider allowing them to consider a child a different age-category for licensing purposes. If documentation of the licensing variance is provided, payment should be made at the age-rate category indicated on the licensing variance for the duration of the licensing variance. When changing the age category, use the “DHS Variance Granted” override reason and enter a case note explaining why the override was done.

Licensed child care centers: Licensing may grant a variance to a licensed child care center allowing the center to serve a child within a different age-category classroom. If documentation of the licensing variance is provided, payment should be made at the age-rate category of the classroom where care is provided for the duration of the licensing variance. When changing the age category, use the “DHS Variance Granted” override reason and enter a case note explaining why the override was done.
AGE CATEGORY FLEXIBILITY RELATED TO KINDERGARTEN START DATES
The Child Care Assistance Program recommends that counties consider a child to be preschool age (for payment purposes) until September 1st following the child’s 5th birthday. The Child Care Assistance Program allows for the following exceptions:

- **Children within four months of entering Kindergarten**
  In August of each year, MEC² will complete the annual school age change batch. This process changes the age category for children who have reached the appropriate age to start kindergarten in the fall and who have a kindergarten start date entered on the child’s school window. Without a date entered in that field, the age change cannot occur and the child will remain in the preschool age category when they should be changed to school age.

  If the parent or provider requests that the child be moved to the school age category, the worker may change the age category. When changing the age category, use the “Provision for Age Rate Flexibility” override reason and enter a case note explaining why the override was done.

- **Child starts Kindergarten after 6th birthday**
  The Child Care Assistance Program recommends that counties consider a child to be school age (for payment purposes) on September 1st following the child’s 5th birthday unless the parent informs the county that the child will not be starting school in September of that year. In this case, the child would not be school age until September 1st of the following year. MEC² will determine the child’s age category based on information coded on the Member and School windows.

- **Child starts Kindergarten before 5th birthday**
  If a child starts school before the child's 5th birthday, the child is considered school age on the day the child starts school. When changing the age category, use the “Provision for Age Rate Flexibility” override reason and enter a case note explaining why the override was done.

LEGAL AUTHORITY
Minnesota Statutes 245A.02, Subd. 19
Minnesota Statutes 119B.011
Minnesota Rules 9503.0005
Child care assistance can pay up to 15 percent above the standard maximum rate, not to exceed the provider charge, if a provider requests the higher rate and submits verification showing that they hold a certain current early childhood development credential or is accredited by certain organizations.

A licensed family child care provider or legal non licensed provider is eligible for the 15 percent higher rate for quality if they hold one of the following early childhood development credentials or accreditations:

- A Child Development Associate credential (CDA).
- A diploma in child development from a Minnesota state technical college.
- An associate’s degree in child development.
- A bachelor’s degree or post-baccalaureate degree in early childhood education from an accredited college or university.
- Accreditation by the National Association for Family Child Care.
- Competency Based Training and Assessment Program Certificate.

Each adult on a licensed family child care license must have one of the credentials listed above to get the 15 percent higher rate for quality. Licensed family child care providers and legal non licensed providers that do not hold one of the above credentials are NOT eligible for the higher rate. Licensed family child care providers and legal non licensed providers that hold a credential other than the ones listed above are NOT eligible for the higher rate.

Early care and education child care centers with the following accreditations are eligible for the 15 percent higher rate for quality:

- Accredited Professional Preschool Learning Environment (APPLE), offered by the Florida Association for Child Care Management (FACCM)
- AdvancED - Early Learning Accreditation
- American Montessori Society (AMS) School Accreditation
- Association of Christian Schools International (ACSI) Accreditation
- Association of Montessori International – USA (AMI) – Montessori School Recognition
- Council on Accreditation (COA) – Early Childhood Education (ECE) Program Accreditation
- Green Apple Accreditation of Children’s Services (GAACS) - Early Education Center (EEC) Accreditation
- National Accreditation Commission (NAC) for Early Care and Education Programs Accreditation
- National Association for the Education of Young Children (NAEYC) Accreditation
- The NHSA Quality Initiative: Head Start Performance Excellence and Quality Recognition Program, offered by the National Head Start Association (NHSA)

School-age and after-school child care centers with the following accreditations are eligible for the 15 percent higher rate for quality:

- Council on Accreditation (COA) – Afterschool (ASP) & Youth Development (YDP) Program Accreditation
- Minnesota Afterschool Accreditation Program (MAAP), offered by the Minnesota School-Age Care Alliance (MNSACA)

Accrediting organizations may issue an extension of a current accreditation if time is needed to complete the validation. Require a letter from a qualifying accrediting organization from the listing above that states that the timeframe has been extended. This letter must include the extension end date.

