DEPARTMENT OF HUMAN SERVICES

Child Care Assistance Program (CCAP) Policy Manual

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12-month eligibility period

The time period after a CCAP agency has approved a family's application or completed a redetermination of a family's eligibility until the family's next eligibility determination. During the 12-month eligibility period, limited factors can negatively impact a family's case. The purpose of the eligibility period is to provide for stable, consistent child care arrangements for children in the family. See Chapter 8 (12-month eligibility period).
(Legal Authority: Minnesota Rules 3400.0020, subp. 1a)

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
- 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 or tribe may earn and be reimbursed for in a calendar year. Department of Human Services (DHS) may increase a county's or tribe's allocation by redirecting unexpended or unencumbered funds, or when additional funds become available. The department may decrease a county's or tribe'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)

Authorized provider

A legal child care provider who has completed the CCAP 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, payable for a child from the child care fund. See definition for Scheduled Hours.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 10a)

Basic Sliding Fee program

A subprogram of the Child Care Assistance Program for non-Minnesota Family Investment Program/Diversionary Work Program (MFIP/DWP) families with entrance income below or equal to 47 percent 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 on the first day of the month and ends on the last day of the month.

Cash assistance benefits

Public assistance including income from the Minnesota Family Investment Program (MFIP), Diversionary Work Program (DWP), Minnesota Supplemental Aid (MSA), General Assistance (GA), Refugee Cash Assistance (RCA). **(Legal Authority: Minnesota Statutes 119B.011, Subd.15)**

CCAP

Child Care Assistance Program. Financial assistance for child care costs. The child care assistance program supports a parentally responsible individual with a low income who is employed, engaged in a job search, or engaged in education. The child care assistance program ensures that children have access to child care and thrive as successful learners.

(Legal Authority: Minnesota Rules 3400.0020, subp. 12b)

CCAP agency

A county agency, tribal nation or contracted agency designated by the county board or tribal council to administer CCAP and register providers.

(Legal Authority: Minnesota Rules 3400.0020, subp. 12f)

CCAP family

See FAMILY.

Child care center employee

A person employed by a licensed or certified license-exempt child care center; a person who is not employed by a licensed or certified-license exempt child care center but has direct contact with children the center serves and is required to have a background study under Minn. Stat. § 245C.03, subd. 1(a)(3); a person who is a contractor under Minn. Stat. § 245C.02, subd. 9; or a person who is a child care staff member under 45 C.F.R. § 98.43(a)(2)(ii). See Chapter 9.15.21 (Children of child care providers).

(Legal Authority: Minnesota Rules 3400.0020, subp. 12c)

Child

A person 12 years old or younger; a person 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; a person who is currently authorized to receive CCAP and turns age 13, up until the family's next redetermination; or a person with an above mentioned documented disability who is currently authorized to receive CCAP and turns age 15, up until the family's next redetermination.
(Legal Authority: Minnesota Statutes 119B.011, Subd. 4; Minnesota Statutes 119B.09, Subd. 1(e))

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 in an at-risk population

A child with environmental or familial factors that may create barriers to the child's optimal achievement such as 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 9.15.15 (Special needs).
(Legal Authority: Minnesota Rules 3400.0020, subp. 11a)

Copayment

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. 12e)

County and tribal child care fund plan

A county, tribe, and the 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, and allows agencies to establish some local policies and procedures.

County board

The board of county commissioners in each county.
(Legal Authority: Minnesota Statutes 119B.011, Subd. 9)

Dependent Adult Student

An adult age 18 or older who meets the 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. See FAMILY.
(Legal Authority: Minnesota Statutes 119B.011, Subd. 13)

Designated Spouse

The Designated Spouse is the person whose income will not be counted when the New Spouse Income policy for the MFIP/DWP child care subprogram is applied to a case. See Chapter 6.6.3 (New Spouse Income policy).

Determined date

The date the agency computes an overpayment. See Chapter 14.6 (Amount of Overpayment). See also ESTABLISHED DATE.

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 9.15.15 (Special needs).
(Legal Authority: Minnesota Rules 3400.0020, Subp. 17a)

DWP

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

(**Legal Authority: Minnesota Rules 3400.0020, subp. 18a)**

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

Income earned through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, severance pay based on accrued leave time, royalties, honoraria, or other profit from activity that results from the client's work, effort, or labor for purposes other than student financial assistance, rehabilitation programs, student training programs, or service programs such as AmeriCorps. The income must be in return for, or as a result of, legal activity.

See also INCOME and STUDENT TRAINING PROGRAM.
(Legal Authority: Minnesota Statute 256P.01, Subd. 3)

eDocs

A website that provides access to Minnesota Department of Human Services (DHS) forms and documents in multiple languages.

Education program (applies to Basic Sliding Fee, Transition Year and Transition Year Extension)

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, and meet state and county requirements for education plans.
(Legal Authority: Minnesota Statutes 119B.011, Subd. 11)

Eligible relative caregiver

An eligible caregiver means (1) an eligible caregiver of a child receiving an MFIP child-only grant OR (2) an eligible caregiver who is receiving an MFIP or DWP grant and is the MFIP or DWP eligible caregiver of a child. A person's status as an eligible relative caregiver for child care assistance is determined by being determined an eligible caregiver for cash assistance. See Chapter 4.1 (Applicant requirements), Chapter 5.3 (Determining the Child Care Assistance Program (CCAP) Family) and 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)

A document 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). See also DETERMINED DATE.

Excluded time facility

A type of living arrangement which affects the determination of state residence and the county of financial responsibility. Examples include, but are not limited to, halfway house, foster home, battered women's shelter, or rehabilitation facility. See Chapter 4.24.1(Excluded Time Facilities).
(Legal Authority: Minnesota Statutes 256G.02; Minnesota Statutes 256G.03)

Expedited Child Care

The Child Care Assistance Program allows families experiencing homelessness who apply for assistance and appear eligible to be approved prior to submitting verifications, prior to cooperating with child support, prior to participating in an authorized activity and within five business days of application receipt. Eligibility continues for a three month period following application.

(**Legal Authority: Minnesota Statutes 119B.025, subd. 1; Minnesota Statutes 119B.097, subd. 3**)

Extended Eligibility

A period of up to three months of continued eligibility for families following the permanent end to their education or employment activity or when a new PRI without an activity joins the family. During this period, child care authorization continues at the previously approved amount. See Chapter 9.15.6 (Extended Eligibility).
(Legal Authority: Minnesota Statutes 119B.105; Minnesota Rules 3400.0020, subp. 20a)

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 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. See DEPENDENT ADULT STUDENT.

The term “spouse” includes married same-sex spouses.

For information on how to determine CCAP Family, see Chapter 5.3 (Determining the CCAP Family).
(Legal Authority: Minnesota Statutes 119B.011, Subd. 13)

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.
  OR
- See the DHS Family Support Grant program website.

FICA

Federal Insurance Contribution Act (Social Security withholding tax).

Homeless

Child Care Assistance Program defines a household as homeless if they lack a fixed, adequate night time residence. This includes, but is not limited to families living in shelters, cars, outside, public spaces, or motels due to lack of accommodation and families doubling up due to loss of housing, hardship or other reasons. The living situation reported on the CCAP application by the family is used to determine whether the family is experiencing homelessness.

(**Legal Authority: Minnesota Statutes 119B.011 Subd.13b**)

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.

Income

Counted earned or unearned income, including public assistance cash benefits, received by the family. See Chapter 6 (Income Eligibility).
(Legal Authority: Minnesota Statutes 119B.011, Subd.15)

Infant

- **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. See Chapter 9.24.6 (Age category exceptions).

- **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
- **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 agency receives from the family or discovers from sources such as MAXIS, PRISM, or MMIS.

For the purposes of this determination, the agency includes the Minnesota Department of Human Services, the county human service agency or tribal nation responsible for the administration of the child care, cash, food, and health care programs. It also includes any agency that contracts with the human service agency 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)

Legal non-licensed related provider

A legal nonlicensed provider who cares for children related to the provider and does not care for any children receiving child care assistance who are not related to the provider. Related means the provider is the sibling, grandparent, aunt, or uncle of the child, based on a blood relationship, marriage, or court decree.

(Legal Authority: Minnesota Rules 3400.0020, subp. 37a)

Legal non-licensed unrelated provider

A legal nonlicensed provider who provides care for at least one child receiving child care assistance who is not related to the provider. Related means the provider is the sibling, grandparent, aunt, or uncle of the child, based on a blood relationship, marriage, or court decree.

Living situation

Living situation reported on the CCAP application by the family is used to determine whether the family is experiencing homelessness. The Child Care Assistance Program (CCAP) defines living situations that meet the definition of homelessness as family/friends due to economic hardship, hotel or motel, emergency shelter, place not meant for housing (anywhere outside, a vehicle, and abandoned building, or bus/train/airport).

(**Legal Authority: Minnesota Statutes 119B.011, Subd.13b**)

Lump sum

Money or payments received on a non-recurring or irregular basis that cannot be reasonably anticipated. Examples of lump sums include non-recurring child support arrears; an inheritance; an insurance settlement, depending on the circumstances; and gambling winnings. See Chapter 6.15.15 (Annualizing Lump Sum Income).

(**Legal Authority: Minnesota Rules 3400.0020, subp. 31f)**

MAXIS

Minnesota's statewide automated eligibility system for public assistance programs.

MEC^2

Minnesota Electronic Child Care System.

MFIP

Minnesota Family Investment Program. See Chapter 4.3.3.3 (MFIP Overview).

MFIP/DWP child care

A subprogram 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 or eligible for Transition Year, 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 child

A child who is living in the same home of a parent or other caregiver, is not the parent of a child in the home, and who is one of the following:

- Less than 18 years of age.
  OR
- Under the age of 19 and a full-time student in a secondary school or pursing a full-time secondary level course of vocational or technical training, designed to fit students for gainful employment.

See Chapter 6.6.1 (Individuals Exempt from Earned Income).

Minor parent

A parent who is one of the following:

- Less than 18 years of age.
  OR
- Under the age of 19 and a full-time student in a secondary school or pursing a full-time secondary level course of vocational or technical training, designed to fit students for gainful employment.

See Chapter 6.6.1 (Individuals Exempt from Earned Income).

Overpayment

The portion of a child care payment that is greater than the amount for which a participant or provider is eligible. If a family and/or provider receives more child care assistance than they were actually eligible for solely as a result of agency error, do not assess an overpayment. If a family and/or provider receives more child care assistance than they were actually eligible for because of a combination or agency error and family or provider actions or errors, assess an overpayment.
(Legal Authority: Minnesota Rules 3400.0020, Subp. 33; Minnesota Statutes 119B.11, Subd. 2a)

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.

(Legal Authority: Minnesota Rules 3400.0020, subp. 34b)

Preschool

- **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.

NOTE: 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 Chapter 9.24.6 (Age category exceptions).

(Legal Authority: Minnesota Statutes 245A.02, Subd.19; Minnesota Rules 9503.0005)

Primary provider

A provider designation when a child attends care with more than one provider, usually the provider a child uses the most.

(**Legal Authority: Minnesota Statutes 119B.097**)

Provider

Individuals or centers licensed by a state or tribe, individuals or centers under the jurisdiction of the federal government, certified license-exempt centers, and legal non-licensed individuals providing legal child care services. Individuals or centers licensed by a state or tribe outside of Minnesota or under the jurisdiction of the federal government must meet federal health and safety requirements. 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)

Recoupment 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 by the CCAP agency 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 CCAP agency to determine whether a child care provider meets the necessary requirements for payment of CCAP funds.
(Legal Authority: Minnesota Rules 3400.0120, subps 1a - 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)

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

See EDUCATION PROGRAM and STUDENT TRAINING PROGRAM**.**

See Chapter 6.6 (Earned/Unearned Income) and Chapter 6.6.1 (Individuals Exempt from Earned Income).

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. A child is school age when they are currently authorized to receive CCAP and turn age 13, up until the family's next redetermination. A child with a verified special need is school age when they are currently authorized to receive CCAP and turn age 15, up until the family's next redetermination. For information on Special Needs, see Chapter 9.15.15 (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. A child is school age when they are currently authorized to receive CCAP and turn age 13, up until the family's next redetermination. A child with a verified special need is school age when they are currently authorized to receive CCAP and turn age 15, up until the family's next redetermination. For information on Special Needs, see Chapter 9.15.15 (Special needs).
- **License Exempt Centers:** Follow the Licensed Center Child Care definition.

NOTE: CCAP recommends that agencies consider a child to be school age (for payment purposes) on September 1st following the child's 5th birthday unless the parent informs the agency 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. See Chapter 9.24.6 (Age category exceptions).

(Legal Authority: Minnesota Statutes 245A.02, Subd. 19; Minnesota Rules 9503.0005; Minnesota Statutes, 119B.09, Subd. 1(e))

Secondary provider

A provider designation when a child attends care with more than one provider, usually the provider the child uses less often. The amount of care authorized is limited to 20 hours in a biweekly period, and the amount paid cannot be more than two daily rates in a biweekly period.
(**Legal Authority: Minnesota Statutes 119B.097**)

Signature

A person's name in handwritten form or an authenticated electronic signature. Authenticated electronic signatures include, but are not limited to Adobe Digital ID, DocuSign and Adobe Sign. Handwritten signatures on faxed or scanned documents are acceptable. A typed signature without authentication is not acceptable, nor is an image of a signature that has been copied onto a document.

SMI

State Median Income.

(Legal Authority: Minnesota Rules 3400.0020, subp. 39)

SSI

See SUPPLEMENTAL SECURITY INCOME.

Student

A person enrolled in an educational program. See EDUCATION PROGRAM, EMPLOYMENT PLAN and STUDENT TRAINING PROGRAM.

(Legal Authority: Minnesota Rules 3400.0020, subp. 40)

Student training program

An education or training program designed to build skills, knowledge and/or work experience. The training time period of regular employment is not student training.

Note:

For the purposes of excluding student training program income:

- Education or training programs **do not** need to be part of an approved Education Plan or MFIP Employment Plan.
- The entity operating an education or training program **does not** need to meet any particular requirements (for example, it does not need to be a traditional educational institution).
- Income from a student training program is not counted regardless of whether the education or training program meets requirements to be an authorized activity.

See SCHOOL and Chapter 6.6 (Earned/Unearned Income).

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

When a family is eligible for child care assistance but there is a temporary break when child care assistance is not needed, they can be suspended for up to one year. A family is suspended when they are eligible for CCAP but do not have an active Service Authorization for any child in the household. 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).
(Legal Authority: Minnesota Rules 3400.0020, Subp. 40a)

Temporary ineligibility

When a family has been receiving child care assistance and a change makes them ineligible, but the ineligibility is believed to be temporary, the family's position in CCAP should be reserved. The case remains active for a maximum of either 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).

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

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. See Chapter 9.24.6 (Age category exceptions).
- **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)

Transition Year child care

Child care assistance used to support employment, education 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 one of the last six 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.

(Legal Authority: Minnesota Statutes 119B.011, Subd. 20; Minnesota Rules 3400.0020, subp. 40b)

Transition Year Extension child care

Child care assistance used to support employment, education or job search for families who have completed twelve months of Transition Year child care assistance if there is a waiting list for Basic Sliding Fee child care. Families remain in this status for the duration of time necessary to be moved from the Basic Sliding Fee waiting list into the Basic Sliding Fee program.

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

Unable to care

The status of a parent or other parentally responsible individual (PRI) in the household who is not capable of adequately caring for or supervising their child(ren) as determined by a licensed physician, licensed psychologist, licensed psychiatrist, or licensed social worker. This status may be permanent or temporary. See Chapter 4.6.1 (Activity requirements based on family composition).

(Legal Authority: Minnesota Rules 3400.0020, subp 40c; Minnesota Rules, 3400.0040, subp. 5)

Unearned income

Unearned income is a payment a family member did not expend individual effort or labor to receive.

See Chapter 6.6 (Earned/Unearned Income) for a list of counted unearned income.

See also CASH ASSISTANCE BENEFITS; INCOME; LUMP SUM; RETIREMENT, SURVIVORS, DISABILITY INSURANCE; SUPPLEMENTAL SECURITY INCOME.
(Legal Authority: Minnesota Statutes 256P.01, Subd. 8)

Unitary residence

The period of two full calendar months when a county or tribe remains financially responsible for child care assistance benefits after a participant moves from that county to a new county. See Chapter 4.24 (Moving between counties).

Applications 3

Before a family can receive child care assistance, they must complete an application and meet eligibility requirements. The application must be signed and dated by at least one parent, step-parent, legal guardian, or eligible relative caregiver who resides in the household.

Do not require a new application for a family moving from one child care sub-program to another when there is no interruption in service. See Chapter 4.3 (CCAP Subprograms).

If more than one CCAP family is living in the same household, each family must apply separately.

Applying for CCAP

There are three ways a family can apply. The method the family uses depends on their situation and the program(s) they are applying for.

- The Minnesota Child Care Assistance Program Application DHS-3550 (PDF) can be completed when the family is applying for CCAP only.

  The application is also available on eDocs in Hmong, Russian, Somali, Spanish and Vietnamese.

  DHS-3550-HMN (PDF) Hmong
  DHS-3550-RUS (PDF) Russian
  DHS-3550-SOM (PDF) Somali
  DHS-3550-SPA (PDF) Spanish
  DHS-3550-VIE (PDF) Vietnamese

- The Combined Application – Child Care Addendum DHS-5223D (PDF) can be completed when the family is applying for CCAP, cash and/or SNAP or if a Combined Application Form DHS-5223 was completed and approved within the past 90 days. See Chapter 3.9 (Combined Application – Child Care Addendum).

- MNbenefits (mnbenefits.mn.gov) is an online application that can be used when the family is applying for CCAP only or when the family is also applying for cash, SNAP or other programs. See Chapter 16.46 (Information about MNbenefits).

When a person contacts your agency

Your agency must have staff available during office hours to answer program questions and advise people. See Chapter 3.3 (Assistance Requests).

Advise people of the right to file an application, how and where to apply, and if necessary assist the person with the application. Give or mail the person an application. See Chapter 3.3 (Assistance Requests) for the list of forms and information to include in the application packet.

Legal authority

Minnesota Statutes 119B.02, Subd. 4
Minnesota Statutes 119B.025, Subd. 1
Minnesota Rules 3400.0035
Minnesota Rules 3400.0060

Assistance requests 3.3

Responding to assistance requests

When a family contacts you in person, by phone or in writing requesting information about child care assistance:

- Explain the family's right to file an application, where to file it and the application process. See Chapter 3.6 (Accepting Applications).
- Give or send the family the brochure Do You Need Help Paying for Child Care? DHS-3551 (PDF).

In addition, inform the family of the following:

- Eligibility requirements. See Chapter 4 (Eligibility Requirements).
- Verifications required for eligibility. See Chapter 7.3 (Verification – Initial Application).
- If a waiting list exists and it appears the family would be eligible for the Basic Sliding Fee (BSF) subprogram, inform the family of the number of families on the waiting list or estimated time they may spend on the waiting list before reaching the top of the list. See Chapter 4.3.12 (Basic Sliding Fee (BSF)).
- How to apply for child care assistance. See Chapter 3 (Applications).
- The family copayment fee schedule and how the fee is determined. See Chapter 6.21 (Family Copayment).
- How to choose a provider. See Chapter 11 (Providers).
- Their responsibilities and rights when choosing a provider. See Chapter 11 (Providers).
- The availability of special needs rates. See Chapter 9.15.15 (Special Needs).
- Their responsibility for paying provider charges that exceed maximum rates in addition to the copayment fee. See Chapter 9.24 (Provider Rates).
- The importance of promptly reporting a move to another county to avoid overpayments and increase the likelihood of continuing benefits. See Chapter 8.3 (Reporting Requirements) and Chapter 4.24 (Moving between counties).

Application packet

When giving or mailing an application to a family, include the following in the application packet:

- An application for child care assistance, either:
  - The Minnesota Child Care Assistance Program Application DHS-3550 (PDF).
    OR
  - The Combined Application – Child Care Addendum DHS-5223D (PDF), if the family is also applying for or cash and/or SNAP or if a Combined Application Form DHS-5223 was completed and approved within the past 90 days. See Chapter 3.9 (Combined Application Child Care Addendum).
- Information advising the family that they can apply online at MNbenefits (mnbenefits.mn.gov).
- A cover letter that includes your agency's address, office hours, and phone number.
- Notice of Privacy Practices DHS-3979 (PDF) (printed on application).
- Client Responsibilities and Rights DHS-4163 (PDF) (printed on application).
- The Child Care Assistance Program and fraud: Questions and answers for families DHS-3943B (PDF) (printed on application).
- Do You Need Help Paying for Child Care? DHS-3551 (PDF).

Recommended forms

The department recommends sending families these forms in an application packet or after a family is determined eligible:

- Child Care Assistance Program Family Guide DHS-3944 (PDF) (optional).
- Child Care Assistance Program (CCAP) - Change Report Form DHS-4794 (PDF) (optional).
- Reporting Responsibilities for Child Care Assistance Program Families DHS-6953 (PDF) (optional).

Legal authority

Minnesota Statutes 119B.011, Subd. 3
Minnesota Statutes 119B.025
Minnesota Rules 3400.0035
Minnesota Rules 3400.0060

Accepting applications 3.6

Accepting applications

Encourage families to apply for assistance in their county of residence. However, you must accept applications from residents of other Minnesota counties and immediately forward the application to the county, tribe or subcontracted CCAP agency where the applicant lives.

For a person who lives in an excluded time facility or receives excluded time services, the county of residence in which they lived, in non-excluded time status, immediately before entering an excluded time facility is the financially responsible agency (FRA) and must accept the family's application. For example, when a person lives in County A and directly enters an excluded time facility in County B, County A is the financially responsible county when the family applies for child care assistance. See Chapter 4.24.1 (Excluded time facilities).

Families can submit applications in-person, by mail, by fax or electronically through MNbenefits. Electronic photos of the application form are also acceptable.

Date of application

The date of application is the date any CCAP agency receives a signed and dated application. See Chapter 3 (Applications).

For paper applications, agencies must use one of the following methods to record the application received date:

- Date stamp the application
  OR
- Sign and date the Agency Signature field on the application.

Consider faxed applications received on weekends, holidays, or after hours to be received on the same day as the fax date stamp of the application. For applications received through MNbenefits, the application date is determined by the "Submission Date" field of the PDF and XML versions of the application.

Do not enter an application in MEC² if the application is not signed and dated. Note: Applications received through MNBenefits with an electronic signature are considered signed. Applications received through MNBenefits with "Did Not Sign" typed in the signature field, are not considered signed.

For more information about how to access and process online application received through MNbenefits, see the MNbenefits Worker Process Guide located on SIR.