Centers that are not accredited by one of the above organizations are NOT eligible for the higher rate. Centers that are accredited by an organization other than the ones listed above are NOT eligible for the higher rate. The 15 percent higher rate for quality can be paid to both licensed and legal non licensed providers.

The 15 percent higher rate for quality is the maximum rate that can be paid to an accredited or credentialed provider unless the provider has a four-star Parent Aware rating. Pay the provider the 15 percent higher rate for quality or the provider rate, whichever is less. See Minnesota Child Care Assistance Program 15 Percent Quality Differential Maximum Rates (PDF) (DHS-6442B).
If a county discovers that a provider was incorrectly entered into MEC\(^2\) as being eligible for the 15 percent higher rate for quality, the information must be corrected in MEC\(^2\) and the county who discovered the error should contact all other counties where the provider is registered. If the provider received payment at a higher rate than allowable, over payments must be assessed according to overpayment policies. See Chapter 14 (Overpayments). The Department of Human Services (DHS) has developed a Quality Differential Rate Request Form (PDF) (DHS-4795) that providers may use when requesting the higher rate.

Providers who submit valid credentials are eligible for the higher rate as of the first Monday following the date you received the verification.

LEGAL AUTHORITY
Minnesota Statutes 119B.13, Subd. 3a
Families have 30 calendar days after their case closes to submit the redetermination form and all required eligibility verifications. If the family meets all eligibility requirements, child care assistance can be approved back to the date the case closed.

If any of the required eligibility verifications or the redetermination form itself is not received within 30 calendar days after the case closes, the case should remain closed. The family must submit a new application to re-apply for child care assistance. If the redetermination form (DHS-5274) is submitted after the 30 day reinstatement period, it cannot be used as a new application (DHS-3550). Follow policies for processing a new application. See Chapter 3.6 (Accepting and Processing Applications).

**INCOME**

If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes the:

- Family's income must be below the exit level of 67% of State Median Income. See Chapter 6.3 (Income Limits).
- Family’s income does not need to meet the 47% of State Median Income applicant income level. See Chapter 6.3 (Income Limits).

**BASIC SLIDING FEE (BSF) WAITING LIST**

If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes, the family is not subject to the Basic Sliding Fee waiting list.

Some families receive child care assistance while on the Basic Sliding Fee waiting list. If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes:

- Minnesota Family Investment Program/Diversionary Work Program (MFIP/DWP) Child Care for Student Parents child care can be approved back to the date the case closed. The family remains on the waiting list.
- Transition Year (TY) child care can be approved back to the date the case closed. The family remains on the waiting list.
- Transition Year Extension (TYE) child care can be approved back to the date the case closed. The family remains on the waiting list.
- Portability Pool (PP) child care can be approved back to the date the case closed, as long as the family has not exceeded the 6 month limit for Portability Pool child care. The family remains on the waiting list.

**ELIGIBILITY**

The family must meet all eligibility requirements to have their case reinstated. If the family does not meet all eligibility requirements the case should remain closed.

A family may meet all eligibility requirements for part, but not all, of the time between the case closing for no redetermination and when the worker processes the redetermination. If the family met all eligibility requirements for part of the time:

- If all eligibility requirements are met for a period of time directly after the case closed, but are not met at a later date, the case should be reinstated. After the case is reinstated, the case should close allowing for 15 days adverse action notice. The time period of continued eligibility would not be an overpayment unless the family failed to report a change timely.
- If all eligibility requirements are not met for the time period directly after the case closed, the case should remain closed.

**Example:** The case closed for no redetermination on September 10th. The family returned the redetermination form and all verifications on September 20th. The worker processed the redetermination on September 25th.

- The redetermination showed that the family stopped being in an authorized activity on September 15th. The family met all eligibility requirements on September 10th when the case closed for no redetermination. The case should be reinstated back to September 10th. The
case should close for no authorized activity allowing for 15 day notice from September 25th. There would not be an overpayment because the family reported the change in activity timely.
- If the redetermination showed that the family stopped being in an authorized activity on September 1st. The family did not meet all eligibility requirements on September 10th when the case closed for no redetermination. The case should remain closed.

SUSPENDED AND TEMPORARY INELIGIBLE CASES
If a complete redetermination form and all required verifications are received within 30 calendar days after a suspended case closed for no redetermination, the case can be reinstated back to the date the case closed, as long as the family has not exceeded the one year time limit for suspension.

If a complete redetermination form and all required verifications are received within 30 calendar days after a temporary ineligible case closed for no redetermination, the case can be reinstated back to the date the case closed, as long as the family has not exceeded the time limit for temporary ineligibility.

COPAY CHANGES
Information reported on the redetermination may change the family's copay.
● A copay decrease is effective the biweekly period after the redetermination is processed.
● A copay increase requires a 15 day notice. Give 15 day notice from the day the redetermination is processed. The copay increase is effective the biweekly period after the 15 day notice. The time period with the lower copay is not an overpayment unless the family failed to report a change timely.

AUTHORIZED HOURS CHANGES
Information reported on the redetermination may change the number of hours authorized for a child.
● An increase in the number of hours authorized is effective the biweekly period after the redetermination is processed. Authorized hours may also be increased for biweekly periods prior to the date the redetermination was processed if the child qualifies for more hours.
● A decrease in the number of hours authorized requires a 15 day notice. Give 15 day notice from the day the redetermination is processed. The decrease in the number of hours authorized is effective the biweekly period after the 15 day notice. The time period with the higher authorized hours is not an overpayment unless the family failed to report a change timely.

SCHEDULE VERIFICATION
If schedule verifications are missing but all other required information has been returned within 30 calendar days after the case closes, the case should be reinstated but care should not be authorized. The family's case should be suspended for a period of up to one year. See Chapter 8.9 (Suspending a Case).

Child care can be authorized when the schedule verifications are submitted. Child care can be authorized retroactively back to the date care was ended or six months prior to the date the Service Authorization is issued, whichever is later (assuming that the schedule provided applies to the time period when care was ended). See Chapter 9.3 (Payments to Providers), which states, "If a provider provided care for a time period without receiving a Service Authorization and a billing form for an eligible family, payment may only be made retroactively for a maximum of six months from the date the provider is issued a Service Authorization and billing form."

INAPPROPRIATE REINSTATEMENT
Families whose eligibility and service authorization were reinstated when the completed redetermination form and/or required eligibility verifications were received after the last day of the 30 calendar day reinstatement period are considered inappropriate reinstatements. If it is discovered that a case was inappropriately reinstated, the worker must determine if an overpayment occurred. See Chapter 14 (Overpayments).
LEGAL AUTHORITY
Minnesota Statutes 119B.025
Minnesota Rules 3400.0180
Minnesota Rules 3400.0040
Provide at least 15 calendar days notice to families before taking an adverse action on their case. See Chapter 12.1 (15-Day Notice Requirements).

Include the following in the written notice:
- A description of the action you’re taking on the case.
- The effective date of the action.
- The reason for the action.
- The basis for your action in statute, rule or your county’s child care fund plan.
- The right to appeal and receive a fair hearing and the procedure for doing so.
- The choices available if they choose to appeal:
  - Continue to receive child care assistance at the previous level while the appeal is pending, and be responsible for any overpayments that may result.
  OR
  - Accept the adverse action being taken, and potentially receive reimbursement for child care expenses incurred while the appeal is pending, if the family wins the appeal.

If the family corrects the condition requiring the adverse action before the effective date of the adverse action, the adverse action must not take effect.