Legal authority

Minnesota Statutes 119B.025, subd. 1
Minnesota Statutes 119B.09, subd. 7
Minnesota Rules 3400.0035

Processing Applications 3.7

Processing applications

All applications for CCAP, whether they are paper or electronic, must be reviewed, entered into MEC^2 and processed (except for repeated applications, see below). Do not enter an application in MEC² if the application is not signed and dated. See Chapter 3.6 (Accepting applications).

Refer to Chapter 6.15 (Annualizing income) for information about how to annualize income at application.

Processing applications for families experiencing homelessness

If the family appears eligible, process applications for families experiencing homelessness within five business days from the date of receipt.

If the family does not appear eligible or it is unknown if the family is eligible, process applications for families experiencing homelessness within 30 calendar days from the date of receipt. With the consent of the applicant, you may extend the processing time to 45 calendar days.

See Chapter 3.7.1 (Processing Applications from Families Experiencing Homelessness) for more information.

Processing applications for all other families

Process all other applications within 30 calendar days from the date of receipt. You may extend the application processing period to 45 calendar days if the applicant is informed of the extension. Mail a notice of approval or denial of assistance to the applicant by the end of the application processing period.

Note: If the family submitted verification by the end the processing period and is eligible, the denial must not take effect. See Chapter 12.3.6 (Denial Notices - Family). Approve eligibility and mail an approval notice within 10 calendar days of receiving the required verification or the end of the processing period, whichever is later. See Chapter 7.1 (Verification due dates) and Chapter 12.3.3 (Approval Notices - Family).

To process the application:

- Review the submitted application and required eligibility verifications to determine if the application is complete. The CCAP application asks for most information using questions that are left blank if the question does not apply to the family.
- Request missing information or required verifications. See Chapter 7.3 (Verification – Initial Application). If the family has trouble getting verification, offer the opportunity to sign a release of information allowing you to verify the necessary information.
- Process the application with all known information at the time of application:
  - If eligible:
    - Determine the eligibility begin date and the family copayment. See Chapter 4.18 (Date of Eligibility) and Chapter 6.21 (Family Copayment).
    - Notify the applicant of eligibility. See Chapter 12 (Notices).
    - Authorize child care if the family has selected a registered provider. See Chapter 9.1 (Child Care Authorization) and Chapter 11.12 (Provider Registration).

- Inform the family of their reporting type if the family is a Schedule Reporter. See Chapter 8.3.6 (Reporting Types).

- If ineligible:
  - Deny the application.
  - Notify the applicant of ineligibility. See Chapter 12 (Notices).
  - For BSF cases denied for no funds available, use the information in the application to screen the family for potential eligibility and place them on your agency's waiting list. Inform the family that they have been added to the waiting list. See Chapter 4.3.12.12 (BSF waiting list management).

Additional Application Processing Guidance

Application is missing information

When an application does not include all require information, the agency must follow up with the family to request additional information. See Chapter 16.46 (Information about MNbenefits) for applications submitted using MNbenefits.

Repeated applications

If a family applies again after their application has been denied, and nothing has changed to indicate that the family may now be eligible, the agency may:

- Process the application using the standard processing practices.

OR

- Send either a manual denial notice (Child Care Notice of Decision – Denial (DHS-5588)) or family memo through MEC^2 to notify the family that their application is denied. State the reason for denial (such as a waiting list, no eligible children, or being over income). Appeal rights are included with DHS-5588 and with family memos. If a manual denial notice is sent, enter a case note.

Examples of repeated applications include, but are not limited to:

- Family is denied for being over income, reapplies, and is still over income.

- Family is denied for no funds available and placed on BSF waiting list, reapplies, and funds are still not available. Family remains on waiting list with original application date.

If the applicant applies and the family is already receiving child care assistance, manually deny the new request using the Child Care Assistance Notice of Decision – Denial (DHS-5588) (PDF) and document the actions taken in Case Notes

Application when CCAP may not be needed

When the information on a MNbenefits electronic application indicates that the person may not need child care assistance, contact the applicant and ask if they want to withdraw their application.

- If the applicant says they want to withdraw their application:

1. Enter basic information into MEC^2 via the Application Workflow, coding only the Member, Member II, and Address windows. See the MEC² User Manual section "Enter a New Application." Note: if a MAXIS case exits for the family, the system may require you to enter additional information in the Application Workflow.
2. After coding the Application Workflow windows and sending the case to background, navigate to the Pending Case List window. Follow guidance in the MEC² User Manual section "Deny Application – Client Request." The case will deny and proper notice will be generated overnight.
3. Document the withdrawal and the reason for it in Case Notes.

- If the applicant says they want to proceed with the application, process the application.
- If the CCAP agency is unable to contact the applicant, process the application.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.09, subd. 7
Minnesota Rules 3400.0035

Processing Applications from Families Experiencing Homelessness 3.7.1

Living Situation

A family is considered to be experiencing homelessness for the Child Care Assistance Program if the Living Situation on the application is:

- Family/friends due to economic hardship and the family is temporarily sharing housing due to loss of housing, lack of affordable housing or similar reasons:
    - The family is experiencing homelessness if "yes" is their response to the "temporarily sharing housing due to loss of housing, lack of affordable housing or similar reasons" question.
    - The family is not experiencing homelessness if "no" is their response to the "temporarily sharing housing due to loss of housing, lack of affordable housing or similar reasons" question. Follow the guidance in MEC^2 User Manual > Address Window.
- Hotel or motel
- Emergency shelter
- Place not meant for housing (anywhere outside, a vehicle, and abandoned building, or bus/train/airport).

Do not question the family's choice of Living Situation and do not request verification of the family's Living Situation.

If the Living Situation question is "Unknown" or "Declined", no follow up is required and the family is not eligible for expedited child care. The application does not need to be processed within five business days. However, if information submitted during the application processing period shows that the family's Living Situation meets one of the items above, the family would be eligible for expedited child care policies.

If the Living Situation question on the application is left blank or the "temporarily sharing housing due to loss of housing, lack of affordable housing or similar reasons" is left blank for a family who selected "family/friends due to economic hardship", follow up with the family to determine if the family qualifies for policies available to families experiencing homelessness. The application does not need to be processed within five business days.

If the Living Situation is already coded because it's active in MAXIS, ensure that the Living Situation matches the Living Situation on the CCAP application. If not, change the Living Situation in MEC^2 to match what is on the CCAP application.

Note: If the Living Situation initially entered at application needs to be changed to a living situation that is considered homeless, a patch may be required to ensure policies are applied correctly. Contact your agency's policy specialist.

See Chapter 2 (Glossary) for the definition of homeless.

Processing applications for families experiencing homelessness 3.7.1

Timeframe for processing applications

If a family experiencing homelessness appears eligible, process the application within five business days from the date of receipt.

If a family experiencing homelessness does not appear eligible or it is unknown if the family is eligible, process the application within 30 calendar days from the date of receipt. With the consent of the applicant, you may extend the processing time to 45 calendar days.

Examples of when a family may not appear eligible, or it may be unknown if they are eligible include:

- The income reported on the application exceeds the entrance income limit; request verification of income to determine eligibility.
- It is unknown if the family has an age-eligible children; request additional information about children in the family.
- The application is missing pages.
- The application is not signed.
- The family has not answered the application questions needed to complete required MEC² fields and the information is not already known to the agency; request needed information from the family.
- The family applied for BSF child care assistance but the agency has a BSF waiting list and the family has not reached the top of the waiting list. See Chapter 4.3.12.9 (BSF Priorities) for more information about the waiting list.
- The family applied for MFIP but is not yet eligible for MFIP and the agency has a BSF waiting list; the agency can delay processing the CCAP application until MFIP eligibility is determined as long as the application is processed within the standard guidelines.

Reviewing and processing applications

To process the application:

Review the submitted application to determine if the application is complete. The CCAP application asks for most information using questions that are left blank if the question does not apply to the family.

- If required fields in MEC² cannot be completed based on information on the application and information known to the agency, request information from the family within five business days of receipt.

Process the application with all known information at the time of application:

If eligibility is unknown:

- Request additional information needed to determine eligibility within five business days of receiving the application.
- If additional information shows the family is eligible, follow the eligible guidance below; except that eligibility and notification is not required within five business days but instead must occur within 30 calendar days or 45 calendar days with the consent of the applicant.
- If additional information is not received or shows the family is not eligible, follow the ineligible guidance below.

If eligible:

- Approve eligibility and notify the applicant within five business days of receiving the application. See Chapter 12 (Notices).
- Determine the eligibility begin date. See Chapter 4.18 (Date of Eligibility).
- Determine the family copayment using the income reported on the application. Information known to the agency can also be used. See Chapter 6.21 (Family Copayment).
- Authorize child care if the family has selected a registered provider. See Chapter 9.1 (Child Care Authorization) and Chapter 11.12 (Provider Registration).
- After approving eligibility, request missing information or required verifications needed to continue eligibility past the three-month period. Use the Special Letter - Homeless App. See Chapter 7.3 (Verification – Initial Application).
- Send the family the information or forms needed for child support cooperation, if applicable.
- If the family has trouble getting verification, offer the opportunity to sign a release of information allowing you to verify the necessary information.
- If known, inform the family of their reporting type if the family is a Schedule Reporter. See Chapter 8.3.6 (Reporting Types).

If ineligible:

- Deny the application and notify the applicant within 30 calendar days of receiving the application or 45 calendar days with the consent of the applicant. See Chapter 12 (Notices).
- For BSF cases denied for no funds available, use the information in the application to screen the family for potential eligibility and place them on your agency's waiting list. Inform the family that they have been added to the waiting list. See Chapter 4.3.12.12 (BSF waiting list management).

Retroactive Eligibility

If a family eligible for expedited child care applies for MFIP or Transition Year child care and requests retroactive care, approve Eligibility and Service Authorization from the date the application is received without verifications. Once verifications are received to document eligibility for the retroactive period, send manual Service Authorizations using DHS-6217A (Child Care Assistance Notice of Decision - Service Authorization for families) (PDF) and DHS-6217B (Child Care Assistance Notice of Decision - Service Authorization for providers) (PDF) and send manual billing form(s) for the retroactive period using DHS-5523 (Child Care Assistance Billing Form) (PDF). Issue manual payments to pay for eligible care during the retroactive time periods. See Chapter 4.18 (Date of Eligibility).

Subsequent applications

Expedited child care is limited to no more than once every six months. After the three months of expedited child care plus the 90-day Temporary Ineligible period, a family experiencing homelessness who reapplies can be approved using expedited child care policies.

Example: An application on 10/1/2020 is approved eligible for expedited child care through 1/1/2021 (three months). Eligibility continues through the end of the biweekly period to 1/10/2021. If eligibility requirements are not met by 1/10/2021, the case is put into Temporary Ineligible (TI) status until approximately 4/10/2021 (90

days). During the Temporary Ineligible period, a new application is not required. The family must meet the requirements to move out of the Temporary Ineligible period. If the case closes because the family did not meet eligibility requirements before the end of the Temporary Ineligible period, (after 4/10/2021, six months from the initial application) the family can submit a new application and be approved for expedited child care.

Legal authority

Minnesota Statutes 119B.025, subd. 1
Minnesota Rules 3400.0035, subp. 2a

Changes during the application processing period 3.7.4

Changes during the application processing period

When processing an application with changes that occur after the date of eligibility, the application must first be processed based on the family's situation as of the date of eligibility to ensure that policies that apply at application are met. See Chapter 4.18 (Date of Eligibility) and Chapter 4 (Eligibility Requirements).

Changes that occur after the start date of eligibility must be processed after the application has been approved in order to apply 12-month eligibility policies.

Examples of applications being processed with changes that occur after the eligibility start date

Example 1:
A one-parent family who is not experiencing homelessness applies for CCAP. They are eligible for child care assistance to support employment. The application is received on March 1. After requesting verifications, the parent verifies that their job ended March 25 and that they are now looking for a new job.

- Date of Eligibility: March 1
- Date of change: March 25
- Type of change: Permanent end to employment

The application must be processed based on the employment activity that the parent had at the time of application because the parent was participating in an authorized activity on the date the application was received. After the application is processed and approved, enter the employment end date and start Extended Eligibility. See Chapter 9.15.6 (Extended Eligibility).

Example 2:
A two-parent family who is not experiencing homelessness with two mutual children apply for child care assistance to support employment for both parents. The application was received on August 5. One parent had no authorized activity until their new job starts on August 25 and did not need child care assistance for job search. On September 3, the application was still pending when the family reported that a biological child of one of the parents moved into the household effective September 1.

- Date of eligibility: August 25
- Date of change: September 1
- Type of change: New child enters the CCAP family and household size increases to 5

The application must be processed as a household size of 4 with eligibility determined back to August 25. Although the application was received August 5, the date of eligibility is August 25 when both parents are participating in an authorized activity. The application must not be delayed because of the new change that occurred on September 1. After the application is processed and approved, add the new child to the case in MEC² even if identity, birthdate, and citizenship status are not verified. Child support cooperation is not required until the next redetermination.

Legal authority

Minnesota Statutes 119B.095, subd. 2

Authorized activity at application 3.7.7

Authorized activity at application

The family must meet authorized activity requirements at application. See Chapter 4.6 (CCAP authorized activities).

When a parent is on a temporary break from their activity at application, whether they are considered to be in an authorized activity at application depends on whether their return to the activity is verified and if they meet all other eligibility requirements:

- If the parent expects to return to their activity, provides verification that they are expected to return and meets all other eligibility requirements, they are considered to be in an authorized activity for eligibility purposes. Suspend the case until the parent resumes the activity. See Chapter 8.9 (Suspending).
- Deny the application if the parent expects to return to their activity but does not provide verification that they are expected to return, if the parent is not expected to return to their activity or if the parent does not meet all other eligibility requirements.

Note: Medical leave policy allowing care to continue for up to 215 hours during the 12-month eligibility period is not considered an authorized activity at application. See Chapter 9.15.3 (Care during temporary breaks from authorized activities).

Legal authority

Minnesota Statutes 119B.10
Minnesota Statutes 119B.095, subd. 2
Minnesota Rules 3400.0040

Combined Application – Child Care Addendum 3.9

The Combined Application – Child Care Addendum (DHS-5223D) (PDF) form is a tool designed to simplify the child care assistance application process for families applying for cash assistance and/or Supplemental Nutrition Assistance Program (SNAP). The Combined Application Form requests information about the family's composition, income, and assets. The Child Care Addendum asks for information about the family's activities and need for childcare. The two forms work together as an application for child care assistance.

Use the Child Care Addendum when:

- A family completes the Combined Application Form (DHS-5223) (PDF) and requests child care assistance.

OR

- The Combined Application Form was completed and the family is not eligible for cash assistance and/or SNAP but requests child care assistance.

OR

- The Combined Application Form was completed and approved within the past 90 days and the family remains eligible for cash assistance and/or SNAP and is now requesting child care assistance.

When using the Child Care Addendum, apply child care policy rules and verification requirements. Request copies of current verification, documentation and information reported on the Combined Application Form to determine eligibility for the Child Care Assistance Program.

Use of the Child Care Addendum is optional. You may choose to use the Minnesota Child Care Assistance Program Application (DHS-3550) (PDF).

Legal authority

Minnesota Statutes 119B.011, Subd. 3

Eligibility requirements 4

This chapter describes the general eligibility requirements for the Child Care Assistance Program (CCAP). In order to be eligible for CCAP, all applicants **MUST**:

- File an application. See Chapter 3 (Applications).
- Provide required verification. See Chapter 7.3 (Verification – Initial Application).
- Meet applicant requirements. See Chapter 4.1 (Applicant requirements).
- Have children needing care who are of an appropriate age. See Chapter 2 (Glossary) for the definition of child.
- Cooperate with child support. See Chapter 4.9 (Cooperation with Child Support).
- Meet income limits. See Chapter 6.3 (Income Limits).
- Participate in authorized activities. See Chapter 4.6 (CCAP authorized activities).
- Have assets of equal to or less than $1 million. See Chapter 4.12 (Asset limit).
- Have children who meet citizenship and immigration status requirements or attend care in a setting subject to public educational standards operated under public education standards. See Chapter 4.15 (Citizenship and Immigration Status).
- Pay the required family copayment fee. See Chapter 6.21 (Family Copayment).

Legal authority

Minnesota Rules 3400.0040
Minnesota Statutes 119B.09
Minnesota Statutes 119B.10
Minnesota Statutes 119B.05

Applicant requirements 4.1

Applicant general requirements

To receive child care assistance, the applicant must be a Parentally Responsible Individual of the child(ren) for whom assistance is requested.

The relationship of the child(ren) to the applicant must be verified.

Applicants who are eligible

Parentally Responsible Individuals include:

- Parents (biological and adoptive)
- Step-parents
- Legal spouses of Parentally Responsible Individuals
- Legal guardians (see below)
- Eligible relative caregivers (see below).

Legal guardians

Legal guardian means a person who has been appointed or accepted as guardian by a court of jurisdiction or tribal law according to Minnesota Statutes section 260C.325, 524.5-201, 524.5-202, or 524.5-204.

Request verification from the family to confirm that they meet the specific legal guardian definition for the Child Care Assistance Program.

Eligible relative caregivers

Eligible relative caregiver means (1) an eligible caregiver of a child receiving a Minnesota Family Investment Program (MFIP) child-only grant or (2) an eligible caregiver who is receiving an MFIP or DWP grant and is the MFIP or DWP eligible caregiver of a child. A person's status as an eligible relative caregiver for child care assistance is determined by being determined an eligible caregiver for cash assistance.

- After an eligible relative caregiver begins receiving child care assistance, status as an eligible relative caregiver continues through all child care assistance sub-programs until there is a break in the eligible relative caregiver's eligibility for child care assistance. Eligibility for child care assistance continues even when eligible relative caregiver status ends with cash assistance.
- If there is a break in child care assistance eligibility and the caregiver reapplies for child care assistance, the caregiver must have eligible relative caregiver status with cash assistance or meet another definition of Parentally Responsible Individual at the time of reapplication in order to be eligible for child care assistance for a relative child.
- If a child's parent moves into the household while an eligible relative caregiver is receiving child care assistance for the child, the eligible relative caregiver retains eligibility through the remainder of their 12-month eligibility period. The child's parent is not included in the eligible relative caregiver's CCAP case. At redetermination eligible relative caregiver status ends and eligibility for the child ends due to

the parent being in the home. The parent can apply for child care assistance for the child while the eligible relative caregiver retains eligibility for the child. If the parent requests child care assistance for the child before eligibility of the eligible relative caregiver ends, the department recommends suspending the service authorization on the eligible relative caregiver's case to ensure that duplicate payments are not made.

Examples of eligible relative caregivers include:

- Aunt who is the caregiver of a child receiving an MFIP child-only grant
- Uncle receiving MFIP who is the caregiver of a child who receives SSI (child is excluded from the MFIP grant due to receiving SSI)
- Person receiving MFIP for their children and their nephew
- Grandparent receiving MFIP who is the caregiver of a child who receives Kinship Assistance (child is excluded from the MFIP grant due to receiving Kinship Assistance).

Applicants who are not eligible

Applicants who are not Parentally Responsible Individuals for a child(ren) are not eligible to receive child care assistance for that child(ren).

Foster parents

Foster parents are not Parentally Responsible Individuals for Child Care Assistance Program purposes. Foster parents cannot receive child care assistance for their foster children, unless they meet the eligible relative caregiver definition above.

Custody arrangements

Legal and physical custody of a child does not, in itself, meet the applicant requirements for child care assistance.

A person with legal and/or physical custody of a child may be eligible for the program if the person is a Parentally Responsible Individual to the child.

Other caregivers

Kinship caregivers (relative custodians) receiving Northstar Kinship Assistance must meet the legal guardian or eligible relative caregiver definition above in order to receive child care assistance for the child.

A person with a notarized Delegation of Power by Parent does not meet the definition of legal guardian and cannot receive child care assistance for the child.

Legal authority

Minnesota Statutes 119B.011, subd. 13
Minnesota Rule 3400.0020, subps. 20 and 31b

CCAP subprograms 4.3

The Child Care Assistance Program (CCAP) has several subprograms with different eligibility criteria and allowed authorized activities.

- MFIP/DWP, Transition Year (TY) and Transition Year Extension (TYE) are fully funded. This means all eligible families are served.
- The Basic Sliding Fee (BSF) subprogram has a capped allocation. This means that a specific amount of money is allocated to each CCAP agency every calendar year. If funds are not available, eligible families are put on a waiting list.

See the following chapters for information about each subprogram:

Chapter	Chapter Title
4.3.3	MFIP and DWP
4.3.3.3	MFIP overview
4.3.3.6	MFIP special circumstances
4.3.3.9	MFIP sanctions
4.3.3.15	DWP overview
4.3.3.18	DWP non-compliance
4.3.6	Transition Year (TY)
4.3.9	Transition Year Extension (TYE)
4.3.12	Basic Sliding Fee (BSF)
4.3.12.9	BSF priorities
4.3.12.12	BSF waiting list management
4.3.12.15	BSF Portability Pool
4.3.15	MFIP/DWP Child Care for Student Parents
4.3.15.6	MFIP/DWP Child Care for Student Parents – Subprogram changes

Legal authority

Minnesota Statutes 119B.011 to 119B.26
Minnesota Rules 3400.0040 – 3400.0090

MFIP and DWP 4.3.3

MFIP and DWP are Minnesota's cash assistance programs for families with children. The programs differ in eligibility requirements and how long the family can receive assistance. Families receiving MFIP or DWP are eligible for child care assistance through the MFIP/DWP child care assistance subprogram if they are participating in authorized activities. See Chapter 4.6 (CCAP authorized activities).

Families participating in Family Stabilization Services (FSS)

Families participating in Family Stabilization Services (FSS) are eligible for child care according to the same rules and guidelines as other MFIP and DWP recipients. Child care is available for activities included in an FSS Employment Plan. See Chapter 4.6.3 (Authorized Activities within an Employment Plan).

Legal authority

Minnesota Statutes 119B.05
Minnesota Statutes 256J
Minnesota Statutes 256J.95

MFIP overview 4.3.3.3

The purpose of the Minnesota Investment Program (MFIP) is to provide temporary assistance to support families to become economically stable. Eligibility is limited to 60 months in a lifetime, with some exceptions. The MFIP grant can include cash, food, and Housing Assistance Grant portions by combining federal or state family cash assistance and the Supplemental Nutrition Assistance Program (SNAP). It is the cash portion of the grant which is time-limited. Families receiving any portion of the MFIP financial benefits are eligible to receive child care assistance through the MFIP/DWP child care assistance subprogram.