If a 15-day adverse action closing notice is already in effect for one reason and prior to that original closing date a worker approves a second adverse action for a different reason, the worker must give 15-day notice for each action. This may mean that the effective date for the second adverse action will extend beyond the first notice effective date. In cases where a second adverse action is given during the first 15-day notice period, workers should add a worker comment to the second adverse action notice explaining that the case is still scheduled to close as of the date on the first notice. If the reason for the first closure is resolved prior to the effective date, the case will remain open until the closure date printed on the second notice.

- Entering the reason for the second adverse action notice into MEC² and deleting unapproved results will assure that the information is documented for future reference.
- Sending a manual notice will assure that the family has complete information regarding the policies that they are not in compliance with for eligibility and allow the original closing date to be applied.

A 15-day notice period is not required when:
- A Minnesota licensed provider’s license has been temporarily, immediately suspended under Minnesota Statutes, section 245A.07.
  OR
- There is imminent risk of harm to the health, safety or rights of a child in the care of a legal nonlicensed provider, license exempt center, or a provider licensed by an entity other than the State of Minnesota.

When the action is not adverse a notice must be sent effective the date of the change. A 15-day notice is NOT required. Reasons can include increased authorized hours, decreased copayment, and continuation of payment awaiting appeal decision.

LEGAL AUTHORITY
Minnesota Rules 3400.0185, Subp 3
AMOUNT OF OVERPAYMENT

14.6

To determine the amount of child care assistance the family and/or provider were actually eligible to receive, examine the following:

- Eligibility
- Copayment amount
- Authorized hours
- Payment amount

Child Care Assistance Program policies change over time. Consider the policies in place at the time an action occurred when determining whether an overpayment occurred and the amount of an overpayment.

If care took place prior to the effective date of the current standard maximum rates you should apply the expired maximum rates in effect at the time care was provided. Use expired rates only for overpayment calculation and case review correction plans.

MAXIMUM RATES

Maximum rates in place February 3, 2014 – current
- Standard Maximum Rates – No Quality Differential (PDF) (DHS-6441B)
- 15 Percent Quality Differential Maximum Rates (PDF) (DHS-6442B)
- 20 Percent Quality Differential Maximum Rates (PDF) (DHS-6824)

Expired Maximum rates in place November 28, 2011 – February 2, 2014
- Standard Maximum rates – Non-accredited (PDF) (DHS-6441A)
- Maximum Rates with Accredited/Credential Differential (15 percent differential) (PDF) (DHS-6442A)

Expired Maximum rates in place July 1, 2006 – November 27, 2011
- Standard Maximum Rates – Non-accredited (PDF) (DHS-6441)
- Maximum Rates with Accreditation/Credential Differential (15 percent differential) (PDF) (DHS-6442)

If care took place prior to the current copayment schedule effective October 14, 2014 - current, consult previous copayment schedules.

COPAYMENT SCHEDULES

- Copayment Schedules in effect October 13, 2014 – current (PDF) (DHS-6413C)
- Expired Copayment Schedules in effect October 14, 2013 – current (PDF) (DHS-6413B)
- Expired Copayment Schedules in effect October 1, 2012 – October 13, 2013 (PDF) (DHS-6413A)
- Expired Copayment Schedules in effect October 3, 2011 – September 30, 2012 (PDF) (DHS-6413)

Contact your agency’s Technical Assistance Liaison at the Department of Human Services for previous copayment schedules.

The amount of the overpayment is the difference between the child care assistance payments that the family and/or provider received and the child care assistance payments that the family and/or provider were actually eligible to receive. The worker must include all amounts that were overpaid when determining the amount of the overpayment, regardless of how long ago the payments occurred.

Workers must determine the Discovery and Established Dates as part of the process of calculating a claim. See DISCOVERY DATE and ESTABLISHED DATE in Chapter 2 (Glossary). Examples of documents needed to calculate a claim could be paystubs, W-2s, or employer statements.
When a family reports changes in their circumstance within 10 calendar days of the change, there will be no overpayment. An exception would be when the county does not respond to a reported change within 10 calendar days. If this happens there may be an overpayment due to agency error. The overpayment would be calculated allowing for a notice period. Counties must act on all changes within 10 calendar days from the date the change was reported or becomes known to the agency. See Chapter 8.3.3 (Agency Responsibilities for Family Reporting).