Parents on MFIP work with a job counselor to develop an Employment Plan. Parents can receive MFIP/DWP child care assistance to participate in the activities within the Employment Plan. See Chapter 4.6.3 (Authorized activities within an Employment Plan). There are some allowed authorized activities that a parent can receive MFIP/DWP child care assistance for that are outside an Employment Plan. See Chapter 4.6.6 (Authorized activities outside an Employment Plan).

- Families receiving MFIP may experience special circumstances such as: The family opts of the cash and Housing Assistance Grant portions of the MFIP benefits.
- Only one parent in a two parent household receives MFIP benefits.
- The family is disqualified from MFIP due to fraud.
- A parent receives an extension of MFIP benefits past the 60-month lifetime limit.

See Chapter 4.3.3.6 (MFIP special circumstances) to determine if these special circumstances affect the family's child care assistance eligibility.

Legal authority

Minnesota Statute 119B.05
Minnesota Rule 3400.0080

MFIP special circumstances 4.3.3.6

Opting out of MFIP cash

Families may choose to "opt out" of the cash and MFIP Housing Assistance Grant portions of MFIP to stop months from counting against their 60 months of lifetime eligibility for MFIP cash benefits. These families still receive the food portion of MFIP benefits, work with Employment Services and can return to receiving cash benefits if they choose.

Families who receive the food portion of MFIP benefits are still considered MFIP recipients and continue to be eligible for child care assistance under the MFIP/DWP subprogram.

Two-parent households when only one parent is on MFIP

In some two-parent households, one parent is on MFIP and the other parent is not included in the MFIP grant. Examples include when one parent receives SSI or when one parent has been disqualified from MFIP for fraud. These families receive MFIP/DWP child care. The parent that is not included on the MFIP grant meets eligibility and authorized activity requirements.

The parent that is not included on the MFIP grant must:

- Have an authorized activity outside of an Employment Plan (job search, employment or an approved education plan) See Chapter 4.6.6 (Authorized activities outside an Employment Plan)

  OR

- Be determined unable to care as described in Chapter 4.6.1 (Activity requirements based on family composition).

MFIP relative caregiver (Optional Unit Members)

Some people may choose to be in the MFIP assistance unit when they live with mandatory members of the unit. These people are "Optional Unit Members." Optional members include a non-parental eligible caregiver and the spouse of the non-parental eligible caregiver, if there is not a natural or adoptive parent or stepparent in the minor child's home.

If the non-parental caregiver chooses not to be in the MFIP assistance unit, meaning not to be on the MFIP grant, the subprogram for the family is Basic Sliding Fee (BSF) child care. If the non-parental caregiver is in the MFIP assistance unit, the subprogram for the family is MFIP/DWP child care.

MFIP fraud disqualifications and convictions

All parents in MFIP household have been fraud disqualified

In a one-parent household, do not approve MFIP/DWP child care if the parent has been disqualified from MFIP and there is a child only MFIP grant. In a two-parent household, do not approve MFIP child care assistance under the MFIP/DWP subprogram for families when both parents have been disqualified from MFIP due to MFIP fraud.

When all parents in the MFIP household have been fraud disqualified, assess eligibility for the Basic Sliding Fee (BSF) subprogram:

- If Basic Sliding Fee funds are not available, the family is subject to the Basic Sliding Fee waiting list.
- If funds are available, approve child care assistance if all eligibility requirements are met

Two-parent household in which only one parent has been fraud disqualified

If the family includes two parents and only one parent has been disqualified for MFIP fraud, see information in the “Two-parent households when only one parent is on MFIP” section above.

MFIP extensions

MFIP participants who have reached their 60-month lifetime limit may be eligible for an extension of MFIP if they meet a hardship extension category. Extended MFIP participants must sign and continue to follow an Employment Plan. The family continues to be eligible for MFIP/DWP child care subprogram when MFIP is extended.

Legal authority

Minnesota Statutes 119B.05
Minnesota Statutes 119B.011
Minnesota Statutes 256J
Minnesota Rules 3400.0080

MFIP sanctions 4.3.3.9

MFIP sanctions overview

Agencies apply Minnesota Family Investment Program (MFIP) sanctions when participants do not comply with Employment Services, Child Support enforcement or financial services orientation.

For the first through sixth sanction occurrences, sanctioned participants are NOT removed from the MFIP assistance unit but the amount of the MFIP grant is reduced.

For the seventh sanction occurrence, also referred to as 100 percent sanction or sanction disqualification, the family's MFIP case is closed. For the impact of an MFIP case closing due to a seventh sanction occurrence, see "MFIP case closes due to seventh sanction occurrence" below.

Whether the family continues to be eligible for child care assistance depends on the type of non-compliance and their continued participation in authorized activities.

Non-cooperation with child support

At application, the family must be cooperating with child support to be eligible for child care assistance.

During the 12-month eligibility period, if an MFIP sanction is imposed for failure to cooperate with child support, the family continues to be eligible for MFIP/DWP child care assistance except when the MFIP case closes due to the seventh sanction occurrence. See "MFIP case closes due to seventh sanction occurrence" below.

At redetermination, the family must cooperate with child support to continue to be eligible for child care assistance. See Chapter 4.9.12 (Child Support cooperation at redetermination).

Non-compliance with Employment Services (ES)

At application, redetermination, and during the 12-month eligibility period, eligibility for MFIP/DWP child care continues as long as the caregiver remains eligible for MFIP. Authorization of care depends on a variety of factors.

- See Chapter 9.1.5.3 (Authorizing care - Sanctions) for the impact of Employment Services sanctions on a child care authorization.
- For the effect of an MFIP case closing due to a seventh sanction occurrence on child care assistance eligibility, see "MFIP case closes due to seventh sanction occurrence" below.

Non-cooperation with financial services orientation

If an MFIP sanction is imposed for failure to cooperate with financial services orientation, eligibility for MFIP child care is not affected. Eligibility for MFIP child care continues as long as the caregiver remains eligible for MFIP. For the effect of an MFIP case closing due to a seventh sanction occurrence on child care assistance eligibility, see "MFIP case closes due to seventh sanction occurrence" below.

MFIP case closes due to seventh sanction

If an MFIP case closes due to a seventh sanction occurrence, also referred to as 100 percent sanction or sanction disqualification, the family is no longer eligible for MFIP child care. When a family loses eligibility for MFIP child care due to a seventh sanction occurrence, assess their eligibility for Transition Year child care.

- If the family received MFIP or DWP for one of the last six months, the family is eligible for Transition Year child care. The family does not need to meet minimum activity requirements until redetermination.
- If the family has not received MFIP or DWP for one of the last six months, the family is not eligible for Transition Year child care. Assess eligibility for Basic Sliding Fee child care. The family does not need to meet minimum activity requirements until redetermination. If Basic Sliding Fee funds are not available, the MFIP child care case closes and the family is added to the Basic Sliding Fee waiting list.

For information about how changes in subprogram impact eligibility and authorization during the 12 month eligibility period, see Chapter 8.1.18 (Changes in subprogram) and Chapter 9.1.5.3 (Authorizing care – Sanctions).

Legal authority

Minnesota Statutes 119B.011 to 119B.24
Minnesota Statutes 256J

DWP overview 4.3.3.15

The Diversionary Work Program (DWP) is a four-month cash assistance program that focuses on helping parents quickly find employment. DWP child care assistance is funded through the MFIP/DWP child care subprogram.

All adults are considered job-seekers and must develop an Employment Plan (EP) with a job counselor before any DWP benefits are issued. Parents can receive MFIP/DWP child care assistance to participate in the activities within the Employment Plan. See Chapter 4.6.3 (Authorized activities within an Employment Plan). There are some allowed authorized activities that a parent can receive MFIP/DWP child care assistance for that are outside an Employment Plan. See Chapter 4.6.6 (Authorized activities outside an Employment Plan).

Because of the short duration of the program and the program's intent to move people to employment as soon as possible, CCAP agencies are encouraged to develop application processing practices to approve DWP child care assistance quickly.

To assist in this, financial workers are instructed to obtain a child care application from DWP applicants during the application interview if child care is needed. The Department of Human Services (DHS) developed the Combined Application – Child Care Addendum DHS-5223D (PDF) for agencies to use, See Chapter 3.9 (Combined Application – Child Care Addendum).

Legal authority

Minnesota Statutes 256J.95
Minnesota Statutes 119B.011 to 119B.24

DWP non-compliance 4.3.3.18

DWP non-compliance overview

Agencies disqualify Diversionary Work Program (DWP) participants from DWP when they do not comply with employment services or child support enforcement requirements.

Whether the family is or continues to be eligible for child care assistance depends on the type of non-compliance and participation in authorized activities.

CCAP actions when a DWP case closes for non-compliance

When a family on DWP is not in compliance with employment services or not cooperating with child support enforcement, their DWP case closes. If a family's DWP case closes, assess the family's eligibility for Transition Year (TY). The family is eligible for TY if the family received DWP cash assistance for at least one of the last six months prior to the closing of their DWP cash assistance. If employed, the family does not need to meet minimum activity requirements until redetermination.

For information about how changes in subprogram impact eligibility and authorization during the 12-month eligibility period, see Chapter 8.1.18 (Changes in subprogram).

Non-compliance with employment services

During the 12-month eligibility period, eligibility continues for employed families even if they work less than the applicable minimum activity requirements.

If a family was authorized for child care under an Employment Plan and it is unknown if the family is participating in any or all of the activities when DWP closes, move the family to Extended Eligibility. See Chapter 9.15.6 (Extended Eligibility).

Non-cooperation with child support

During the 12-month eligibility period, eligibility continues for families in non-cooperation with child support until their redetermination. The family must cooperate with child support at redetermination to continue receiving child care assistance. See Chapter 4.9.12 (Child Support cooperation at redetermination).

Legal authority

Minnesota Statutes 256J.95
Minnesota Statutes 119B.011 to 119B.24

Transition Year (TY) 4.3.6

Transition Year (TY) child care is available to families whose MFIP or DWP closes and who meet other criteria provided below. Families are eligible for Transition Year for 12 months after the MFIP or DWP financial case closes. Transition Year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

Families eligible for Transition Year (TY) child care

Families must have received MFIP or DWP for at least one of the six months prior to the closing of the MFIP or DWP financial case. For example, a family whose MFIP was closed effective December 1 would have to have received MFIP or DWP for at least one month in the period from June through November.

Note: Families who choose to "opt out" of the MFIP cash portion are still considered MFIP participants.

Cash assistance closes for a current CCAP family

In most Transition Year cases, families were receiving MFIP/DWP child care assistance before their MFIP or DWP financial case closed and continue to need child care assistance after their MFIP or DWP financial case closing. Approve a subprogram change for these families from MFIP/DWP child care assistance to Transition Year child care assistance. Do not require a new application when a family has a subprogram change from MFIP/DWP child care assistance to Transition Year child care assistance.

New applicants whose cash assistance case recently closed

Former MFIP or DWP participants who did not have an open child care assistance case at the time the MFIP or DWP financial case closed can apply for Transition Year for up to 12 months after the MFIP or DWP financial case closing.. In the example provided above, the family would be able to apply for Transition Year through the following November, but their Transition Year eligibility would end November 30.

TY CCAP families who move on and off cash assistance

If a family on Transition Year begins receiving MFIP or DWP again, move the family to MFIP/DWP child care assistance. The family will receive a new Transition Year period when the MFIP or DWP case closes.

Income limits

Income limits for subprogram changes

If the family received MFIP/DWP child care and has a subprogram change to Transition Year with no break in eligibility, the family's income must be at or below the applicable income exit level. During their 12-month eligibility period, the family's income must be at or below 85 percent of SMI. At redetermination, the family's income must be at or below 67 percent of SMI.

Transition Year (TY) 4.3.6

Income limits for new applicants

If the family did not receive MFIP/DWP child care assistance and applies for Transition Year child care during their Transition Year, the family's income must be at or below 47 percent of SMI at the time of application.

Income limits for former CCAP families reapplying

If the family received MFIP/DWP child care and their case closed, determine which income limits apply:

- If the family was eligible while their case was closed, the family's income must be at or below 67 percent of SMI at the time of application.
- If the family was not eligible while the case was closed, the family's income must be at or below 47 percent of SMI at the time of application.

Examples

Consider the following examples:

Example 1:

MFIP financial case closes March 1. The family was receiving MFIP/DWP child care assistance at the time MFIP closed and continues to be eligible for child care assistance. Approve a subprogram change from MFIP/DWP child care assistance to Transition Year child care assistance without requiring a new application. The family income must remain at or below 85 percent of SMI during the 12-month period and at or below 67 percent of SMI at redetermination.

Example 2:

MFIP financial case closes March 1. The family is eligible for continued child care assistance for an employment activity but has no child care needs at this time. The family requested the MFIP/DWP child care case to close. The family reapplies for child care assistance in July because they now have child care needs. All other eligibility factors remain the same. The family is within the Transition Year period. The family is not subject to the 47 percent SMI entrance guideline when the family reapplies in July because the family continued to be eligible for child care assistance even though the family did not have a need for care to be authorized. The family has met the 47 percent SMI entrance level in the first program of service, MFIP.

Example 3:

MFIP financial case closes March 1. The family was receiving MFIP/DWP child care assistance for social service activities that are not authorized activities for Transition Year child care, so the case is placed on Extended Eligibility at subprogram switch to Transition Year. At the end of the Extended Eligibility period, the family still has no Transition Year authorized activities and the case closes June 1. The family reapplies for child care assistance in September for employment. The family is within the Transition Year period. The family is subject to the 47 percent SMI entrance guideline when the family reapplies in September because there was break in eligibility. The family had no eligibility for months of June through August.

Transition Year ending

If BSF funds are available

Once families complete their 12 months of Transition Year eligibility, if your agency has Basic Sliding Fee funds available, approve a subprogram switch to BSF. See Chapter 4.3.12 (Basic Sliding Fee).

If BSF funds are not available

If your agency does not have BSF funds, approve a subprogram switch to Transition Year Extension. See Chapter 4.3.9 (Transition Year Extension). Add them to your Basic Sliding Fee waiting list as Priority Five. See Chapter 4.3.12.9 (BSF priorities).

Transition Year families must be placed on the waiting list and should be reported on the waiting list the date their Transition Year period ends. Their effective date for the waiting list is the date they first became eligible to apply for Transition Year.

If a Transition Year family moves to a new county, the family's effective date for the waiting list in the original county shall transfer with the family.

If a Transition Year family is eligible for Transition Year child care but does not need child care for a period of up to one year, the family retains their effective date for the waiting list and is added to Priority Five of the waiting list at the end of their transition year.

Legal authority

Minnesota Statutes 119B.011, subd. 20
Minnesota Statutes 119B.05, subd. 1
Minnesota Statutes 119B.09
Minnesota Rules 3400.0060, subd. 7
Minnesota Rules 3400.0090

Transition Year Extension (TYE) 4.3.9

Transition Year Extension (TYE) was designed to provide continuous child care assistance to families who complete their 12 months of Transition Year (TY), continue to be eligible, but cannot be moved into Basic Sliding Fee (BSF) because there are no funds available. Transition Year Extension is available for the time necessary for families to be moved from the BSF waiting list to BSF child care assistance.

Agency actions when Transition Year ends

When the Transition Year period ends and the family remains eligible for child care assistance and there is a waiting list for Basic Sliding Fee, approve a subprogram switch from Transition Year to Transition Year Extension. The family should remain on the Basic Sliding Fee waiting list as Priority Five. There is no time limit on Transition Year Extension as long as the family remains eligible. Do not count Transition Year Extension families as Transition Year families on the waiting list.

Families that lose Transition Year Extension eligibility

If a family becomes ineligible while on Transition Year Extension, Transition Year Extension ends. The family should be removed from the Priority Five waiting list and must re-apply as a new applicant.

Reapplying after Transition Year Extension ends

When a family loses their eligibility for Transition Year Extension and re-applies for child care assistance, the family:

- Becomes a new applicant for CCAP and is subject to the 47 percent entrance level
  AND
- Is no longer eligible to receive Transition Year Extension child care so should be assessed for Basic Sliding Fee
    - If funds are available at the time the new application is received, approve Basic Sliding Fee.
    - If there is a waiting list for Basic Sliding Fee at the time the new application is received, deny the application for no funding available and add the family to the Basic Sliding Fee waiting list effective the date of the application. Place the family in the highest priority group for which the family qualifies based on information in the new application. Note: The family should not be determined as a Priority Five waiting list category when the family reapplies for assistance after losing eligibility for Transition Year Extension.

Example

Consider this example:

> The Transition Year period ends in March, and the family remains eligible for CCAP. There is a Basic Sliding Fee waiting list. Approve a subprogram switch from Transition Year to Transition Year Extension starting April 1. The family must be on the Priority Five waiting list. While on Transition Year Extension,

the family loses eligibility in August because a parent no longer has an eligible activity and the extended eligibility period expires. The family's Transition Year Extension case closes, and the family is removed from the Priority Five waiting list.

The family submits a new application on October 15 because the parent started employment. The new application must be assessed for Basic Sliding Fee and meet income entrance guidelines of at or below 47 percent of SMI. Basic Sliding Fee funds are still not available, and there continues to be a waiting list for Basic Sliding Fee. The application is denied, and the family is added to Priority Three waiting list effective October 15.

Legal authority

Minnesota Statutes 119B.011 subd. 20a
Minnesota Rule 3400.0090

Basic Sliding Fee (BSF) 4.3.12

Basic Sliding Fee (BSF) overview

The Basic Sliding Fee (BSF) child care assistance program helps eligible families not receiving MFIP or DWP cash assistance pay for child care costs while parents participate in employment and/or approved education programs, or job search activities. See Chapter 4.6.6 (Authorized Activities outside an Employment Plan).

The BSF program is not fully funded. CCAP agencies receive a yearly allocation for the Basic Sliding Fee (BSF) sub-program. This mean if funds are not available when a family makes an assistance request, families are subject to a waiting period until funds become available. Wait times vary per CCAP agency.

Establishing a waiting list

When funding is not available for BSF child care assistance, CCAP agencies must establish a waiting list and add families to the waiting list at the highest priority level that the family qualifies for based on a preliminary eligibility determination. See Chapter 16.36 (BSF waiting list considerations) and Chapter 4.3.12.9 (BSF priorities). The waiting list must be reviewed and updated at least every six months. See Chapter 4.3.12.12 (BSF waiting list management). All agencies are required to report waiting list numbers monthly. See Chapter 16.39 (BSF waiting list reporting).

Moving families off the waiting list

When funding is available BSF child care assistance can be approved if all eligibility requirements are met. See Chapter 6.3 (Income limits) and Chapter 4.6.6 (Authorized activities outside an Employment Plan).

Portability Pool

Families who receive BSF in a county that has funds available and move to a county that does not have funds available will be served under BSF Portability Pool funding until BSF funding becomes available. See Chapter 4.3.12.15 (BSF Portability Pool).

BSF program length of service

There is no maximum time limit a family can receive BSF. Once a family becomes eligible for BSF child care assistance the family can receive BSF child care assistance until the family loses eligibility during the 12-month period, at redetermination, or when the youngest child in the family is too old to receive CCAP.

Legal authority

Minnesota Statute 119B.025
Minnesota Statute 119B.03
Minnesota Statute 119B.09
Minnesota Statute 119B.10
Minnesota Rules 3400.0060

BSF priorities 4.3.12.9

Each CCAP agency receives an annual capped allocation for Basic Sliding Fee (BSF) child care assistance. CCAP agencies must establish a waiting list when funds are not available. Add families to the waiting list at the highest priority level (see below) the family qualifies for based on a preliminary eligibility determination. Sort the list by the priorities provided below.

1st priority

Applicants without a high school or general equivalency diploma or who need remedial and basic skill courses to pursue employment or education leading to employment are considered 1st Priority. Students must be participating in an education program. Within this group, give priority to:

1. Parents under age 18
2. Parents 18-20
3. Parents 21 and older.

Families within this priority may be eligible for MFIP/DWP Child Care for Student Parents until funding becomes available, if the parent is under age 21, is pursuing a high school or general equivalency diploma, and is not an MFIP participant or eligible for Transition Year child care. Give families that appear eligible for MFIP/DWP Child Care for Student Parents an application. Families receiving MFIP/DWP Child Care for Student Parents must be reported on the waiting list as 1st Priority while they receive MFIP/DWP Child Care for Student Parents. See Chapter 4.3.15 (MFIP/DWP Child Care for Student Parents).

Families in the 1st Priority group are added to the wait list the date the family made an assistance request which is the date the family contacted the agency or the date the agency received an application.

2nd priority

Families in which an applicant is a veteran are considered 2nd Priority. A veteran is a United States citizen or resident non-citizen separated under honorable conditions from any branch of the United States armed forces after:

- Serving on active duty for 181 consecutive days
  OR
- Incurring a disability while serving on active duty
  OR
- Meeting the minimum active duty requirement
  OR
- Having an active military service certified discharge under honorable conditions.

Families in the 2nd Priority group are added to the wait list the date the family made an assistance request which is the date the family contacted the agency or the date the agency received an application.

3rd priority

All families who are not eligible for other priorities are considered 3rd Priority. Agencies may set priorities within this category. Check your county and tribal child care fund plan to see if sub-priorities have been established by your agency. For the definition of county and tribal child care fund plan, see Chapter 2 (Glossary). Families in the 3rd Priority group are

added to the waiting list effective the date the family made an assistance request is the date the family contacted the agency or the date the agency received an application.

4th priority

Families who are eligible for Portability Pool are considered 4th Priority. See Chapter 4.3.12.15 (BSF Portability Pool). Report families in this priority starting with the month they become eligible for Portability Pool funding. The family's effective date on the waiting list should be the date of the family's move.

5th priority

Families who have completed their Transition Year (TY) are served under Transition Year Extension (TYE) until Basic Sliding Fee funds are available and are considered 5th Priority. Families are placed on the waiting list effective the date their Transition Year period ends; however, their effective date for the waiting list is the date they first became eligible to apply for Transition Year. If the family moves, their waiting list date transfers with them. If their name reaches the top of the waiting list before Transition Year ends, the family remains eligible for Transition Year through the remaining Transition Year period. Encumber Basic Sliding Fee funds for the months remaining and approve a subprogram switch to Basic Sliding Fee when the Transition Year period ends.

The length of time on the waiting list reported to the department should NOT include time spent in Transition Year. Do not include families who are still in their transition year of child care on the waiting list reported to the department.

Move Transition Year families into Basic Sliding Fee child care as soon as possible after completion of Transition Year. If the family's name doesn't reach the top of the waiting list by the end of Transition Year, transfer the family to Transition Year Extension until Basic Sliding Fee funding becomes available. The family retains their Transition Year waiting list date after moving to Transition Year Extension.

Legal authority

Minnesota Statutes 119B.03
Minnesota Statutes119B.011
Minnesota Rules 3400.0060

BSF waiting list management 4.3.12.12

Adding families to a waiting list

When funds are not available:

- Perform a preliminary determination of eligibility based on family size, income, and authorized activity. If it appears that the family would be eligible, add the family to the waiting list. NOTE:
  - Families who are temporarily ineligible at the time they make an assistance request or submit an application must be added to the waiting list if it appears that they will be eligible.
  - Verifications are not required to complete a preliminary determination of eligibility.
- Determine the highest priority group for which the family qualifies. See Chapter 4.3.12.9 (BSF Priorities). Add the family to the appropriate priority group.
  - The waiting list date is the date the family contacted the agency, the date agency received an application or the date required for TYE and Portability Pool priority categories. See Chapter 4.3.12.9 (BSF Priorities).
- Inform the family of the priority group determination and the number of families on the waiting list or an estimated time that they will spend on the waiting list before reaching the top.

Waiting list review

Review and update the waiting list at least every six months. It is important to keep the list up-to-date, as it can affect your agency's funding. Agencies must follow the waiting list review process identified in the agency's county or tribal fund plan.

Removing families from the waiting list

Serve families in the highest priority group before serving families in lower priority groups.

When funding becomes available:

- Go to the top of the list and determine the number of eligible families the funding will cover.
- If available funding will cover families receiving MFIP/DWP Child Care for Student Parents, Transition Year Extension or Portability Pool child care subprograms while on the waiting list, approve a subprogram switch. Do not require a new application.
- If available funding will cover families not currently receiving CCAP, send the family an application and request required verifications. See Chapter 7.3 (Verifications – Initial application).
- If the family at the top of the list is temporarily ineligible for child care, leave the family at the top of the list of their priority group for up to 90 days and serve the next family on the list. Check your county and tribal child care fund plan to determine whether your agency has chosen to reserve the family's position for more than 90 days.

Legal authority:

Minnesota Statutes 119B.03
Minnesota Rule 3400.0035
Minnesota Rule 3400.0060
Minnesota Rule 3400.0040

BSF Portability Pool 4.3.12.15

The Basic Sliding Fee (BSF) Portability Pool assists families who move from one county in which they were receiving BSF child care to another county which has a BSF waiting list. If a family was receiving BSF in the previous county, the family must notify the county they are moving from within 10 days of the move. See Chapter 4.24 (Moving between counties).

Unitary Residency period

The original county remains financially responsible for the family's BSF child care for the unitary residency period of two full calendar months. A family who moves on or after the first day of a month is considered a participant in the original county for that month. The two calendar month period would start on the first day of the next month. See Chapter 4.24 (Moving between counties) for information regarding a second move after the initial move has been reported.

Required actions by new county

When a family receiving BSF child care moves to your county and no BSF funds are available, approve Portability Pool child care until the date your agency has funding to provide BSF to the family.

If the family is put on Portability Pool, add the family to the 4th priority waiting list, effective the date of the move.

Note: If at least one parent in the family is under age 21 and pursuing a high school or general equivalency diploma, the family will receive MFIP/DWP Child Care for Student Parents after the unitary residency period if eligibility requirements are met, rather than Portability Pool funding. See Chapter 8.1.18 (Subprogram Changes).

Portability Pool and students

Allow students with post-secondary education plans to follow the education plan approved in the previous county. At redetermination, apply your agency's criteria for education plans, as identified in your agency's approved county and tribal child care fund plan.

Moves during Portability Pool

If after an initial reported move, the family moves again to a new county while they are receiving Portability Pool funding and the new county has a BSF waiting list, the family continues to be eligible for Portability Pool funding until the date the new county has the funding necessary to provide regular BSF to the family.

Legal authority

Minnesota Statutes 119B.03
Minnesota Statutes 119B.05
Minnesota Statutes 119B.09
Minnesota Rules 3400.0060

MFIP/DWP Child Care for Student Parents 4.3.15

MFIP/DWP Child Care for Student Parents is for families who meet criteria for 1st priority of the BSF waiting list when BSF funds are not available. The family will be served under MFIP/DWP Child Care for Student Parents funding while the family is on the BSF waiting list as 1st priority.

To be eligible for MFIP/DWP Child Care for Student Parents, the parent must meet all of the following requirements:

- Be under 21 years of age
- Be pursuing a high school or general equivalence diploma (GED)
- Not be an MFIP participant
- Not be eligible for Transition Year
- Reside in a county that has a BSF waiting list with families in the 1st priority.

In a two parent family, at least one parent must be under 21 years of age and be pursuing a high school diploma or GED for the family to be eligible for MFIP/DWP Child Care for Student Parents.

See Chapter 4.6.6.9 (Education outside an Employment Plan) for information about authorized activities.

See Chapter 4.3.15.6 (MFIP/DWP Child Care for Student Parents – Subprogram changes) for information about subprogram changes.

Age requirements

During the 12-month eligibility period, if the parent turns 21 and the family is still eligible for CCAP but remains on the BSF waiting list, the family continues to qualify for MFIP/DWP Child Care for Student Parent funding until their next redetermination. Override ineligible results and continue to provide child care assistance under MFIP/DWP Child Care for Student Parents until the family's next redetermination except if the family has eligibility for TY. If the family is eligible for TY, the CCAP subprogram should switch from MFIP/DWP Child Care for Student Parents to TY child care when a student parent turns 21 and is within their TY period. See Chapter 4.3.15.6 (MFIP/DWP Child Care for Student Parents-Subprogram Changes).).

Income requirements

At application, the family's annual gross income after allowable deductions must be at or below 47 percent of State Median Income (SMI).

Once determined eligible, the family's annual gross income after allowable deductions must be at or below 85 percent of SMI during the family's 12-month eligibility period.

At redetermination, the family's annual gross income after allowable deductions must be at or below 67 percent of SMI.

Waiting list requirements

Families eligible for MFIP/DWP Child Care for Student Parents meet the age and activity requirements for the 1st priority of the BSF waiting list. Families receiving MFIP/DWP Child Care for Student Parents must be reported on the waiting list as 1st priority while they receive MFIP/DWP Child Care for Student Parents funding. Refer to Chapter 4.3.12.9 (BSF priorities).

As soon as BSF funds become available, the CCAP agency must move the family into BSF. Moving the family into BSF supports continued child care assistance when the parent's education activity ends or the parent turns 21. Refer to Chapter 4.3.12.12 (BSF waiting list management).

Legal authority

Minnesota Statutes 119B.011, subd. 19b
Minnesota Statutes 119B.025
Minnesota Statutes 119B.06, subd. 1
Minnesota Statutes 119B.09

MFIP/DWP Child Care for Student Parents — subprogram changes 4.3.15.6

Subprogram changes related to MFIP/DWP Child Care for Student Parents are described below.

MFIP/DWP Child Care for Student Parents to BSF

As soon as BSF funding becomes available, families receiving MFIP/DWP Child Care for Student Parents must be approved for BSF child care if eligibility requirements are met.

MFIP/DWP Child Care for Student Parents to MFIP/DWP

When a family receiving MFIP/DWP Child Care for Student Parents begins receiving MFIP or DWP cash benefits, approve the family for MFIP/DWP child care if all eligibility requirements are met. Remove the family from the BSF waiting list if the family begins receiving MFIP or DWP cash benefits. During the 12-month eligibility period when a student receiving MFIP/DWP for student parents has a subprogram change to MFIP/DWP child care, child care continues for the education program until it is included in an employment plan or until redetermination, whichever occurs first. If the education program is not included in the employment plan or the student has not developed an employment plan by their next redetermination, authorization for the education program ends at redetermination.

MFIP/DWP Child Care for Student Parents to Transition Year (TY)

Parent under 21 and pursuing high school or GED

A parent eligible for Transition Year must receive Transition Year, including parents under 21 years old pursuing a high school diploma or general equivalence diploma (GED) who meet Transition Year requirements. Note: MEC² functionality incorrectly determines the BSF subprogram for parents under 21 years old pursing a high school diploma or GED who are eligible for Transition Year. To get Transition Year results for a parent under 21 years old who is pursuing a high school diploma or GED, follow instructions in the MEC² User Manual for "Student parent under 21 attending high school or GED eligible for Transition Year."

Parent turns 21 or no longer pursuing high school or GED

If eligibility for MFIP/DWP Child Care for Student Parents ends because the parent turns 21 or stops pursuing their high school or GED, the family is no longer eligible for MFIP/DWP Child Care for Student Parents but is eligible for Transition Year when Transition Year requirements are met. See Chapter 4.3.15 (MFIP/DWP Child Care for Student Parents). MEC² functionality will correctly produce Transition Year results when a student parent no longer qualifies for MFIP/DWP Child Care for Student Parents and the family is within their Transition Year period. The family should be moved on the BSF waiting list from 1st priority if approved for TY child care.

BSF child care to MFIP/DWP Child Care for Student Parents

When a family moves from one county where they were receiving BSF to another county that has a BSF waiting list, the family must notify the new county within 60 days of the move. If at least one parent in the family is under age 21 and pursuing a high school diploma or GED, the family will receive MFIP/DWP Child Care for Student Parents after the Unitary Residency period, if eligibility requirements are met, rather than Portability Pool funding. The family must be added to the new county's BSF waiting list as 1st priority. See Chapter 4.3.12.9 (BSF Priorities).

MFIP/DWP Child Care for Student Parents — subprogram changes 4.3.15.6

MFIP/DWP Child Care for Student Parents to Portability Pool

If a family with a parent under 21 who is attending high school or GED is receiving BSF in one county and moves to a county with a BSF waiting list, the family should be approved for MFIP/DWP Child Care for Student Parents in the new county. If the parent then turns 21 or stops attending high school or GED, the family should be approved for Portability Pool until BSF funds are available. The family should be moved on the BSF waiting list from 1st priority to 3rd priority when approved for Portability Pool. To create Portability Pool results, see the MEC² User Manual section "Parent no longer eligible for MFIP/DWP Child Care for Student Parents but is eligible for Portability Pool."

Legal authority

Minnesota Statutes 119B.011, subd. 19b

CCAP authorized activities 4.6

Parentally responsible individuals (PRIs) must participate in authorized activities at application and redetermination to be eligible for child care assistance. Families may be involved in a combination of authorized activities.

In families with two PRIs, at least one PRI must participate in authorized activities and the other must participate in authorized activities or be determined unable to care for their child(ren). See Chapter 4.6.1 (Activity requirements based on family composition).

During the 12-month eligibility period, there are limited circumstances when a PRI is not participating in an authorized activity in which the family remains eligible for child care assistance. See Chapter 8.1.9 (Changes in activity), Chapter 9.15.3 (Care during temporary breaks from authorized activities) and Chapter 9.15.6 (Extended eligibility).

Approved authorized activities

There are different authorized activities within an MFIP or DWP Employment Plan and outside of an MFIP or DWP Employment Plan.

- For information about authorized activities within an MFIP or DWP Employment Plan, see Chapter 4.6.3 (Authorized activities within an Employment Plan).
- For information about authorized activities outside of an MFIP or DWP Employment Plan, see Chapter 4.6.6 (Authorized activities outside an Employment Plan). The following are authorized activities outside of an Employment Plan:
  - Job search at application or redetermination. See Chapter 4.6.6.3 (Job search at application or redetermination).
  - Employment. See Chapter 4.6.6.6 (Employment outside an Employment Plan).
  - Education. See Chapter 4.6.6.9 (Education outside an Employment Plan).
  - Combinations of activities examples. See Chapter 4.6.6.12 (Combinations of activities examples).

See Chapter 8.1.9 (Changes in activity) for how to process changes to employment, education and training during a family's 12-month eligibility period.

Expedited child care for families experiencing homelessness

Families experiencing homelessness are exempt from activity requirements at application and during the three month period that follows the date the application is received. See Chapter 4.6.9 (Authorized activities for families experiencing homelessness).

Legal authority

Minnesota Statutes 119B.011
Minnesota Statutes 119B.095
Minnesota Statutes 119B.105
Minnesota Rules 3400.0040

Activity requirements based on family composition 4.6.1

Single parent, unmarried legal guardian or eligible relative caregiver

- The applicant or participant must meet authorized activity requirements and other eligibility requirements of the sub-program the family is applying for or participating in.

Two parents, a parent and stepparent, a legal guardian and spouse, or an eligible relative caregiver and spouse

- At least one parent, legal guardian, eligible relative caregiver, or spouse must meet authorized activity requirements and other eligibility requirements of the sub-program the family is applying for or participating in. The other parent, legal guardian, eligible relative caregiver, or spouse must:
  - Meet authorized activity and other eligibility requirements of the sub-program the family is applying for or participating in.

  OR
  - Be unable to care for the applicant's child or dependent as determined by a licensed physician, licensed psychologist, licensed psychiatrist or licensed social worker. The status of the parent who is determined to be "unable to care" may be permanent or temporary.
    - If the parent or other Parentally Responsible Individual (PRI) in the household is unable to care for a child or children in the family for medical reasons, the Parent Medical Condition Form DHS-6305 (PDF) can be used to verify that a parent or other Parentally Responsible Individual (PRI) in the household has a medical condition and is unable to provide care for their child(ren).
    - If the parent or other Parentally Responsible Individual (PRI) in the household is unable to care for a child or children in the family for other reasons, such as safety concerns, the needs of other children or house arrest, accept verification that verifies that a parent or other Parentally Responsible Individual (PRI) in the household is unable to provide care for their child(ren) if it is signed by a licensed physician, licensed psychologist, licensed psychiatrist or licensed social worker.

See Chapter 4.3.3.6 (MFIP special circumstances) for information about two-parent households when only one parent is on MFIP.

Legal authority

Minnesota Rules 3400.0040, subd. 5

Authorized activities within an Employment Plan 4.6.3

Authorize child care assistance for any activity included in an MFIP/DWP participant's Employment Plan.

Approve child care assistance for MFIP/DWP recipients for authorized activities in an Employment Plan based on the hours of activity participation included in the Employment Plan. If the number of hours is not specified, do not authorize more hours than the activity requires and is needed for the child. Include travel time in the authorized hours. Never authorize more than 120 hours per two week period, per child. See Chapter 9.1.5 (Authorizing care – Employment Plans).

Treat the following as authorized activities when included in an approved Employment Plan:

- Employment Services overviews and assessments
- Social service and pre-employment activities
- Appeals and hearings
- Job search as identified in the Employment Plan
- Participation in work as identified in the Employment Plan
- Participation in training/education, using actual time in class and study time, as identified in the Employment Plan. This includes baccalaureate, advanced degrees, and post baccalaureate.

Activities that cannot be authorized

Do not authorize care for the following activities:

- Political activities done for political purposes when the act is done to influence voting as in a primary or other election. This applies to any paid, unpaid, or subsidized private sector or public sector position. These activities are not countable Employment Plan activities and care should not be authorized to support them.
- Licensed family child care providers and their employees and legal nonlicensed child care providers and their employees are NOT eligible to receive child care subsidies for their own children or children in their family during the hours they are providing child care or being paid to provide child care. See Chapter 9.15.21 (Children of child care providers).

For information on how to authorize hours when Employment Plan activiites change, see Chapter 9.12 (Authorization changes during the 12-month eligibility period).

For information on how to determine eligibility for activities within an Employment Plan during a subprogram switch, see Chapter 8.1.18 (Changes in subprogram).

Legal authority

Minnesota Statutes 119B.011
Minnesota Statutes 256J
Minnesota Rules 3400.0040 and 3400.0080

Job search at application or redetermination 4.6.6.3

A parent participating in job search outside of an Employment Plan has eligibility for child care assistance at application or redetermination when all other eligibility requirements are met. Job search outside of an Employment Plan is an authorized activity only at application and redetermination. Job search is considered an authorized activity for families requesting retroactive eligibility at application. See Chapter 4.18 (Date of Eligibility).

Job search limits at application or redetermination

There is no minimum activity requirement to be eligible for job search outside of an Employment Plan at application or redetermination. Authorization for job search outside of an Employment Plan is limited to 240 hours per calendar year, and no more than 40 hours of job search can be authorized in a biweekly period. Use the application or redetermination date as the begin date for job search outside of an Employment Plan activity on the Support Activity window in MEC². Families must receive at least 12 weeks of eligibility at application or redetermination. If the family starts care after the application or redetermination date for job search reconcile the job search tracking window to ensure the family received at least 12 weeks of eligibility. See Chapter 9.1.4 (Authorizing care – Job search). When a parent on job search outside of an Employment Plan does not need child care to support the job search activities, suspend the case. See Chapter 8.9 (Suspending).

Job search outside of an Employment Plan CANNOT be authorized in combination with any other activity. See Chapter 4.6.6.12 (Combinations of Activities Examples).

Job search limits and new calendar years

Authorization for job search outside of an Employment Plan is limited to 240 hours per calendar year (not to exceed 40 hours in a biweekly period). If a parent on job search has hours available through the end of the current calendar year, they may receive up to the available 240 hours (not to exceed 40 hours in a biweekly period) in the current calendar year and continue to receive job search for another 240 hours in the next calendar year. These families will not exceed the 240 per calendar year limit in either year but will receive more than 12 weeks of eligibility. This is appropriate.

Example:

On October 1, a parent requested job search outside of an Employment Plan at redetermination for 15 hours per week. At the end of December, the parent has used less than the allowed 240 hours of job search for the current calendar year and is eligible to receive up to 240 hours in the next calendar year. The parent will continue to be eligible for continuous job search from the current calendar year into the next calendar year until 240 hours of job search are used in the next calendar year or until parent starts an eligible activity, whichever occurs first.

Requirements at the end of job search

- When a parent has used all allowed job search hours, the parent must meet authorized activity requirements for their subprogram. The case should become ineligible at the end of job search if a parent is not meeting minimum activity requirements that apply at application and redetermination.

  - The parent is not eligible for Extended Eligibility at the end of job search.
  - If the activity is employment, the parent must verify that they meet the minimum employment requirements that apply at application and redetermination (be working an average of 20 hours per week at minimum wage or 10 hours per week if they are a full-time student). See Chapter 7.4 (Verification – 12-month eligibility).
  - At the end of job search, if the parent has an employment activity below the minimum employment requirement, MEC² requires an override to get ineligible results. See the MEC² User Manual for the "Job search ends and remaining activity does not meet requirements" workaround.
  - If the activity is education, the parent must verify that they meet the education the criteria in the agency's county and tribal child care fund plan. See Chapter 7.4 (Verification – 12-month eligibility).
- If ineligible at the end of job search, the agency can approve the case to close or place the case on Temporary Ineligible (TI) status. See Chapter 8.6 (Temporary Ineligibility).
  - If the case is on TI status, the parent must meet minimum activity requirements that apply at application and redetermination for the case to change from TI status to Eligible.
  - If the case is on TI status and 240 hours of job search become available in a new calendar year, job search cannot be used until the next redetermination or reapplication.
- If a case closes at the end of job search, see Chapter 12.3.12 (Termination notices – Family). Care can be authorized and paid retroactively to the date job search ended if:
  - The parent started a new activity before job search ended,
  - The family reported the new activity within 90 days after the case closed, AND
  - The family met all eligibility requirements for the time-period after the case closed.

Job search at reapplication

If a parent used job search outside of an Employment Plan and reapplies for child care assistance in the same calendar year, the family may only use job search at reapplication if all 240 hours of job search were not used with the previous application/redetermination. If fewer than 240 hours of job search remain in the calendar year, the remaining job search hours must be spread over 12 weeks. Care must be authorized at less than the standard 20 hours per week. Divide the remaining number of available job search hours by 12. The result, rounded down to the nearest whole number, is the number of hours per week that can be authorized. Explain to the family that this amount of care can be authorized

Example:

In January, an application is approved for job search. Job search set up for 20 hours per week for 12 weeks. Parent finds a job meeting minimum employment hours after using 60 hours of job search. The parent has 180 hours of job search remaining for the year. The parent ends the job three weeks later and is put on Extended Eligibility. The parent has not found a new job by the end of the Extended Eligibility period. Case closes.

In August, the parent reapplies with a new application requesting job search. The parent has 180 hours of job search left this calendar year. The application gets approved because job search is an eligible activity at application. However, the Service Authorization cannot end earlier than 12 weeks. There are not enough job search hours available to authorize job search at the standard 20 hours per week. The authorized hours for job search the parent would be eligible for at the re-application would be 180 hours/12 weeks = 15 hours per week. The Service Authorization could be approved for 30 hours

biweekly. If the parent requests fewer than 30 hours biweekly, the requested amount would be approved.

Legal authority

Minnesota Statutes 119B.10, subd. 1
Federal Child Care and Development Fund, 45 C.F.R. Part 98

Employment outside of an Employment Plan 4.6.6.6

Minimum work requirements

At application, redetermination and the end of job search, for employment outside of an Employment Plan to be an authorized activity, the parent must work an average of 20 hours or more per week and must receive at least the applicable minimum wage for all hours worked. Work with the parent to determine a length of time, not to exceed the most recent six months, over which the number of hours worked weekly can be averaged to determine if the parent meets the requirement to work an average of 20 hours per week at the applicable minimum wage. If the compensation is other than an hourly wage, divide the earned income by the number of hours worked to determine if this requirement is met. See Chapter 4.6.6.15 (Applicable minimum wage).

Other non-employment activities cannot be combined with employment to meet the minimum employment activity requirement. See Chapter 4.6.6.12 (Combination of activities examples).

For information about how to determine if self-employment outside of an Employment Plan meets minimum work requirements, see Chapter 9.1.1.1 (Authorizing care – Self-employment).

Students who are employed

If a full-time student requests child care assistance for employment hours at application or redetermination, require employment of at least an average of 10 hours per week and receipt of at least the applicable minimum wage for all hours worked for the employment to be an authorized activity. The training or education does not need to be approved by the CCAP agency for the full-time student minimum employment level to apply. However, the full-time student status needs to be verified. A full time student retains full time status during school breaks, including summers, if the student is expected to return to school full-time after the break.

If a part-time student requests child care assistance for employment hours at application or redetermination, require employment of at least an average of 20 hours per week and receipt of at least the applicable minimum wage for all hours worked for the employment to be considered an authorized activity.

If a student is not working or does not want child care assistance for the hours they are working, there is no minimum work requirement to receive child care for education.

Changes during the 12-month eligibility period

After a parent meets minimum work requirements at application, redetermination or the end of job search, minimum work requirements do not apply during the 12-month eligibility period. If work hours decrease below 20 hours per week (or 10 hours per week if they are a full-time student) and/or if a parent's wage drops below the applicable minimum wage, eligibility continues until redetermination.

If a student is approved for child care assistance for education only and starts working during the 12-month eligibility period, the student does not need to meet the minimum work requirements that apply to students until redetermination. The education and employment are authorized activities during the 12-month period.

Families who are moving to another CCAP subprogram during their 12-month eligibility period are not subject to minimum work requirements.