If an employment plan is modified, the job counselor should notify the Child Care Assistance Program worker of the change within 10 calendar days of the date of the modified plan. If the CCAP worker is NOT notified of the modified plan timely, an agency error overpayment would be calculated allowing for a notice period.

When the family does not report changes in their circumstance within 10 calendar days there may be an overpayment. The overpayment would be calculated beginning on the date the change occurred.

If the change is due to increased income, the overpayment may be calculated differently depending on the following circumstances:

- If an overpayment was due to increased income that occurred during a period of ongoing eligibility, the overpayment would be calculated starting with the first biweekly period after the date the increased income was first received.
- If an overpayment was due to increased income that occurred at the same time as a new application:
  - If the applicant was working and receiving income prior to the application date, but they failed to report it on the application – calculate the overpayment back to the application date.
  - If the applicant was working prior to the application date, but they did not receive their first paycheck until after the application date, and they failed to list the job on the application – calculate the overpayment starting with the first biweekly period after the applicant received their first check.

The county agency may not charge interest on overpayments of child care assistance benefits. See Chapter 14.9.12 (Civil Recovery — Families).

INELIGIBILITY
When a family received child care assistance for a period of time when the family was not eligible for child care assistance, the amount of the overpayment is the total amount of child care assistance paid during the time period of ineligibility. If a family reported a change timely and the agency did not act on the change, the overpayment would exclude the allowable notice period.

If a family becomes ineligible for child care assistance and wants to receive child care assistance in the future, the family is required to reapply for child care assistance and meet entrance income limits.

Sometimes it is discovered that a family continuously receiving child care assistance was ineligible for a period of time when Child Care Assistance Program (CCAP) family met the eligibility requirements for a subsequent period of time. The subsequent period of time begins with the next time the family supplied information that established their eligibility.

The following are examples of ineligibility and the begin date of the subsequent period of time:

- The family is ineligible because requested verifications were returned after the due date. The subsequent period of time begins on the date the agency received the requested verifications.
- The family is ineligible because they submitted a redetermination and all required verifications, showing eligibility requirements were met after the due date. If the last day of the redetermination period is before 8/4/14, the due date is the date the case closed. If the last day of the
redetermination period is on or after 8/4/14, the 30 day reinstatement policy applies. See Chapter 10.6.6 (Redetermination Processing – Reinstatement). The subsequent period of time begins on the date the agency received the complete redetermination form with all required verifications.

Assess an overpayment for the period of ineligibility and determine if an overpayment exists for the subsequent period of time.

If the family was receiving Minnesota Family Investment Program (MFIP) child care:

An overpayment would only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements.

If the family was receiving Basic Sliding Fee (BSF), Transition Year (TY), Transition Year Extension (TYE) or Portability Pool (PP) child care:

If the period of ineligibility was shorter than the time period allowed for temporary ineligibility, an overpayment should only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements. See Chapter 8.6 (Temporary Ineligibility)

If the period of ineligibility was longer than the time period allowed for temporary ineligibility, determine whether the family’s income was below the entrance income limit for the family size at the beginning of the subsequent period of time when the family met the eligibility requirements.

● If the family’s income was at or below the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements, an overpayment should only be assessed for the period of ineligibility. An overpayment should not be assessed for the subsequent period of time when the family met eligibility requirements.

● If the family’s income was above the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements an overpayment should be assessed for the period of ineligibility:
  - If the family’s income was above the entrance income limit for their family size during the entire subsequent period of time, an overpayment should be assessed for the entire period, in addition to the period of ineligibility.
  OR
  - If the family’s income was above the entrance income limit for their family size at the beginning of the subsequent period of time, but at a later date was at or below the entrance income limit for their family size, an overpayment should be assessed for the beginning of the subsequent period of time when their income was above the entrance income limit for their family size, in addition to the period of ineligibility. An overpayment would not be assessed for the later period of time beginning when the family’s income was at or below the entrance income limit for their family size.