Employment outside of an Employment Plan 4.6.6.6

Legal authority

Minnesota Statutes 119B.011, subd. 20
Minnesota Rule 3400.0040

Education outside of an Employment Plan 4.6.6.9

Your agency must approve a student's education or training program before authorizing child care assistance for education outside of an Employment Plan for TY, TYE and BSF subprograms.

Education is NOT an authorized activity outside of an Employment Plan for the MFIP/DWP child care subprogram.

Approving education plans

The criteria for approving education or training programs outside of an Employment Plan is in each agency's county and tribal child care fund plan. In general:

- Education or training programs must reasonably lead to full-time employment opportunities as determined by the agency.
- Students must maintain satisfactory progress in the education or training program as determined by the institution.
- Your agency must approve any changes in education and training program before the change is made.

Documentation approving the education or training program must be included in the case file. Documentation may include an agency form showing approval, written communication such as an email indicating approval, or a case note stating that the education or training program has been approved.

Once an education plan is approved, it is considered approved through the family's 12-month eligibility period, including if a family moves to a new county or tribe. If a family moves to a new county or tribe during their 12-month eligibility period, at redetermination the agency must review that the education plan meets their agency's county and tribal child care fund plan education criteria. See Chapter 4.24 (Moving between counties).

Terminating education plans

After an education plan is approved, it cannot be terminated during the family's 12-month eligibility period. See Chapter 8 (12-month eligibility period). At redetermination, a CCAP agency is allowed to terminate approval for a family's education plan if:

- The parent is not meeting satisfactory progress as determined by the institution.
- The plan does not meet the agency's county and tribal child care fund plan criteria.

High school diploma and GED high school equivalency diploma

Time limits

Do not apply specific time limits if the student is maintaining satisfactory progress as determined by the institution.

Waiting list priority

If your county or tribe has a waiting list for BSF, a student who does not have a GED or high school diploma must be participating in an education program to be included in Priority 1 of the waiting list. See Chapter 4.3.12.9 (BSF priorities).

If your county or tribe has a waiting list for BSF, a student under 21 years of age who needs child care assistance to attend a GED or high school diploma program, should be served under MFIP/DWP Child Care for Student Parents. See Chapter 4.3.15 (MFIP/DWP Child Care for Student Parents).

MFIP/DWP Child Care for Student Parents

To be eligible for MFIP/DWP Child Care for Student Parents, the parent must be pursuing a high school or general equivalency diploma (GED). The parent must have an approved education plan for their high school or GED program.

Other activities allowed under this program

Parents pursuing remedial or basic skills courses are not eligible for MFIP/DWP Child Care for Student Parents, unless those courses are part of their high school or GED program. Student parents on a school break, including summer breaks, retain their status as a student parent if they are expected to return to school following the break.

Care may be authorized for the high school or GED activity and other activities that meet BSF authorized activity requirements. Refer to Chapter 9 for more information about authorizing child care.

Basic or remedial education

Remedial or basic skills courses include Adult Basic Education and English as a Second Language.

Time limits

Do not apply specific time limits if the student is maintaining satisfactory progress as determined by the institution.

Waiting list priority

If your county or tribe has a waiting list, a student who needs remedial or basic skill courses must be participating in an education program to be included in Priority 1 of the waiting list. See Chapter 4.3.12.9 (BSF priorities).

Post-secondary programs

Post-secondary programs can include many different types of education programs. Examples include associate degrees, bachelor degrees, certificate programs, and technical degrees.

Time limits

Do not apply more restrictive time limits for the student than those established by the educational institution. Do not authorize child care for more than the time necessary for a part-time or full-time student to complete the requirements the institution determines necessary for the degree. Require the student to provide documentation from the institution regarding credits and hours needed to complete the program.

Waiting list priority

If your county or tribe has a waiting list, a student who wants to pursue post-secondary education will be included in Priority 5 of the waiting list unless they meet conditions of a higher priority. See Chapter 4.3.12.9 (BSF priorities).

Post-baccalaureate education

Post baccalaureate education includes education programs beyond a bachelor's degree, such as a master's program. If someone has obtained a bachelor's degree, do not approve an education plan for additional degrees or education beyond a bachelor's degree except for continuing education units, certification or coursework needed to update credentials to obtain or retain employment.

Legal authority

Minnesota Statutes 119B.10, subd. 3
Minnesota Statutes 119B.011, subd.19b
Minnesota Statutes 119B.03, subd.4
Minnesota Statutes 119B.105
Minnesota Rules 3400.0040

Combination of activities examples 4.6.6.12

The following examples illustrate case actions needed and policy for combinations of activities outside of an Employment Plan when determining eligibility at application and redetermination. Note: Education is **NOT** an authorized activity outside of an Employment Plan for the MFIP/DWP child care subprogram. See Chapter 4.6.6.9 (Education outside of an Employment Plan).

Employment and education examples

Meets minimum work requirements

Scenario: Parent is enrolled full-time in an approved education program. Parent is working an average of 15 hours per week earning over minimum wage.

Case action: Child care can be authorized for both activities.

Policy: For full-time students, the parent must work at least an average of 10 hours per week at minimum wage for child care hours to be authorized for employment (unless included in an approved MFIP/DWP Employment Plan).

Does not meet minimum employment activity requirements

Scenario: Parent is enrolled part-time in an approved education program. Parent is working an average of 15 hours per week over minimum wage.

Case action: Child care can be authorized for the education activity **ONLY.**

Policy: For part-time students, the parent must work at least an average of 20 hours per week at minimum wage for child care hours to be authorized for employment.

Education activity is not approved

Scenario: Parent is enrolled full-time in an education program. The education program is not approved and does not meet the agency's approval criteria as identified in their county and tribal child care fund plan. Parent is working an average of 15 hours per week over minimum wage.

Case action: Child care can be authorized for employment **ONLY**.

Policy: For full-time students, the parent must work at least an average of 10 hours per week at minimum wage for child care hours to be authorized for employment. The education activity does not need to be approved and the parent does not need to request child care hours for their education activity for the minimum employment activity requirement to be 10 hours for a full-time student.

Employment and job search examples

Parent meets minimum work requirements and requests job search

Scenario: Parent is working an average of 25 hours per week earning minimum wage at application. The parent also requests job search hours to find a full-time job.

Case action: Child care can be authorized for employment **ONLY.**

Policy: Job search can only be authorized at application and redetermination and cannot be authorized in combination with other activities.

Parent does not meet minimum employment activity requirements and requests job search

Scenario: Parent is working an average of 15 hours per week earning minimum wage at application. The parent also requested job search hours to find a full-time job.

Case action: Child care can be authorized for job search **ONLY**.

Policy: Child care hours cannot be authorized for employment because the parent does not meet minimum employment activity requirements. Job search hours cannot be added to employment hours to meet minimum employment activity requirements.

Do not authorize more than 40 hours of job search biweekly. The parent may use authorized job search hours to cover child care expenses while working. At the end of the job search period, their employment must meet the minimum work requirements of at least an average of 20 hours per week earning at least minimum wage. If the parent is not meeting the minimum work requirements at the end of job search, the agency can approve the case to close (see Chapter 4.6.6.3 (Job search at application or redetermination)) or place case in Temporary Ineligible status (see Chapter 8.6 (Temporary Ineligibility)).

Education and job search examples

Full-time education program

Scenario: Parent is enrolled full-time in an education program. The parent does not want child care hours for their education program but has requested job search hours to find a job.

Case action: Authorize child care for job search **ONLY**. Do not authorize more than 40 hours of job search biweekly.

Policy: At the end of the parent's job search period, they must have employment that meets the minimum work requirements of at least an average of 10 hours per week earning at least minimum wage. If the parent is not meeting the minimum work requirements for a full-time student, the agency can approve the case to close (see Chapter 4.6.6.3 (Job search at application or redetermination)) or place case on Temporary Ineligible status (see Chapter 8.6 (Temporary Ineligibility)). This requires an override.

Combination of activities examples 4.6.6.12

Part-time education program

Scenario: Parent is enrolled part-time in an education program. The parent does not want child care hours for their education program but has requested job search hours to find a job.

Case action: Authorize child care for job search **ONLY**. Do not authorize more than 40 hours of job search biweekly.

Policy: At the end of the parent's job search period, they must have employment that meets the minimum work requirements of at least an average of 20 hours per week earning at least minimum wage. If the parent is not meeting the minimum work requirements for part-time students at the end of job search, the agency can approve the case to close (see Chapter 4.6.6.3 (Job search at application or redetermination)) or place case in Temporary Ineligible status (see Chapter 8.6 (Temporary Ineligibility)).

Requests education and job search

Scenario: Parent is enrolled in an approved education program and requests child care hours for their education program. The parent also requested job search hours to find a job.

Case action: Child care can be authorized for education **ONLY**.

Policy: Job search can only be authorized at application and redetermination and cannot be authorized in combination with other activities.

Applicable minimum wage 4.6.6.15

Applicable minimum wage for child care assistance is used to determine:

- If a parent meets minimum activity requirements for employment outside of an Employment Plan at application and redetermination. See Chapter 4.6 (CCAP Authorized Activities) and Chapter 4.6.6 (Authorized Activities Outside an Employment Plan).
- The number of hours to authorize for employment outside an Employment Plan when the parent does not work for an hourly wage. See Chapter 9.1.1 (Authorizing Care – Employment).

Minimum wage laws

There are state minimum-wage laws and federal minimum-wage laws. In cases where an employee is subject to both the state and federal minimum wage laws, the employee is entitled to the higher of the two minimum wages. The federal minimum wage is currently less than Minnesota's state minimum wage.

In Minnesota, there are different minimum wages based on whether the employer or business is considered a large employer or a small employer.

- A small employer is a business with annual gross revenue of less than $500,000.
- A large employer is a business with annual gross revenue of more than $500,000.

Determining the applicable minimum wage

- Assume that the applicable minimum wage is being paid by the employer when a worker receives an hourly wage from their employer and they are not self-employed, contracted, or salaried.
- Apply the higher minimum wage for the applicable business size when an applicant or participant is contracted, salaried, or self-employed unless the person can supply information to show that they are not subject to this standard. The CCAP agency should work with the applicant or participant to identify the correct applicable amount if the person believes that they should not be subject to the higher minimum wage but verification is not available.

Wages for people with disabilities

Some employers employ people with disabilities and may qualify for disabled-worker permits. The Minnesota Department of Labor and Industry grants waivers from minimum wage requirements for some sheltered workshops employing people with disabilities.

To pay a person with disabilities less than the state minimum-wage, an employer must apply for a subminimum-wage permit from the Minnesota Department of Labor and Industry. The employer may have such documentation of a waiver, or the worker can contact the Department of Labor and Industry to determine if this employer has such a waiver. If it is determined that the employer has a permit to pay subminimum-wage, the wage paid should be regarded as the "applicable minimum wage" and as meeting CCAP requirements.

Applicable minimum wage 4.6.6.15

Legal authority

Minnesota Statutes 119B.10
Minnesota Rules 3400.0040

Authorized activities outside an Employment Plan 4.6.6

Authorized activities outside of an Employment Plan

The following activities outside of an Employment Plan are authorized activities for all CCAP subprograms.

- Job search at application or redetermination up to 240 hours per calendar year per participant, see Chapter 4.6.6.3 (Job search at application or redetermination).
- Employment, See 4.6.6.6 (Employment outside of an Employment Plan).
- Education with approved plan by a County or Tribe for TY, TYE and BSF subprograms, see Chapter 4.6.6.9 (Education outside of an Employment Plan).
  - Education is **NOT** an authorized activity outside of an Employment Plan for MFIP/DWP subprogram, see Chapter 4.6.3 (Authorized activities within an Employment Plan).
- Combinations of authorized activities, see 4.6.6.12 (Combination of activities examples).

Additional authorized activities outside of an Employment Plan for MFIP/DWP child care

In addition to the above, the following activities outside of an Employment Plan are authorized activities for MFIP/DWP child care subprogram ONLY:

- Financial and employment services orientations and assessments for families participating in MFIP/DWP.
- Appeals and hearings for cash assistance for families participating in MFIP/DWP.

Changes to authorized activities outside Employment Plan during the 12-month eligibility period

Whether a change in activity participation will impact a family's case depends on their reporting type. See Chapter 8.3.6 (Reporting types) for more information about determining a family's reporting type.

See Chapter 8.1.9 (Changes in activity) for more information about impacts on family eligibility when activities change during the family's 12-month eligibility period.

See Chapter 9.12 (Authorization Changes During the 12-Month Eligibility Period) for more information about impacts on child care authorization when activities change during the family's 12-month eligibility period.

Legal authority

Minnesota Statutes 119B.011
Minnesota Statutes 256J
Minnesota Rules 3400.0040 and 3400.008

Authorized Activities for Families Experiencing Homelessness 4.6.9

Activity exemption

Families experiencing homelessness are exempt from activity requirements at application and during the three month period that follows the date the application is received.

Job search is not used for families experiencing homelessness at application.

Families with activities at application

If a family has an authorized activity at application or during the three month period they may qualify for more hours of child care. Authorize additional hours if the activity and activity schedule are verified. See CCAP Policy Manual 9.1 (Child Care Authorization) and 9.1.15 (Authorizing Care – Expedited Child Care).

Activity requirements to continue eligibility at the end of three month period

The family must meet and verify activity requirements by the end of the three month period for eligibility to continue. The family can verify that they met the activity requirements anytime during the three month period.

The family must be participating in an authorized activity under Chapter 4.6.3 (Authorized Activities Within an Employment Plan) or Chapter 4.6.6 (Authorized Activities Outside an Employment Plan) or be on Extended Eligibility.

- The family is not eligible for Extended Eligibility unless the parent had an employment activity, an approved education plan, or anactivity within an employment plan that permanently ended during the three month period.

  Example: The three month expedited homeless policy period is January 1 to March 31.

  - The family verifies that on February 1 they started employment that mets the minimum work requirements that apply at application.
  - The family's employment permanently ended on February 28.
  - The family is eligible for Extended Eligibility from March 1 to May 31 due to permanent employment ending. Note: Even though Extended Eligibility in this example goes beyond the three month expedited homeless policy period, all other required verifications are needed to continue eligibility beyond the three month expedited homeless policy period. If all verifications are not received or homeless requirements not met the case must be put in Temporary Ineligible status. See CCAP Policy Manual 4.21 (Expedited child care for families experiencing homelessness) and 8.6 (Temporary Ineligibility).

- Job search outside of an Employment Plan is not an authorized activity at the end of the three month period.

- If the activity is employment outside of an Employment Plan:

    - The parent must verify that they meet the minimum employment requirements that apply at application (be working an average of 20 hours per week at minimum wage or 10 hours per week if they are a full-time student). See Chapter 7.4 (Verification – 12-month eligibility).

    - If the parent has an employment activity below the minimum employment requirement, MEC² requires an override to get ineligible results. See the MEC² User Manual System Limitations for the "Job Search or expedited child care three month period ends and remaining activity does not meet requirements" workaround.

- If the activity is education outside of an Employment Plan, the parent must verify that they meet the education criteria in the agency's county and tribal child care fund plan. See Chapter 7.4 (Verification – 12-month eligibility).

Ongoing activity requirements

Families experiencing homelessness have the same activity requirements as other families during the 12-month eligibiltiy period and at redetermination. See Chapter 8.1.9 (Changes in Activity) and Chapter 4.6 (CCAP Authorized Activities).

Legal authority

Minnesota Statutes 119B.097, subd. 3

Cooperation with child support 4.9

Applicants and participants must cooperate with Child Support for all minor children in the CCAP family with an absent parent at application and redetermination. If a family does not cooperate at application and redetermination, they are not eligible for child care assistance unless the parent has claimed good cause. See Chapter 4.9.6 (Child Support good cause claim).

Note: A family is not required to cooperate with Child Support for biological parent(s) of an adopted child or for a child with absent parent(s) that has had their parental rights terminated as the absent parent(s) no longer has parental responsibility to the child.

Cooperation with Child Support may include:

- Establishing paternity.
- Establishing a support order.
- Modifying a support order.
- Enforcing of an existing support order.
- Providing all known information relevant to the absent parent such as name, address, social security number, phone number, place of employment or school, and the names and addresses of any relatives.
- Appearing at interviews, hearings, and legal proceedings.
- Submitting to genetic tests, including genetic testing of the child, if under a judicial or administrative order.
- Providing additional information necessary to cooperate in good faith with the Child Support agency.

Determining cooperation status

Consider a family to be cooperating at application or redetermination when:

- There is an open Child Support case in PRISM for each child with absent parent(s) coded as being in cooperation,

OR

- The Referral to Support and Collections (DHS-3163B) (PDF) form is completed when there is no open Child Support case in PRISM,

OR

- The Child Support agency determines that a closed case does not require new forms. In this situation, the family met cooperation requirements when the original form was completed.

When there is no open Child Support case in PRISM or the local Child Support agency determines that a closed case in PRISM requires new forms, send the Cooperation with Child Support Enforcement (DHS-2338) (PDF) and the Referral to Support and Collections (DHS-3163B) (PDF). The family must complete the Referral to Support and Collections (DHS-3163B) (PDF) to meet cooperation requirements for Child Care Assistance. If the family is claiming good cause, they must **also** complete the Cooperation with Child Support Enforcement (DHS-2338) (PDF). The family can request good cause at any time. See Chapter 4.9.6 (Child Support good cause claim).

At application or redetermination, if the Referral to Support and Collections (DHS-3163B) (PDF) form is required and not completed for each child in the CCAP family with an absent parent, the family is not cooperating with Child Support so is not eligible for child care assistance. Take action to deny or close the family's CCAP case. See Chapter 3.6 (Accepting and processing applications), Chapter 10.6.3 (Redetermination processing standards), and Chapter 10.6.10 (Redetermination - Reinstatement).

To determine if a family is in cooperation with Child Support at application, see Chapter 4.9.9 (Child Support cooperation at application). To determine if a family is in cooperation with Child Support at redetermination, see Chapter 4.9.12 (Child Support cooperation at redetermination).

Changes in family composition during 12-month eligibility period

During the 12 month eligibility period, families may be sent the Cooperation with Child Support Enforcement (DHS-2338) (PDF) and the Referral to Support and Collections (DHS-3163B) (PDF) forms when there are changes in family composition. Changes in family composition may include a child with an absent parent being added to the CCAP family or a parent leaving the CCAP family. See Chapter 8.1.3 (Changes in Household Composition).

If the Referral to Support and Collections (DHS-3163B) form is not returned, code the "Forms Received" in MEC² as "No," but do not terminate CCAP eligibility during the 12 month eligibility period for non-cooperation with Child Support. The family must be in cooperation with Child Support by their next redetermination. See Chapter 4.9.12 (Child Support Cooperation at Redetermination).

Child Support cooperation for an intact family

If both presumed parents are living in the home but paternity is not established, require the family to cooperate with Child Support at application or redetermination to establish paternity. For these families, the requirement to cooperate with Child Support at application and redetermination is met by cooperating with the Child Support agency to establish paternity.

If the family does not provide verification of parentage, get a signed statement from the family attesting to the correctness of the information and require Child Support cooperation. While paternity is being established, the parent is included in the CCAP household size. The family may sign and file a Recognition of Parentage (ROP), have it notarized, and file it with the Department of Health to add the father's name to the birth record. After a Recognition of Parentage (ROP) is filed and the birth record has been updated, the father will be listed on the birth certificate. The birth certificate can then be used as the father's verification of parentage.

After paternity is established, the father would not be considered an absent parent, so the family no longer has to cooperate with Child Support at application or redetermination for the father in the intact family. Child support cooperation requirements at application or redetermination would be required for any other children in the home with absent parent(s).

Child Care Support

If a court order establishes Child Care Support for a child receiving child care assistance, the Child Care Support is assigned to the State. This means the amount ordered for the absent parent to pay towards the child's child care costs is assigned to the state to offset the child's eligible child care costs paid by CCAP.

Cooperation with Child Support 4.9

An applicant assigns all rights of the family to Child Care Support to the state by completing the Minnesota Child Care Assistance Program Application (DHS-3550) (PDF) or the Combined Application - Child Care Addendum (DHS-5223D) (PDF) in addition to the Combined Application Form (DHS-5223) (PDF).

Legal authority

Minnesota Statutes 119B.09, Subd. 1
Minnesota Statutes 256.741

Communication with Child Support 4.9.3

CCAP worker communication with Child Support workers

CCAP needs to communicate certain case information to Child Support workers. This is done in two primary ways:

- Automated referrals through MEC²/PRISM interface

OR

- Manual referrals

Automated referrals – MEC²/PRISM interface

When a child has an open Service Authorization, MEC² interfaces with PRISM and alerts Child Support of case openings, closings, and/or changes.

Manual referrals

MEC² and PRISM only interface for children with open Service Authorizations. The CCAP worker needs to communicate changes with the Child Support worker for any minor child in the household without an open Service Authorization.

Send a manual referral to alert Child Support of case changes in the following situations:

- A child in the household is not eligible for CCAP.
- A child in the household does not have an open Service Authorization.

Use the Child Care Status Transmittal Update to Child Support (DHS-4003) (PDF) to send a manual referral to Child Support. Keep a copy of the completed form in the family's CCAP case file.

Examples of changes to report to the Child Support worker include, but are not limited to:

- Child moves out of the home.
- Custodial parent who did not previously claim good cause is now claiming it.
- Pending good cause claim is now approved.

Child Support worker communication with CCAP workers

Non-cooperation with Child Support

The local Child Support agency is responsible for determining if the family is cooperating with Child Support. Do not change the "Cooperation Status" field in MEC² to "No" unless informed by the Child Support worker that the family is not cooperating.

If the family is in their 12-month eligibility period and the CCAP worker is informed the parent is not cooperating with Child Support, the family's CCAP case remains open. Do not terminate CCAP eligibility during the 12-month

eligibility period for not cooperating with Child Support. The family must cooperate with Child Support by their next redetermination. See Chapter 4.9.12 (Child Support cooperation at redetermination).

Documentation of Child Support cooperation changes during the 12-month eligibility period

If the CCAP worker is informed of changes in the family's cooperation status during the 12-month eligibility period, then it is recommended that some form of documentation of the change in cooperation be kept in the CCAP case file. Documentation includes copies of alerts, a notice or email received from Child Support, or any other form of documentation.

Legal authority

Minnesota Statutes 119B.09, subd. 1
Minnesota Statutes 256.741

Child Support good cause claim 4.9.6

Applying for good cause

If a family completes the Cooperation with Child Support Enforcement (DHS-2338) (PDF) and claims good cause, send a copy of the completed form to Child Support. A family can apply for good cause at any time. The family is considered to be cooperating while the good cause claim is pending. At application or redetermination, the Child Care Assistance Program (CCAP) worker should determine CCAP eligibility while the good cause claim is pending.

The CCAP agency's Good Cause committee will approve or deny the family's good cause claim.

Good cause claim denied

If the family's good cause claim is denied, the worker should update the good cause status in MEC^2, send the Notice of Denial of Child Support Good Cause Exemption (DHS-3628) (PDF) to the family, and alert Child Support of the good cause denial. The family must cooperate with Child Support.

- If the family's application or redetermination was approved while the good cause claim was pending and then the claim is denied, the family will need to cooperate with Child Support by the family's next redetermination.
- If the family's application or redetermination has not been approved when the good cause claim is denied, the family needs to cooperate with Child Support before the family's current application or redetermination is approved.

Good cause claim approved

If the family's good cause claim is approved, the worker should update the good cause claim status in MEC^2, send the Notice of Child Support Good Cause Approval (DHS-3629) (PDF) to the family, and alert Child Support of the good cause approval. An approved good cause claim may not continue for more than 12 months without redetermination of cooperation and good cause. The good cause redetermination date may not be the same as the CCAP redetermination date.

Good cause approved for other public assistance programs

If a family's good cause claim is approved, it applies to all programs (CCAP, MFIP, DWP, and health care) for 12 months. The CCAP worker should check PRISM to verify the good cause claim approval at application and redetermination.

At application or redetermination if the family has an approved good cause claim, do not require a new Cooperation with Child Support Enforcement (DHS-2338) (PDF) form. The family is considered to be cooperating.

Good cause redetermination

An approved good cause claim may not continue for more than 12 months without redetermination of cooperation and good cause. The worker will receive an alert 15 days prior to the approved good cause claim expiration date. When this alert is received, the worker should send the Notice of Child Support Good Cause

Redetermination (DHS-3630) (PDF) to the family to redetermine the good cause claim. If the family's redetermination for good cause claim is approved, send the Notice of Approval of Redetermination of Your Child Support Good Cause Exemption (DHS-3633) (PDF) to the family. If the family does not return the form, do not take any adverse action until the CCAP redetermination.

Legal authority

Minnesota Statutes 119B.09, Subd. 1
Minnesota Statutes 256.741

Child Support cooperation at application 4.9.9

Child Support cooperation is required at application.

Determining cooperation status

During the 30 day application processing timeframe (45 days with family consent)

When a CCAP application is received, check PRISM or with the Child Support worker to see if the family is cooperating with Child Support for each minor child in the CCAP family with an absent parent. The Child Support case status and cooperation code are located on the GCSC window in PRISM. If the family is not cooperating, checking the family's cooperation status when the application is received allows the family time to meet Child Support requirements by the application processing deadline.

- If PRISM or the local Child Support agency indicate that there is an open Child Support case for each child with an absent parent in a cooperating status, no further information is needed from the family.
- If PRISM or the local Child Support agency indicate that there is an open Child Support case for each child with an absent parent, but the family is not cooperating:
  - Send the family a Memo to notify them that they must cooperate by the application auto-denial date or their CCAP application will be denied. Include their Child Support worker's name and phone number.
- If there is not an open Child Support case for each child with an absent parent or the local Child Support agency determines that a closed case in PRISM requires new forms, require the family to complete the Referral to Support and Collections (DHS-3163B) (PDF) form to meet Child Support cooperation at application.
  - Send the Cooperation with Child Support Enforcement (DHS-2338) (PDF) and Referral to Support and Collections (DHS-3163B) (PDF) forms to the family.
  - Notify the family that the Referral to Support and Collections (DHS-3163B) form must be completed and returned by the auto-denial date or their CCAP application will be denied. The Cooperation with Child Support Enforcement (DHS-2338) is also required if the family is making a good cause claim for not cooperating with Child Support.

Application Processing

Child Support cooperation is a CCAP eligibility factor that must be verified at application.

When processing the application, check PRISM or with the Child Support worker to see if the family is cooperating with Child Support for each minor child with an absent parent. The child support case status and cooperation code are located on the GCSC window in PRISM.

- If the family is cooperating with Child Support and all other requirements are met, the application can be processed.
- If the family is not cooperating with Child Support, send the family a Memo that cooperating with Child Support is needed by the application auto-denial date or their application will be denied.
- If the family is not cooperating with Child Support by the end of the allowed application processing timeframe, deny the application.

Child Support cooperation at application 4.9.9

The family is eligible for CCAP beginning the date of eligibility for the appropriate CCAP subprogram, including retroactive eligibility requests for MFIP/DWP or TY when the family meets Child Support cooperation requirements at application. See Chapter 4.18 (Date of eligibility). The family is eligible for the retroactive period even if the family was not in cooperation with Child Support during the period of time the family is requesting retroactive eligibility.

Legal authority

Minnesota Statutes 119B.09, Subd. 1
Minnesota Statutes 256.741

Child Support cooperation at redetermination 4.9.12

Child Support cooperation is required at redetermination.

Determining cooperation status

45 days prior to redetermination due date

Workers receive an MEC² alert when a family's redetermination is sent, 45 days prior to the redetermination due date. Upon receiving the alert, check PRISM or with the Child Support worker to determine whether the family is cooperating with Child Support for each minor child in the CCAP family with an absent parent. If the family is not cooperating, checking the family's cooperation status when the redetermination is sent allows the family time to meet Child Support requirements by the redetermination due date. The Child Support case status and cooperation code are located on the GCSC window in PRISM.

- If PRISM or the local Child Support agency indicate that there is an open Child Support case for each child with an absent parent in a cooperating status, no further information is needed from the family.
- If PRISM or the local Child Support agency determine that there is an open Child Support case for each child with an absent parent but the family is not cooperating:
  - Send the family a Memo to notify them that they must cooperate by the redetermination due date or their CCAP case will close. Include their Child Support worker's name and phone number.
- If there is no open Child Support case or the local Child Support agency determines that a closed case in PRISM requires new forms and the family had a change in family composition during the 12-month eligibility period that required Child Support cooperation:
  - Send the Cooperation with Child Support Enforcement (DHS-2338) (PDF) and Referral to Support and Collections (DHS-3163B) (PDF) forms to the family.
  - Notify the family that the Referral to Support and Collections (DHS-3163B) form must be completed and returned by the redetermination due date or their CCAP case will close. The Cooperation with Child Support Enforcement (DHS-2338) form is also required if the family is making a good cause claim for not cooperating with Child Support.

Redetermination processing

Child Support cooperation is a CCAP eligibility factor that must be verified at redetermination.

When processing the redetermination, check PRISM or with the Child Support worker to see if the family is cooperating with Child Support enforcement for each minor child with an absent parent. The Child Support case status and cooperation code are located on the GCSC window in PRISM.

- If the family is cooperating with Child Support and all other requirements are met, the redetermination can be processed.
- If the family is not cooperating with Child Support, send the family a Memo that cooperating with Child Support is needed by their redetermination due date or their case will close.
- If the family is not cooperating with Child Support by the redetermination due date, allow the case to close for failure to complete redetermination.

Redetermination processing - Reinstatement

If the family submits a completed redetermination form and all required eligibility verifications within 30 calendar days after their case closes, the case can be reinstated back to the date the case closed if all other redetermination eligibility factors are met. Prior to reinstating, check PRISM or with the Child Support worker to see if the family is cooperating with Child Support for each minor child with an absent parent. The Child Support case status and cooperation code are located on the GCSC window in PRISM.

- If the family is cooperating with Child Support and all other requirements are met, the case can be reinstated back to the date it closed.
- If the family is not cooperating with Child Support, the case cannot be reinstated. Inform the family that cooperation is needed by the end of the 30 day reinstatement period.
    - If cooperation is met after the 30 day reinstatement period, the family will need to reapply for CCAP and cooperate with Child Support at application.

Legal authority

Minnesota Statutes 119B.09, Subd. 1
Minnesota Statutes 256.741

Child Support Cooperation for Families Experiencing Homelessness 4.9.15

Child support cooperation at application

Families experiencing homelessness are exempt from child support cooperation requirements at application and during the three month period that follows the date the application is received.

If there are minor children in the CCAP family with an absent parent and the family is not cooperating with child support at application, send the family the information and forms needed to cooperate. See Chapter 4.9 (Cooperation with Child Support).

Child support cooperation at end of three month period

The family must be cooperating with child support for all minor children in the CCAP family with an absent parent by the end of the three month period for eligibility to continue. See Chapter 4.9 (Cooperation with Child Support).

If the family is not cooperating with child support at the end fo the three month period, send the family the information and forms needed to cooperate. See Chapter 4.9 (Cooperation with Child Support).

If the family was not cooperating with child support at the end of the three month period, but began cooperating during the Temporary Ineligible period, eligibility goes back to the Temporary Ineligible begin date. See Chapter 8.6 (Temporary Ineligibility).

The worker must determine if the family is cooperating with child support before deleting the Case Action window. MEC^2 does not check for child support cooperation at the end of the three month period.

Child support cooperation during the 12-month eligibility period and redetermination

After the family met cooperation requirements at the end of the three month period, families experiencing homelessness have the same child support cooperation requirements as other families during the 12-month eligibiltiy period and at redetermination. See Chapter 4.9 (Cooperation with Child Support).

Legal authority

Minnesota Statutes 119B.025, subd. 1
Minnesota Statutes 119B.09, subd. 1

Asset limit 4.12

To be eligible, a family's countable assets must not exceed $1 million.

Families declare whether their assets meet this limit when they complete an application or redetermination.

- If a family declares their assets are $1 million or less, the family meets the asset limit requirement, and no further verification is needed.
- If a family declares their assets are more than $1 million, the family's assets must be evaluated to determine if their countable assets are more than $1 million. See Chapter 4.12.3 (Evaluating assets) and 4.12.6 (Calculating countable assets).

Families must report changes that put their assets over $1 million. Families are informed of this requirement on the CCAP Change Report Form DHS-4794 (PDF) and the Reporting Responsibilities for CCAP Families DHS-6953 (PDF) brochure.

Information unknown

Whether the family meets the asset limit may be unknown if the family did not answer the question or an older version of a form was used. If whether the family meets the asset limit is unknown:

- No follow-up is required for families who are receiving MFIP or DWP at the time of their CCAP application or redetermination.
- If a family is not receiving MFIP or DWP at the time of their CCAP application or redetermination, follow up with the family. Methods to follow up include:
  - A phone call, in person conversation, or secure email. Document the response in case notes.
  - A Memo to the family. Document the response in case notes or keep a copy of the family's written response.
    - Sample text:

      To determine if you are eligible for child care assistance you must answer the question below. Assets include cash, bank accounts, vehicles, investments, and real estate (other than your home). Do not include the home you live in, personal belongings, or self-employment assets (if used only for business purposes).

      How much are your family's assets?

      __ My family's assets are LESS THAN $ 1 million (or equal to $1 million), or

      __ My family's assets are MORE THAN $ 1 million (your worker will contact you for more information)
  - If the family does not respond to the follow-up and it remains unknown if the family meets the asset limit, allow the application or redetermination to auto-deny.

If a family submits a version of the CCAP Change Report Form DHS-4794 (PDF) during the 12-month eligibility period that does not have the asset limit question, no further action is needed.

Legal authority

The Child Care Development Block Grant Act of 2014, Public Law Number 113-186
Federal Child Care and Development Fund, 45 C.F.R. § 98.20
Minnesota Statues 256P.02, subds. 1(a) and 2

Evaluating assets 4.12.3

If a family declares their assets are more than $1 million, follow up with the family to determine if all assets declared are countable.

Request verification of assets

Send the family a Memo requesting verification of their assets. Allow 15 days to provide verification. See Chapter 7.1 (Verification Due Dates).

Sample text:

You reported assets of more than $1 million. To get help with child care, countable assets must not be more than $1 million. For all family members, submit verification of:

- *Cash: Send a signed statement.*
- *Bank accounts (checking, saving, money market, debit cards, matured Certificate of Deposits): Send bank statements.*
- *Stocks, bonds, pension, and retirement accounts you can access without penalty: Send statements.*
- *Vehicles (cars, trucks, vans, campers, motorcycles, and trailers): Send each vehicle's year, make, and model.*
- *Property: Do not include your home or any property for self-employment. Send property statements for other property.*
- *Business accounts used to pay expenses not related to the business.*

CCAP will deny your request if countable assets are more than $1 million or if you do not submit verification.

Any form of verification is acceptable if it confirms the client's statement. Do not demand a specific document or form of verification. When proof is not available despite the efforts of you and the family, get a signed statement from the family. See Chapter 7 (Verification).

When you receive verification, follow the guidance in Chapter 4.12.6 (Calculating countable assets) to determine the value of the family's countable assets.

Countable assets do not exceed $1 million

Determine eligibility as usual if:

- The family returns requested verifications
  AND
- The value of the family's countable assets does not exceed $1 million.

Send a Memo informing the family their countable assets are below the limit. Include the calculated value of their countable assets, and remind the family that they must report within 10 days if their countable assets go above $1 million.

Countable assets exceed $1 million or information not provided

Close or deny the family's case if:

- They return requested verifications, and the value of their countable assets is over $1 million.
- They fail or refuse to return requested verifications to calculate their countable assets.

The case can be closed for these reasons at redetermination or during the 12-month eligibility period.

Legal authority

The Child Care Development Block Grant Act of 2014, Public Law Number 113-186
Federal Child Care and Development Fund, 45 C.F.R. § 98.20
Minnesota Statutes 256P.02, subds. 1a and 2

Calculating countable assets 4.12.6

Some assets are counted toward the $1 million asset limit and some assets are not counted toward the $1 million asset limit. Count the value of the following assets toward countable assets.

Cash

The value of all cash held by all CCAP family members is counted toward the $1 million asset limit.

Bank accounts

The value of bank accounts held by all CCAP family members is counted toward the $1 million asset limit.

Bank accounts include:

- Checking accounts
- Savings accounts
- Money market accounts
- Debit cards*
- Matured certificates of deposit**
- Business accounts used to pay expenses not related to the business.

*A debit card is a bank card issued by a financial institution that accepts direct deposits, has a dollar value and allows the card owner to make an electronic purchase or withdraw cash. This includes cards provided by a bank as a service for customers who cannot open checking or other types of deposit accounts.

**A matured certificate of deposit means a certificate of deposit (CD) due for payment to the CD owner. The maturity date determines when the owner is eligible to access the funds with no withdrawal penalty.

Stocks, bonds, pensions, and retirement accounts

The value of stocks, bonds, pensions, and retirement accounts and any business accountes used to pay expenses not related to the business held by all CCAP family members is counted toward the $1 million asset limit unless there is a penalty for early withdrawal.

Financial penalties include: any reduction in an investment's value or benefit if accessed early, surrender charges, penalties for early withdrawal, revocation of bonuses or one-time payments, higher fees, or reduced interest guarantees.

Vehicles

One vehicle per family member who is age 16 or older is not counted toward countable assets. The value of all other vehicles owned by a member of the CCAP family is counted toward the $1 million asset limit.

Vehicles are defined as a car, truck, van, camper, motorcycle or trailer. A mobile home or manufactured home intended for permanent occupancy is NOT a vehicle.

Calculating countable assets 4.12.6

Count the trade-in value of any vehicle counted toward the $1 million asset limit. The trade-in value is the Average Trade-In value listed in the current NADA online car values and car prices guide.

If the car is not listed in the current NADA online guide or the applicant or participant disputes the trade-in value listed in the current NADA online guide, a written statement of a vehicle's trade-in value from a vehicle dealer licensed in Minnesota must be accepted.

Real property

The following real property (real estate) is not counted:

- Property that the family lives on
- Real property that is homesteaded
- Property used for self-employment or self-support (including equipment, land or buildings used for self-employment).

CCAP counts the value of all other real property toward the $1 million asset limit. This may include houses, buildings or land.

Other information

CCAP policies for asset evaluation are aligned with asset evaluation policies for MFIP in Combined Manual (CM) §0015, except the following:

- The CCAP asset limit is $1 million.
- The value of sponsors' assets is not counted for non-citizens applying for or receiving CCAP. No information about sponsors' assets is needed for CCAP.

Legal authority

The Child Care Development Block Grant Act of 2014, Public Law Number 113-186
Federal Child Care and Development Fund, 45 C.F.R. § 98.20
Minnesota Statues 256P.02, subds. 1(a) and 2

Child's citizenship and immigration status 4.15

When a family requests child care assistance for a child, the child's citizenship or immigration status can affect the child's eligibility for child care assistance. Citizenship and immigration status do not affect a non-citizen's eligibility to participate in child care settings subject to public education standards (an education program that meets the state's expectations for student learning in K-12 public schools, such as Head Start programs and prekindergarten or school-age care programs).

The child is the beneficiary of child care assistance benefits. Therefore, when child care is provided in a setting not subject to public educational standards, the CCAP agency must verify **ONLY** the citizenship and immigration status of the child for whom child care assistance is requested. Do not ask for citizenship or immigration information from anyone in the family other than the child for whom child care assistance is requested.

Eligibility

Families with children who are United States citizens are always eligible if the family meets other eligibility criteria. Eligibility of families with children who are all non-citizens depends on the setting where child care will be provided and the child's United States Citizenship and Immigration Services (USCIS) classification. See Chapter 7.12 (Verifying Citizenship and Immigration Status) for information on how to verify immigration status.

The following immigration statuses meet eligibility requirements for child care assistance:

- Lawful Permanent Residents (LPR): Children who have been granted permission to live in the United States on a permanent basis.
- Lawfully residing non-citizens: Children with permission to live in the United States on a temporary basis, such as people granted parole, temporary protected status (TPS), deferred enforced departure (DED) or other temporary status.
- People fleeing persecution: Includes refugees, people granted asylum and people granted withholding of deportation (or removal), Cuban or Haitian entrants, and Amerasian immigrants from Vietnam.

When child care assistance will be used to pay for child care in a setting subject to public educational standards, do not verify or determine citizenship or immigration status.

Ineligibility

The following immigration statuses do not meet eligibility requirements for child care assistance (unless the child is attending care in a setting subject to public educational standards):

- **Undocumented people:** Children who do not have permission to enter or stay in the United States.
- **Non-immigrant:** Children such as tourists, students, business visitors, diplomats and others who have permission to enter the United States for a limited period of time but have not abandoned their residence in their home country.

Changes in child's citizenship or immigration status

Immigration status can change. Check with participants at appropriate intervals to see if the child's status has changed. For example:

- When the citizenship waiting period is over.
- At the ending date for non-citizens who are granted status with an ending date.

See Chapter 8.1.21 (Other Changes) for more information about how changes in immigration or citizenship status affect child care assistance.

Legal authority

Minnesota Rules 3400.0040
Minnesota Statutes 119B.025, subd. 1
Minnesota Statutes 256P.07, subd. 3

Date of eligibility 4.18

The date eligibility begins depends on the subprogram the family is eligible for. See Chapter 9.3 (Payments to providers) for information about the earliest date care can be paid.

MFIP/DWP

- Approve eligibility beginning the later date of:
  - The start date of authorized activities within an employment plan or authorized activities outside an employment plan
  - **OR**
  - The date of MFIP or DWP eligibility.
- Retroactive eligibility cannot go back further than three months prior to the CCAP application date.

Transition Year (TY)

- Approve eligibility the first day of the month after the family loses eligibility for MFIP or DWP if the family is eligible. Make child care payments retroactive to this date if the family has maintained eligibility during the entire time period. Payments of child care assistance may only be made retroactive for a maximum of three months from the CCAP application date.
- If the family has not maintained eligibility during the entire time period since MFIP or DWP eligibility ended, then the family will need to reapply. Make child care payments retroactive to the date Transition Year eligibility requirements were met after MFIP or DWP eligibility ended. Transition Year requirements include income entrance limits as described in Chapter 4.3.6 (Transition Year (TY)).
- A family with continued CCAP eligibility that can be verified does not need to meet the income entry requirement.

Transition Year Extension (TYE)

Approve eligibility the date the family completes their Transition Year child care and Basic Sliding Fee funding is not available. The family must maintain eligibility requirements for Transition Year Extension.

Basic Sliding Fee (BSF)

- Approve child care assistance beginning the later date of:
  - The date the application was received by the agency
  - **OR**
  - The beginning date of employment, approved education or training, or approved job search.

MFIP/DWP Child care for student parents

- Approve child care assistance beginning the later of:
  - The date the application was received by the agency
  - **OR**

- The date the parent began pursuing an approved high school or general equivalency diploma education activity.

Legal authority

Minnesota Rules 3400.0040
Minnesota Statutes 119B.09

Expedited Child Care for Families Experiencing Homelessness 4.21

This chapter describes the general policies and procedures for Expedited Child Care for Families Experiencing Homelessness.

To be eligible for the expedited child care policies, applicants **MUST**:

- File an application. See Chapter 3.7. (Processing Applications).
- Meet the definition of homeless for the Child Care Assistance Program. See Chapter 2 (Glossary) for definition of homeless.
- Have children needing care who are of an appropriate age. See Chapter 2 (Glossary) for definition of child.
- Meet income limits based on information available on application. See Chapter 6.3 (Income Limits).
- Have assets of equal to or less than $1 million. See Chapter 4.12 (Asset limit).
- Have children who meet citizenship and immigration status requirements based on information available on application or attend care in a setting subject to public educational standards. See Chapter 4.15 (Child's Citizenship and Immigration Status).

Refer to the following chapters for information about:

- Processing applications. See Chapter 3.7.1. (Processing Applications from Families Experiencing Homelessness).
- Assisting families with meeting program requirements. See Chapter 4.21.3 (Assisting families experiencing homelessness).
- Participating in authorized activities. See Chapter 4.6.9. (Authorized Activities for Families Experiencing Homelessness).
- Cooperating with child support. See Chapter 4.9.15. (Child Support Cooperation for Families Experiencing Homelessness).
- Providing verification and requirements at the end of the three-month period. See Chapter 7.3.1. (Verification for Families Experiencing Homelessness).
- Eligibility ending after three-month period. See Chapter 8.6 (Temporary Ineligibility).
- Authorizing child care. See Chapter 9.1.15 (Authorizing Care – Expedited Child Care).
- Authorizing child care with a high quality provider. See Chapter 9.1.12 (Weekly authorization to high quality providers)
- Allowing child care hours to increase when family verifies need for more hours. See Chapter 9.12 (Authorization changes during the 12-month eligibility period)

Three-month eligibility period

A family experiencing homelessness is eligible for three months from the date of application. The family must submit verifications, have an authorized activity and be cooperating with child support by the end of the three--month period for eligibility to continue. See Chapter 7.3.1 (Verifications for Families Experiencing Homelessness).

The three-month period begins on the date of application. If a family's eligibility begins after the date of application (if funds are not available on the date of application), best practice is to add a comment to the family's initial approval notice stating when the three-month period ends.