Example

Family was on child care assistance from January 1 to November 30. Family met eligibility requirements from January 1 to May 31. Family did not meet eligibility requirements from June 1 to September 30 (for example the parent was not in an authorized activity). Family met eligibility requirements from October 1 to November 30.

For all cases an overpayment would be assessed for the time period of June 1 through September 30 (if the family reported the change timely, an overpayment would not be assessed for the allowable notice period). In this scenario the period of ineligibility is greater than the time period allowed for temporary ineligibility. To determine whether an overpayment should be assessed for the time period of October 1 through November 30:
AMOUNT OF OVERPAYMENT

● For MFIP cases: an overpayment should not be assessed for October 1 to November 30.
● For BSF, TY, TYE and Portability Pool cases:
  - If the family’s income was at or below the entrance income limit for their family size on October 1, an overpayment should not be assessed for the time period of October 1 to November 30.
  - If the family’s income was above the entrance income limit for their family size on October 1 and continued to be above the entrance income limit, an overpayment should be assessed for the time period of October 1 through November 30.
  - If the family’s income was above the entrance income limit for their family size on October 1, but was below the entrance income limit for their family size at a later time, for example November 1, an overpayment should be assessed for the time period of October 1 to October 31. An overpayment should not be assessed for the time period of November 1 through November 30.

LEGAL AUTHORITY
Minnesota Statutes 119B.011
Minnesota Statutes 119B.11
Minnesota Statutes 16D.13
Minnesota Statutes 549.09
Minnesota Rules 3400.0187
For information related to provider overpayment recovery, see Chapter 14.9.15 (Civil Recovery – Providers).

If the family no longer receives child care assistance, use voluntary repayment or go through civil court to recover the overpayment.

If the overpayment is less than $50 you may, but are not required to, recover the overpayment.

If the overpayment is $50 or more, seek voluntary repayment from the family. If the family does not cooperate with voluntary repayment, initiate civil court proceedings to recover the overpayment, unless the costs of recovery exceed the amount of the overpayment.

Interest can only be charged on Child Care Assistance Program claims that have been reduced/converted to a judgment.

If you do not recover, keep a record of the overpayment in case the family reapplies and is eligible in the future.

A family who has an outstanding debt due to an overpayment is not eligible for child care assistance until either the debt is paid or satisfactory arrangements have been made with your agency and the family is complying with the arrangements.

Your agency is entitled to keep 25% of recovered overpayments.

LEGAL AUTHORITY
Minnesota Statutes 119B.011, Subd. 21
Minnesota Statutes 119B.11, Subd. 2A
Minnesota Statutes 16D.13
Minnesota Statutes 549.09
Minnesota Rules 3400.0140, Subp.19
Minnesota Rules 3400.0187
Disqualify families who have committed an Intentional Program Violation (IPV). An Intentional Program Violation (IPV) disqualification can be established by any of the following:

- Court conviction.
- Signed Disqualification Consent Agreement (DCA) (PDF) (DHS-3429)
- Pre-trial diversion.
- Administrative Disqualification Hearing (ADH) finding.
- Signed Waiver of an Administrative Disqualification Hearing (ADH) (PDF) (DHS-3131).
- Court-ordered stay which carries with it any other probationary terms or conditions.

Disqualify the entire family from receiving benefits for the following lengths of time when a member or members of a family receiving child care assistance is found to have committed an Intentional Program Violation:

- 1 year for the 1st offense.
- 2 years for the 2nd offense.
- Permanently for any subsequent violation.

When you receive notification of the IPV determination, send the Notice of Program Disqualification (PDF) (DHS-3134) to disqualify the family, and a Child Care Assistance Program termination notice to end assistance. The disqualification period for any child care assistance program must extend to all child care assistance programs and must be immediately applied allowing for a 15-day notice. See Chapter 12 (Notices). This disqualification is not appealable through an administrative hearing. The disqualification is appealable only through district or appellate court action. Once imposed, the disqualifications remains in effect, without possibility of administrative stay, unless and until the findings upon which the penalty was based are subsequently reversed by a court of appropriate jurisdiction.