Verifications received and homeless requirements met

Eligibility

If the family meets all requirements by the end of the three-month period, the family is eligible for continued eligibility.

Once a family experiencing homelessness is approved eligible beyond the initial three-month period, the same policies apply as all other families during the 12-month eligibility period. The 12-month eligibility period for families experiencing homelessness begins the date of application and ends on the date of their redetermination (generally 12 months after the date of application).

Income and copay

Copays cannot increase at the end of the three-month period unless an income source was not reported on the application and is discovered later. If an income source was not reported on the application and verification shows that the copay would have been higher, contact your policy specialist.

If an income source was reported on the application and verification shows that the family's income was higher than initially calculated, the copay cannot increase.

The copay can decrease if verification supports the decrease.

Verifications not received or homeless requirements not met

Temporary Ineligible

If the family does not meet all of the requirements, the case must be put in Temporary Ineligible (TI) status with a 15-day notice. See 8.6 (Temporary Ineligibility).

Verifications received and over entrance income limit

Ineligible

A family receiving expedited child care must submit verification of their income to determine if they met the entrance income limit at application. If the family receiving expedited child care verifies their income and it did not meet the entrance income limit but is below 85% of the State Median Income, they continue to be eligible for the remainder of their three-month period. They are not eligible for continued eligibility after the three-month period ends. To close the case, do not delete the Case Action Window. Add a comment to the closing notice that the case is closing due to being over the income entrance limit. Include the calculated income amount in the comment text. Do not put the case in Temporary Ineligible status.

Overpayments

If a family experiencing homelessness is determined ineligible at the end of the three-month period, there is no overpayment unless fraud is determined.

If a family experiencing homeless is determined to be eligible for fewer benefits at the end of the three-month period, there is no overpayment unless fraud is determined. Fewer benefits could include a higher copay or fewer authorized hours for Schedule Reporters.

Legal Authority

Minnesota Statutes 119B.025, subd. 1
Minnesota Statutes 119B.095, subd. 3
Minnesota Rules 3400.0040, subp. 17

Assisting families experiencing homelessness 4.21.3

Helping families meet the requirements to maintain eligibility after the initial three month period of expedited child care may include multiple communication strategies, assisting to obtain verifications and acting on alerts.

Communication with families

Mail may not be the best form of communication for some families experiencing homelessness. In addition to mailing notices and verification requests, consider whether another method of communication may be helpful for the family.

Other communication methods may include:

- Phone call
- Email using a secure method
- Communicating with other workers, such as financial workers or job counselors who may have more frequent communication with the family
- Communicating with a person the family has provided a release of information for.

Assisting with obtaining verifications

It may be more difficult to obtain verifications for some families experiencing homelessness.

Options to help families get verifications include:

- Use information that is known to the agency, such as verifications held by the MFIP worker or in your agency's electronic documentation system. See Chapter 7.24 (Verification – DHS systems).
- Offer the client the opportunity to sign a release of information to allow your agency to request verification directly from the source. See Chapter 7 (Verification).
- When proof is not available despite the efforts of you and the family, get a signed statement from the family attesting to the correctness of the information. This cannot be used for income. See Chapter 7 (Verification)
- Refer the family to resources for obtaining verifications and maintaining communications, such as financial resources or programs to help obtain birth certificates, a PO Box or phone.

Alerts

Alerts assist workers to process expedited child care cases and follow-up on missing information.

Alerts for expedited child care cases include:

- 5-day alert: Reminds workers to process applications within five days.
- 30-day alert: Reminds workers to request verification if any required fields are coded as "No Verification"
- 60-day alert: Reminds workers to request verification if any required fields are coded as "No Verification"

- Action alert: Reminds workers that the end of the three-month period is approaching and to take action to approve eligibility or make the case Temporarily Ineligible. See Chapter 8.6 (Temporary Ineligibility).

Legal Authority

Minnesota Statutes 119B.025, subd. 1

Moving between counties 4.24

Moving from your county

A family that moves from your county to a new county must notify you within 10 days after the move. Your county remains responsible for child care funding for the Unitary Residency period of two full calendar months after the move. If the family moves on or after the first day of the month, the two full calendar month period begins the first of the following month.

If after an initial reported move, the family moves again to a new county during the two-month Unitary Residency period, the first county is also responsible for the second two-month Unitary Residency period.

If the family is on MFIP or DWP, your county remains financially responsible while still responsible for the employment services plan. Your county and the new county may transfer the responsibility before the end of the Unitary Residency period if you are both in agreement.

Closed cases that reapply within 30 days

If a case has closed and the family reapplies within 30 days, the case remains the responsibility of the county from which the family moved until they have lived in the new county for two full calendar months. A request to send the physical file should be made to the previous county.

See Inter Agency Case Transfer Form (DHS-3195) (PDF) for a sample status transfer form. For transferring county information, see MEC^2 User Manual, Physical Transfer of a CCAP File in the Case Transfer procedures section.

Moving to your county

MFIP/DWP families

When a MFIP or DWP family moves to another county and the new county accepts responsibility for the family's Employment Plan, the new county is also responsible for providing child care assistance on the date that the county accepted responsibility for the Employment Plan.

BSF families

When a Basic Sliding Fee (BSF) family moves to another county, whether the family continues to receive BSF in the new county depends on if the new county has BSF funds available.

- If the new county has funds available, the family should be served under BSF.
- If the new county does not have funds available, the family should be served under Portability Pool.

In either situation, the original county remains financially responsible for the family's BSF child care for the Unitary Residency period of two full calendar months. The original county should request address or residency verification but should not take any negative action if verification is not received. The new county must have address or residency verification prior to issuing a Service Authorization and if verification is not received, the case would be suspended.

Moving between counties 4.24

BSF funds not available in new county

When BSF funds are not available in the new county, serve the family under Portability Pool funding until BSF funds are available. See Chapter 4.3.12.15 (BSF Portability Pool).

If the family was not receiving child care assistance but was on the BSF waiting list in the previous county, do not serve the family under Portability Pool funding. Treat the family as a new applicant in your county.

Transition Year families

When a Transition Year (TY) family moves to a new county their transition year continues for the remainder of their 12-month TY period.

Legal authority

Minnesota Statute 119B.025
Minnesota Statute 119B.03
Minnesota Statute 119B.10
Minnesota Rule 3400.0020
Minnesota Rule 3400.0040
Minnesota Rule 3400.0060
Minnesota Rule 3400.0080

Excluded time facilities 4.24.1

An excluded time facility is a type of living arrangement which affects the determination of state residence and the county of financial responsibility. Examples include, but are not limited to, a halfway house, foster home, battered women's shelter, treatment program or rehabilitation facility.

The financially responsible county or tribe for a person who lives in an excluded time facility or receives excluded time services is the county or tribe in which the person lived, in non-excluded time status, immediately before entering an excluded time facility. For example, a person lives in County A, directly enters a facility in County B, and then transfers to a facility in County C. County A remains financially responsible.

If a person enters an excluded time facility or begins to receive excluded time services during the two-months of Unitary Residency, your county or tribe remains financially responsible until the person is in non-excluded time status for two full calendar months. The change in financially responsible county or tribe occurs on the first of the month after the second full calendar month the person is in non-excluded time status.

If a person leaves an excluded time facility or stops receiving excluded time services, your county or tribe remains financially responsible for two full calendar months after the move. The change in financially responsible county or tribe occurs on the first of the month after the second full calendar month the person is in non-excluded time status.

If a person who is not a Minnesota resident moves to Minnesota and directly enters an excluded time facility, the county of financial responsibility is the county where he/she signed the Minnesota Child Care Assistance Program Application DHS-3550-ENG (PDF) if:

- They have lived only in excluded time facilities in Minnesota **AND**
- They left an excluded time facility to live in Minnesota.

Families residing in excluded time facilities need to verify the address or county of residence where they lived immediately prior to entering the excluded time facility. Have the family provide an address where they can receive mail while in the excluded time facility or receiving excluded time services. Note: mailing address does not require verification. See Chapter 7.3 (Verification – Initial Application).

Legal authority

Minnesota Statutes 256G.02
Minnesota Statutes 256G.03

CCAP family composition 5

This chapter covers policy on who is included in the CCAP family when determining eligibility for CCAP.

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. The term "spouse" includes married same-sex spouses. See Chapter 2 (Glossary) for full definition of FAMILY.

Additional information is included in the following:

Sub Section	Topic
5.3	Determining the CCAP Family
5.6	CCAP family – Temporary Absence
5.9	CCAP family composition examples

Legal authority

Minnesota Statutes 119B.011

Determining the CCAP family 5.3

For information on what a family is for the Child Care Assistance Program (CCAP), see the definition of family in Chapter 2 (Glossary).

Who is in the child care assistance family?

- Parentally Responsible Individuals (PRIs) which include:
  - Parents
  - Step-parents
  - Legal guardians (see Chapter 4.1 (Applicant requirements))
  - Eligible relative caregivers (see Chapter 4.1 (Applicant requirements))
  - Legal spouses of Parentally Responsible Individuals.
- Children, including blood-related dependent children and adoptive siblings under the age of 18 years living in the same home.
- Dependent adult students (see below).
- Temporarily absent family members (see below).

Temporarily absent family members

Adults living out of the household

People may remain in the CCAP family while temporarily absent under certain conditions. See Chapter 5.6 (CCAP Family - Temporary Absence).

Children living out of the household

Children who are temporarily absent from the household include children in settings such as schools, foster care, and residential treatment facilities and those who reside in multiple households or only reside in the CCAP household part-time. Children who are temporarily absent from the household are included in the child care assistance family size. See Chapter 5.6 (CCAP Family - Temporary Absence).

Dependent adult students

A dependent adult student is:

- An adult age 18 or older
  AND
- meets the definition of family
  AND
- a full-time high school or post-secondary student.

A dependent adult student may be considered a dependent member of the family if 50% or more of the adult student's support is provided by Parentally Responsible Individuals in the household.

To include the adult student as a dependent in the family, the family must verify:

- The adult dependent's student status
- That the family provides 50%or more of the dependent student's support
- All other eligibility factors required for members of the CCAP family.

See Chapters 6.6.1 (Individuals with Exempt Earned Income), 7.3 (Verification – Initial Application), 7.6 (Verification – Eligibility Redetermination), 7.9 (Income Verification), and 16.27 (Exempt Earned Income Comparison Sheet).

Determining percentage of support

Agencies may set up criteria for determining the level of family support for adult students. One way to determine the percentage of support is to:

- Determine household costs, for example, rent, utilities, and food
- Divide the amount by the total number of family members
- Assign a percent to each member, and then
- Compare that to the adult student's income.

If the adult student is included in the family, the adult student's earned and unearned income must be included in determining the household income, unless the adult student is under the age of 19 and has not earned a high school diploma or GED.

Minor parents living with other relatives

When a minor parent(s) and his/her child(ren) are living with other relatives and the minor parent(s) applies for child care assistance, "family" means only the minor parent(s) and their child(ren).

Legal guardians, eligible relative caregivers and other caregivers

Included in the child care assistance family

Legal guardians and eligible relative caregivers of a child can receive child care assistance for the child. These children and any biological or adoptive children of the legal guardian or eligible relative caregiver are included in the family size. See Chapter 4.1 (Applicant requirements) for definitions of legal guardian and eligible relative caregiver.

Not included in the child care assistance family

If a kinship caregiver (relative custodian) does not meet the legal guardian or eligible relative caregiver definition, they cannot receive child care assistance for that child. If the person applies for child care assistance for their biological or adoptive children, the child for whom they are receiving kinship assistance is not included in the family size.

Non-parental caregivers who are not legal guardians or eligible relative caregivers of a child cannot receive child care assistance for that child. If the person applies for child care assistance for their biological or adoptive children, the other children are not included in the family size.

For example:

- Foster parents cannot receive CCAP for their foster children, unless they meet the eligible relative caregiver definition. If the person applies for CCAP for their biological or adoptive children, the foster children are not included in the family size (unless they meet the eligible relative caregiver definition).
- A person with a notarized Delegation of Power by Parent of a child cannot receive CCAP for that child. If the person applies for CCAP for their biological or adoptive children, the other children are not included in the family size.

Case examples

See Chapter 5.9 (CCAP family composition examples) for case examples.

Legal authority

Minnesota Statutes 119B.011, Subd. 13
Minnesota Rule 3400.0020 Subp. 20 and 31b.

CCAP family – Temporary absence 5.6

Adults and children that meet the definition of a Child Care Assistance Program (CCAP) family may remain in the CCAP family while temporarily absent if they intend to return to the CCAP household. Temporary absences include circumstances such as:

- Family members attending schools away from the home
- Family members in foster care
- Family members in residential treatment facilities
- Family members in military service
- Family members in rehabilitation programs
- An incarcerated family member.

The CCAP worker must determine if the absent adult family member is in a CCAP authorized activity or on Extended Eligibility when the adult is temporarily absent. Do not assume a temporarily absent parent had a permanent end to their authorized activity due to the absence. If a parent is on a temporary break from their authorized activity while temporarily absent, consider the parent to have an authorized activity.

Temporarily absent adults

Adult without an authorized activity

An adult family member who is not in an authorized activity or on Extended Eligibility may be considered temporarily absent for up to 60 days. When the temporarily absent adult is not in an authorized activity and has been absent from the household for 60 days, MEC^2 will remove the absent adult from the CCAP household and will change household size. However, if the temporarily absent adult is on Extended Eligibility and leaves the home or was in an authorized activity when they left the home and began Extended Eligibility while temporarily absent, Extended Eligibility policy applies and the absent adult will not be removed from the CCAP household until the end of the Extended Eligibility period or 60 days, whichever is later.

If the temporarily absent adult is removed from the CCAP household composition this will result in the need for child support cooperation at the next redetermination.

Adult with authorized activity

Temporarily absent adults who are in an authorized activity are not subject to the 60-day limit. Adult family members with an authorized activity will remain in the CCAP household composition during the entire time the adult member is temporarily absent. The CCAP worker must determine if the absent adult family member is in a CCAP authorized activity.

Temporarily absent children

Temporarily absent children are not subject to the 60-day limit. Children are considered temporarily absent from the household if they intend to return to the CCAP household. Continue to include these children in the CCAP household size.

CCAP family - Temporary absence 5.6

Typically, care is not authorized during periods of time when children are temporarily absent. One common exception is a child who is temporarily absent from the home but with their parent while the parent receives care at a treatment facility.

Examples of families with a temporarily absent child

Example 1
A parent submits an application for CCAP indicating the only child is in foster care and the parent is expecting trial home visits to start with the child two days a week according to a plan created with the local social services agency.

Impact on CCAP eligibility and authorization:

- Process and approve the application with the child included in the CCAP household as temporarily absent. See Chapter 5.3 (Determining the CCAP Family).
- Do not authorize care when the child is temporarily absent. Suspend the case while the child is temporarily absent. See Chapter 8.9 (Suspending).
- Authorize care for the days the parent has the child when the trial home visits start if the parent is eligible for authorization on those days. See Chapter 9.1 (Child Care Authorization).

Example 2
During the 12-month eligibility period it becomes known to the agency that the only two children in the home that have an open Service Authorization have been temporarily removed from the household by the local social services agency.

Impact on CCAP eligibility and authorization:

- The children are considered temporarily absent and should remain included in the CCAP household. The family remains eligible. Do not take action to remove the children from the household or close the case for no eligible children. See Chapter 5.3 (Determining the CCAP Family).
- Close the Service Authorization allowing for a 15-day notice. See Chapter 9.12 (Authorization Changes During the 12-month Eligibility Period).
- Suspend the case while the children are temporarily absent. See Chapter 8.9 (Suspending).

Example 3
At redetermination it is reported that the children in the family will be spending the summer with a family member for school break. The children will leave on June 1 and are expected to return to the home September 1.

Impact on CCAP eligibility and authorization:

- Process and approve the redetermination with the children included in the CCAP household. See Chapter 5.3 (Determining the CCAP Family).
- Determine authorized hours based on the verified activity schedule and authorize care while school remains in session. See Chapter 9.1 (Child Care Authorization).

- Close the service authorization allowing for a 15-day notice when the school year ends and the children are expected to temporarily leave the household. See Chapter 9.12 (Authorization Changes During the 12-month Eligibility Period.
- Suspend the case while the children are temporarily absent for the summer months. See Chapter 8.9 (Suspending).

Parenting time arrangements – child resides in multiple homes

When a child resides in multiple homes, each family can apply for child care assistance. Parenting time arrangements are an example of when a child residing in two homes can be included in more than one CCAP case. In these situations:

- The child is considered to be temporarily absent from each home during the time the child is not in residence in that home.
- The child is included in the CCAP family household composition in each family.
- Child care can be authorized for each CCAP case based on when the child is residing with each family.
- Each case would have to cooperate with child support enforcement at application and redetermination because there is an absent parent in each case.
- Eligibility, income, copayment, household size, and Service Authorizations are determined separately for each case.

When a child resides in more than one household and care is authorized to different providers on each case, care should be authorized to support the activities of the PRI(s) when the child resides at that PRI's home. Do not authorize care for the days the child does not reside in the PRI's home to prevent absent days from being paid to the provider(s) not caring for the child when the child is in the home of the other CCAP family. See Chapter 9.1 (Authorizing child care).

For more information on a CCAP family, see Chapter 2 (Glossary), Chapter 5.3 (Determining the CCAP family) and Chapter 5.9 (CCAP family composition examples).

Parent temporarily absent – children temporarily staying with someone else

Children may be temporarily staying with someone else if their parent is temporarily absent. For example, a child may be temporarily staying with someone else while their parent is in treatment, incarcerated or in the hospital.

If a child is temporarily staying with someone who is not a Parentally Responsible Individual, that person is not eligible to receive child care assistance for the child. However, authorization can sometimes continue under the parent's' case. A number of policies must be considered to determine if care can be authorized when a child is temporarily staying with someone else. Policies to consider are:

- The person who requested assistance must meet applicant requirements. See Chapters 4.1 (Applicant requirements) and 5.3 (Determining the CCAP Family).
- At application and redetermination, the parent(s) must meet activity requirements. See Chapter 4.6 (CCAP Authorized Activities) and all subchapters.

- During the 12-month eligibility period, whether a change in activity will impact a family's case depends on the family's reporting type. See Chapter 8.1.9 (Changes in activity).
- Authorized hours are based on the parent or parents' authorized activity schedule(s), the child's school schedule and the provider's availability. Authorized hours cannot be based on an activity schedule of someone who is not a Parentally Responsible Individual. See Chapter 9.1 (Child Care Authorization).
- Activity and authorization requirements must be considered:
    - Treatment, incarceration and hospitalization are not authorized activities unless they are in an Employment Plan. See Chapter 4.6.6 (Authorized activities outside an Employment Plan).
    - Whether care can continue during a temporary leave from activity depends on the family's reporter type. See Chapter 9.15.3 (Care during temporary breaks from authorized activities).
    - Extended Eligibility policy applies when a parent has a permanent end to their activity. See Chapter 9.15.6 (Extended Eligibility).
- Adults without an authorized activity can only be temporarily absent from the household for 60 days. See Chapter 5.6 (CCAP family - temporary absence).
- Child Care Assistance cannot pay a provider who lives in the same home as the child. See Chapter 11 (Providers).

Contact your policy specialist for help determining if care can be authorized for a child who is temporarily staying with someone else due to their parent being temporarily absent.

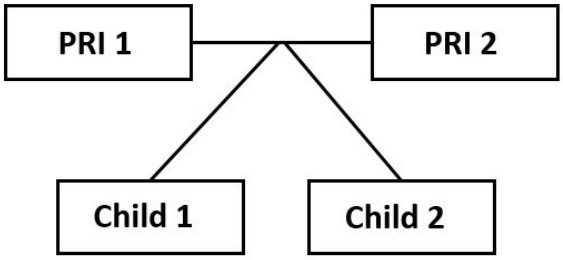
Legal authority

Minnesota Statutes 119B.011, subd. 13
Minnesota Statutes 119B.105
Minnesota Rules 3400.0020, subp. 40a
Minnesota Rules 3400.0040, subp. 3

CCAP family composition examples 5.9

The following are examples of determining the Child Care Assistance Program (CCAP) family composition. See Chapter 16.3 (CCAP case examples) to determine how CCAP policies apply to the case examples based on family composition, authorized activities, CCAP subprograms, and authorizing child care.

2-parent married family



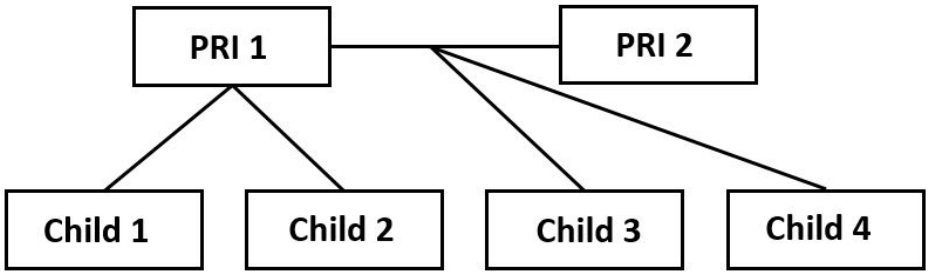
Case example

Family composition: Two-parent married family with two children.

CCAP family size: 4

All family members are included in the CCAP family due to meeting the definition of family. See Chapter 5.3 (Determining the CCAP family).

2-parent married blended family



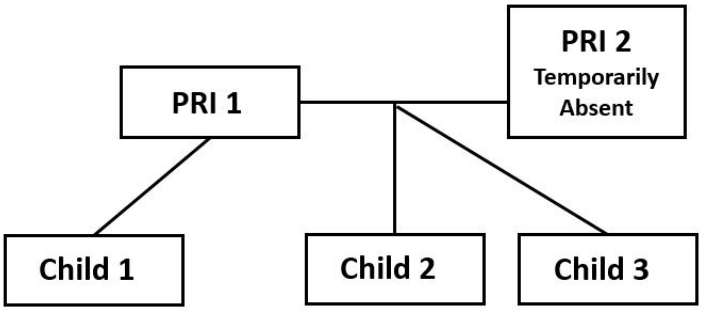
Case example

Family composition: Two parent married family with two children in common and two children not in common.

CCAP family size: 6

All family members are included in the CCAP family due to meeting the definition of family. See Chapter 5.3 (Determining the CCAP family).

2-parent married blended family (1 temporarily absent PRI)



Case example 1

Family composition: Two parent married family with two children in common and one not in common. One parent is temporarily absent and is participating in an authorized activity.

CCAP family size: 5

All family members are included in the CCAP family due to meeting the definition of family. See Chapter 5.3 (Determining the CCAP family).