The effective date of the disqualification period is the date of the Intentional Program Violation determination (if signed Disqualification Consent Agreement or Administrative Disqualification Hearing Waiver, court/Administration Disqualification Hearing decision) or the effective date of the Child Care Assistance Program termination notice, whichever is later.

An Intentional Program Violation determination through any of the prescribed administrative or judicial options settles all prior disclosed and undisclosed violations from the standpoint of imposing disqualification penalties and is effective with the date of determination of the Intentional Program Violation. There still may be claims established against the family for any overpayments that are cited for the prior time period(s).

Record conviction and disqualification information and copies of supporting documents (including conviction information) in the case file. If a disqualified family moves from one county to another, include disqualification information in the case referral. See Chapter 8.12 (Moving Between Counties).

Families disqualified from the Minnesota Family Investment Program (MFIP) due to an Intentional Program Violation are NOT barred from receiving child care assistance. When an MFIP recipient is disqualified from MFIP due to fraud, the family is no longer eligible for MFIP child care assistance. The family may be eligible for Basic Sliding Fee (BSF) and the worker will need to recover any overpayment that may have resulted while the family was on MFIP child care assistance.

The disqualified family may be placed on a child care waiting list if all factors used to determine eligibility for the waiting list are met. If the family’s name rises to the top of the waiting list during the period of disqualification, they should receive the same treatment as other participants who are deemed temporarily ineligible at the time that they rise to the top of the waiting list.

Families disqualified for fraud in another state remain disqualified in Minnesota.
DISQUALIFICATION FOR FRAUD - FAMILIES

LEGAL AUTHORITY
Minnesota Rules 3400.0183
Minnesota Statutes 256.98
Disqualify child care providers who have committed an Intentional Program Violation (IPV). An IPV disqualification can be established by any of the following:

- Court conviction.
- Signed Disqualification Consent Agreement (DCA) (PDF) (DHS-3429A)
- Pre-trial diversion.
- Administrative Disqualification Hearing (ADH) finding.
- Signed Waiver of an Administrative Disqualification Hearing (ADH) (PDF) (DHS-3131A).
- Court-ordered stay which carries with it any other probationary terms or conditions.

Disqualify the provider from receiving payments from any child care assistance program for the following lengths of time when the provider is found to have committed an IPV:

- 1 year for the 1st offense.
- 2 years for the 2nd offense.
- Permanently for any subsequent violation

You must inform the child care provider of their responsibilities and rights and of the penalties for intentional program violations. Failure to give a provider this Penalty Warning will lead to the dismissal of any Administrative Disqualification Hearing. The Child Care Provider Responsibilities and Rights DHS-4079-ENG (PDF) includes the Penalty Warning required for the Administrative Disqualification Hearing process.

If your county chooses to use a county form for provider acknowledgement or authorization, you must include the penalty warning, and the responsibilities and rights listed in Child Care Provider Responsibilities and Rights DHS-4079-ENG (PDF). You must send any revised county form to the Department of Human Services (DHS) for approval as part of your county’s Child Care Fund Plan. Failure to include the penalty warning and the provider’s responsibilities and rights on the county form will lead to the dismissal of any Administrative Disqualification Hearing process that your county brings against child care providers accused of intentional program violation in your county.

When you receive notification of an Intentional Program Violation determination, send the participant a 15-day notice of provider deactivation and send the provider the Child Care Assistance Program (CCAP) Notice of Program Disqualification for CCAP Providers DHS-3134A-ENG (PDF) to disqualify the provider and end child care assistance payments. See Chapter 12 (Notices).

This disqualification is not appealable through an administrative hearing. The disqualification is only appealable through district or appellate court. The effective date of the disqualification period is the date of the Intentional Program Violation determination (a signed Disqualification Consent Agreement or Administrative Disqualification Hearing Waiver or court/Administrative Disqualification Hearing decision) or the effective date of the Child Care Assistance Program termination notices, whichever is later. The disqualification period for any child care assistance program must extend to all child care assistance programs and must be immediately applied. Record conviction and disqualification information and have copies of supporting documents (including conviction information) in the provider file.

LEGAL AUTHORITY
Minnesota Statutes 256.98