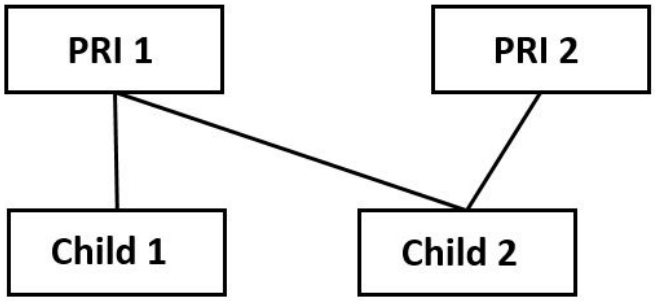
Case example 2

Family composition: Two parent married family with two children in common and one not in common. One parent has been temporarily absent for more than 60 days, does not have an authorized activity and is not on Extended Eligibility.

CCAP family size: 4

- PRI 1 and the three children are included in the CCAP family due to meeting the definition of family. See Chapter 5.3 (Determining the CCAP family). The parent that has been temporarily absent from the household for longer than 60 days is not included in the CCAP household due to temporary absence policy. See Chapter 5.6 (CCAP Family – Temporary Absence).

2-parent unmarried blended family



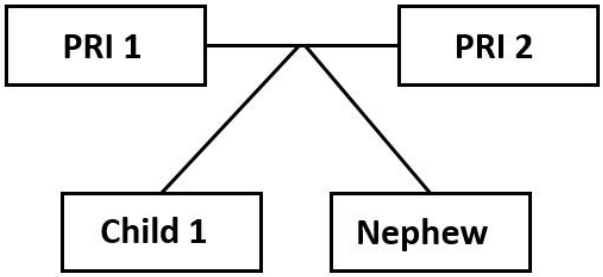
Case Example

Family composition: Two unmarried parents with one child in common and one child not in common.

CCAP family size: 4

The PRIs have a child in common. All family members are included in the CCAP family due to meeting the definition of family. See Chapter 5.3 (Determining the CCAP family).

Eligible relative caregiver or legal guardian family



Case Example

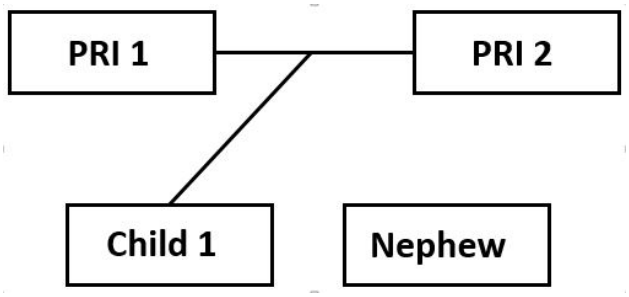
Family composition: Two-parent household with one child in common and a nephew. PRIs are determined to be eligible relative caregivers for the nephew.

CCAP family size: 4

Because the PRIs are eligible relative caregivers for the nephew, he is included in the CCAP family size. All family members are included in the CCAP family due to meeting the definition of family. See Chapter 5.3 (Determining the CCAP family).

CCAP family composition examples 5.9

Two-parents with one child in common and another child in the household:



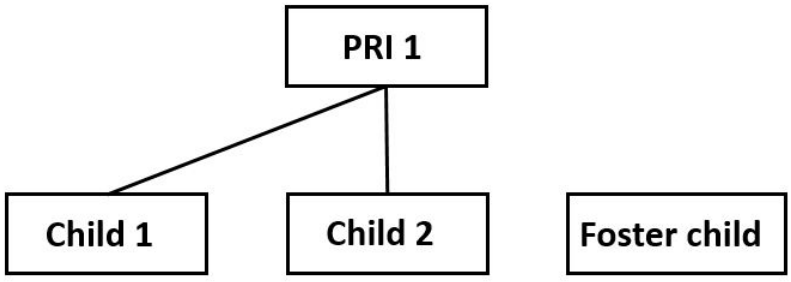
Case Example

Family composition: Two-parent household with one child in common and a nephew. PRIs have not been determined to be eligible relative caregivers or legal guardians of the nephew.

CCAP family size: 3

The nephew does not meet the definition of family and is not included in the CCAP family size. See Chapter 5.3 (Determining the CCAP family).

Unmarried parent with a foster child



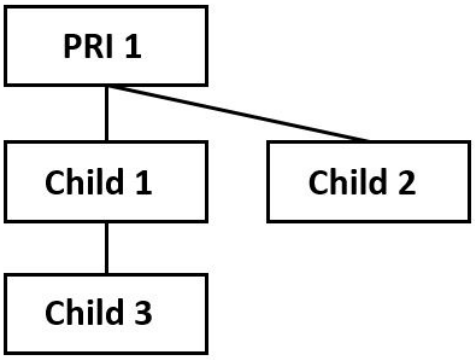
Case Example

Family composition: One parent with two children and one foster child.

CCAP family size: 3

The foster child does not meet the definition of family and cannot be included in the CCAP family size. The PRI has no relationship to the foster child that meets the definition of family. See Chapter 5.3 (Determining the CCAP family).

Minor parent family living with adult parent only adult parent receives CCAP



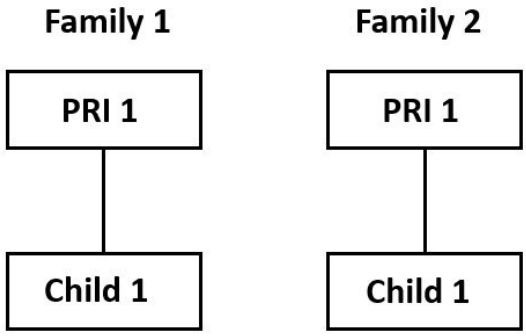
Case Example

Family composition: Adult parent with two minor children. One of the minor children had a baby.

CCAP family size: 3

The minor parent meets the definition of family as a child of the adult parent and can remain in the adult parent's CCAP family size. The grandchild does not meet the definition of family and is not included in the CCAP family of the adult parent. See Chapter 5.3 (Determining the CCAP family).

Minor parent living with adult parent, both parents receive CCAP



Case Example

In this scenario, the family is split into two separate families for CCAP eligibility.

Family composition 1: Minor parent and minor parent's child.

CCAP family size: 2

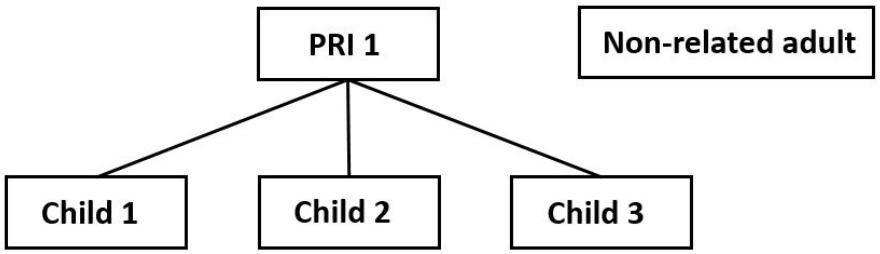
Minor parent in this scenario is a PRI. The CCAP family size only includes the minor parent and minor parent's child. See Chapter 5.3 (Determining the CCAP family).

Family composition 2: Adult parent and adult parent's other child.

CCAP family size: 2

The minor parent is no longer included in the adult parent CCAP family size because they are a parent in their own CCAP family. See Chapter 5.3 (Determining the CCAP family).

Unmarried parent living with non-related adult



Case Example 1

Family composition: One parent with three children and a non-related adult reside in the home.

CCAP family size: 4

The non-related adult does not meet the definition of family and is not included in the CCAP family size. See Chapter 5.3 (Determining the CCAP family).

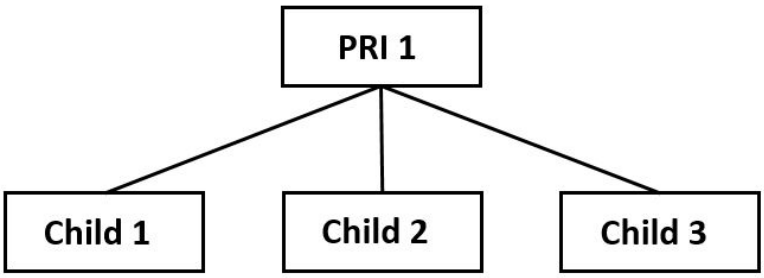
Case Example 2

Family composition: The parent and the non-related adult get married. The composition changes to two married parents with three children.

CCAP family size: 5

The non-related adult becomes a step-parent due to the marriage and now meets the definition of CCAP family and must be included in the CCAP family size. See Chapter 5.3 (Determining the CCAP family).

PRI disqualified due to MFIP fraud



Case Example

Family Composition: One parent with three children. Parent has been disqualified for fraud from MFIP but has not been disqualified from CCAP for fraud.

CCAP Family size: 4

The MFIP fraud disqualification does not impact family composition. The PRI and all children are included in the CCAP family size. See Chapter 5.3 (Determining the CCAP family).

Legal authority

Minnesota Statutes 119B.011
Minnesota Rules 3400.0040

Income eligibility 6

This chapter covers policies and procedures regarding income eligibility.

To determine income eligibility:

- Collect information regarding income received by all family members. See Chapter 5.3 (Determining the CCAP Family) to determine whose income to count.
- Verify all counted income. See Chapter 6.6 (Earned/unearned Income).
- Determine and enter into MEC^2 the following income components based on verification, if required and provided. See Chapter 6.15 (Annualizing Income).
  - Payment Frequency
  - Income Projection Amount
  - Income Projection Payment Frequency
  - Income Projection Hours Per Week

Apply annualized income after deductions (see Chapter 6.18 Income Deductions) to the appropriate income limit. See Chapter 6.3 (Income Limits).

Calculate the family copayment if eligible. See Chapter 6.21 (Family Copayment).

Additional information is included in the following:

Sub Section	Topic
6.3	Income Limits
6.6	Earned/Unearned Income
6.6.1	Individuals with Exempt Earned Income
6.6.3	New Spouse Income policy
6.6.5	Self-employment income
6.15	Annualizing Income
6.15.3	Annualizing MFIP & Earned Income
6.15.6	Annualizing Self-Employment Income
6.15.9	Annualizing Rental Property Income
6.15.12	Annualizing Farming Income
6.15.15	Annualizing Lump Sum Income
6.15.18	Annualizing Seasonal and Temporary Earned Income
6.15.21	Annualizing work bonuses and overtime pay
6.18	Income Deductions
6.21	Family Copayment

Legal authority

Minnesota Statutes 119B.09
Minnesota Statutes 119B.011
Minnesota Statutes 256P.06
Minnesota Rules 3400.0170

Income limits 6.3

Use annual gross income after allowable deductions to determine eligibility. Use the same income to determine copayment amount. The current entrance and exit income limits for each household size are available in the copayment schedules. See Chapter 6.21 (Family copayment) for links to the current copayment schedules which list current entrance and exit income limits and copayment amounts.

Applicants

Families receiving MFIP or DWP meet the entrance income limit for CCAP if the family's income is at or below 67% of the State Median Income (SMI) for their household size at application.

All other families meet the entrance income limit for CCAP if the family's income is at or below 47% of the State Median Income (SMI) for their household size at application. See Chapter 6.21 (Family copayment).

Subprogram switches

Families who are receiving child care assistance from one subprogram remain eligible for CCAP when the case changes to a different subprogram if the family's income is at or below:

- 85% of the State Median Income (SMI) during their 12-month eligibility period.
- 67% of the State Median Income (SMI) at redetermination.

Transition Year child care assistance

In some cases, a different income limit will apply to families moving from MFIP/DWP child care assistance to Transition Year child care assistance if there was a break in continuous CCAP eligibility.

- Families not receiving MFIP/DWP child care assistance when their MFIP or DWP closes meet the entrance income limit for CCAP during the Transition Year period if the family's income is at or below 47% of the State Median Income (SMI) for their household size at application. See Chapter 4.3.6 (Transition Year (TY)).
- Families who previously received MFIP/DWP child care assistance and reapply for CCAP during the Transition Year period meet the income limit for CCAP when their income is at or below 67% of the State Median Income (SMI) at application if the family had CCAP eligibility between the time of the previous CCAP closing and new application. See Chapter 4.3.6 (Transition Year (TY)).
- Families who previously received MFIP/DWP child care assistance who reapply for CCAP during the Transition Year period but did not have CCAP eligibility between the time of the previous CCAP closing and new application are treated as new applicants and are subject to the 47% State Median Income (SMI) entrance income limit. See Chapter 4.3.6 (Transition Year (TY)).

See Chapter 4.3.6 (Transition Year (TY)) for eligibility requirements for Transition Year and case examples that show which income limit applies when determining eligibility for Transition Year.

Participant – During the 12 month eligibility period

Once determined eligible, when annual income exceeds 85% of State Median Income (SMI) during the family's 12-month eligibility period, the family is ineligible. This is the income exit level during the 12-month eligibility period.

Participant – At redetermination

At redetermination, a family's annual income cannot exceed 67% of State Median Income (SMI). This is the income exit level at redetermination.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.09
Minnesota Statutes 119B.011
Minnesota Rules 3400.0170

Earned/unearned income 6.6

Earned income

Earned income is income that results from work, effort, or labor. Use gross earned income for income calculations. Gross earned income is income from employment before any payroll deductions. Gross earned income includes 401K contributions, all insurance premium payments on the pay stub and pre-tax medical/dental accounts. CCAP allows for certain income deductions. See Chapters 2 (Glossary) and 6.18 (Income Deductions).

Earned income includes:

- Wages/salaries (including overtime and bonuses). See Chapter 6.15.21 (Annualizing work bonuses and overtime pay).
- Paid vacation or sick leave.
- Tips/gratuities.
- Self-employment income. See Chapter 6.6.5 (Self-employment income).
- Commissions.
- Severance pay based on accrued leave time.
- Royalties.
- Honoraria.
- Other profit including:
  1) Uniform, mileage and meal allowances if federal income tax is deducted from the allowance.
  2) Incentive payments from work or training programs.
  3) Military pay or wages for members of the United States armed forces. Pay earned while in a combat zone is not counted.

Unearned income

Unearned income is a payment a family member did not expend individual effort or labor to receive. See Chapter 2 (Glossary) for the definition of unearned income. Use gross unearned income for income calculations. Unearned income includes only:

- Cash assistance benefits, including, but not limited to:
  - Cash portion of MFIP
  - MFIP Housing Assistance Grant
  - DWP
  - Cost effective insurance reimbursement from Medical Assistance
  - Minnesota Supplemental Aid
  - General Assistance
  - Refugee Cash Assistance.
- Interest or dividends from investments and savings.
- Capital gains as defined by the Internal Revenue Service from any sale of real property.

- Proceeds from rent and contract for deed payments in excess of the principal and interest portion owed on property. See Chapter 6.15.9 (Annualizing Rental Property Income) for more information about annualizing rental property income.
- Income from trusts, excluding special needs and supplemental needs trusts.
- Interest income from loans made by the family or a household member.
- Unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:
  - 18 years of age and enrolled in a secondary school; or
  - 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time.
- Disability insurance payments.
- Worker's Compensation
- Tribal per capita payments unless excluded by federal and state law.
- Retirement benefits such as pension payments and veteran benefits.
- 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.
- Cash prizes and winnings.
- Income from members of the United States armed forces identified as entitlements unless excluded from income taxes according to federal or state law.
- Nonrecurring income over $60 per quarter. This may include ~~some~~ non-recurring prepaid credit card gift cards (i.e. a Visa gift card); lump sums such as insurance settlements, depending on the circumstances; and child support arrears. Do not count non-recurring income over $60 that meets one of the following conditions:
  - Distributed as a tax refund, tax rebate, or tax credit,
  - Provided as an in-kind benefit,
  - Earmarked and used for the purpose for which it is intended, or
  - When nonrecurring income is:
    - a reimbursement,
    - rebate,
    - award,
    - grant, or
    - refund of:
      - personal property or real property or
      - costs incurred or losses incurred.

    and payment is made by:
    - a public agency, which includes any county and their subcontractors; federally recognized Indian tribe; or multicounty social services collaboratives;
    - solicitations through public appeal, such as GoFundMe;
    - a federal, state, or local unit of government;
    - a disaster assistance organization, or
    - pursuant to a court order.

See Chapter 2 (Glossary) for more information about lump sums.

Expenses such as legal fees, may be needed to secure payment of unearned income or deductions may be withheld from an unearned income source. Expenses and deductions must be verified to be an allowable

deduction from the unearned income (except for expedited child care applications). If the expense is not a verified allowable deduction, do not allow the expense as a deduction and count the full amount of the unearned income. If the expense is a verified allowable deduction, deduct the expense from the full amount of the unearned income.

For example, the RSDI award letter will identify a gross amount, a Medicare premium, and the net amount. The gross amount of RSDI is the amount to be annualized minus the Medicare premium as this is a verified allowable deduction. See Chapter 6.18 (Income Deductions).

Other financial supports not identified above – Not counted

Financial supports not identified above as earned or unearned income are not counted as income. If a family reports income that is not counted, it is recommended that the worker enter the reported amounts into MEC² in the appropriate category or in the "Other, not counted" income type.

Financial supports that are not counted include, but are not limited to:

- Income for lived-experience engagement about the impact of human services programs.
- Census income from working as a census enumerator or decennial worker.
- Supplemental Security Income (SSI).
- Student Financial Aid.
- Northstar Care for Children payments for Foster Care, Adoption Assistance, and Kinship Assistance.
- Legacy Foster Care, Adoption Assistance and Relative Custody Assistance payments.
- AmeriCorps Service Allowances.
- Other service program income.
- Rehabilitation (rehab) programs such as vocational rehabilitation programs and services.
- Earning and payments to individuals participating in programs under Title 1 of the Workforce Investment Act and other training program income.
- State and federal tax refunds and other recurring or non-recurring tax credits such as earned income tax credits and child tax credits.
- Establishment gift cards (nonrecurring and recurring) issued by a particular retailer or for a particular good or service (i.e., a Target or Walmart gift card).
- Student training program income. See STUDENT TRAINING PROGRAM in Chapter 2 (Glossary).
- Minnesota Frontline Worker Payments.
- Guaranteed income payments (also known as universal basic income payments or unconditional income payments). Typically local governments and private funders operate the programs which issue guaranteed income payments.
- Recurring cash payments. NOTE: See "Nonrecurring income over $60 per quarter" above in the counted unearned income list if a nonrecurring cash payment is received.
- Recurring cash gifts. NOTE: See "Nonrecurring income over $60 per quarter" above in the counted unearned income list if a nonrecurring cash gift is received.
- Recurring prepaid credit card gift cards (i.e. a Visa or MasterCard gift card). NOTE: See "Nonrecurring income over $60 per quarter" above in the counted unearned income list if a nonrecurring prepaid credit card gift card is received.

Legal authority

Minnesota Statutes 119B.09
Minnesota Statutes 119B.011
Minnesota Statutes 256P.01
Minnesota Statutes 256P.06
Minnesota Rules 3400.0020
Minnesota Rules 3400.0170
Minnesota Session Law 2022, Chapter 50, Article 2
Laws of MN 2023, Regular Session, Chapter 70

Individuals with exempt earned income 6.6.1

CCAP must count all counted earned and unearned income received by members of the CCAP family. See Chapter 6.6 (Earned/Unearned Income) for information about counted earned and unearned income, Chapter 2 (Glossary) for the definition of family, and Chapter 5 (CCAP Family Composition) to determine who is included in a CCAP family.

Certain individuals in a CCAP family are exempt from having their earned income count towards the family's annualized income determination. See Chapter 16.27 (Exempt Earned Income Comparison Chart) for a table that identifies whether a household member is exempt from having their earned income counted.

Whether earned income is counted or not depends on the age of the person, the person's school status, whether the person is a dependent member of the family, and whether the person is a caregiver. A caregiver is the applicant or a parentally responsible individual for the case.

Non-caregiver income (children and other adults in the CCAP family)

For non-caregivers receiving earned income:

- Age 0 through 5: Earned income is not counted.
- Age 6 through 17:
  - Not in school: Earned income is counted.
  - In school less than full-time: Earned income is counted.
  - In school full-time: Earned income is not counted.
- Age 18: Determine if the person is a dependent member of the family (must be in school full-time). See Chapter 5.3 (Determining the CCAP Family) for additional requirements.
  - Not a dependent: Earned income is not counted.
  - A dependent in high school or GED program: Earned income is not counted.
  - A dependent in post-secondary program: Earned income is counted.
- Age 19 and over: Determine if the person is a dependent member of the family (must be in school full-time). See 5.3 (Determining the CCAP Family) for additional requirements.
  - Not a dependent: Earned income is not counted.
  - A dependent in high school, or GED program, or post-secondary program: Earned income is counted.

Caregiver income

For caregivers (applicants or parentally responsible individuals) receiving earned income:

- Age 19 and under:
  - Not in school: Earned income is counted.
  - In school less than half time: Earned income is counted.
  - In school half time or more: Earned income is not counted.
- Age 20 and over: Earned income is counted.
  - Certain family members may be exempt from having their earned and unearned income counted under the New Spouse Income policy. See Chapter 6.6.3 (New Spouse Income policy).

Determining and verifying school status

Half-time or full-time school status is defined by the educational institution.

Students age 6 and over who meet the criteria above and have earned income, must verify their school status to determine if their earned income is not counted. See Chapter 7.3 (Verification – Initial Application) and Chapter 7.6 (Verification - Eligibility Redetermination). If school status is not verified, their earned income must be counted. Non-caregiver students who are not dependent members of the family do not need to verify their school status.

For the purposes of determining school status for individuals with exempt earned income:

- Education or training programs **do not** need to be part of an approved Education Plan or MFIP Employment Plan.
- Income earned by an individual with exempt earned income is not counted regardless of whether the education or training program meets requirements to be an authorized activity.

Legal authority

Minnesota Statutes 256P.06
Minnesota Statutes 119B.011

New Spouse Income policy 6.6.3

If an MFIP or DWP Child Care Assistance Program (CCAP) applicant or participant marries, the new spouse's earned and unearned income, including lump sums, does not count towards the family's CCAP benefits when both of the following conditions are met:

- They are eligible for the New Spouse Income policy for their MFIP or DWP case. See Combined Manual Chapter 22.11 (New Spouse Income) for more information about eligibility for the New Spouse Income policy for MFIP or DWP, **AND**
- Their new household's total annualized income, including the new spouse's income, does not exceed 67% of the State Median Income (SMI) for their new household size.

Once a household is determined eligible for the New Spouse Income policy:

- The CCAP household size will increase, if the new spouse was not already part of the household.
- The new spouse's earned and unearned income is not counted for up to 26 consecutive biweekly periods.
- Due to potentially increasing the household size and not counting the new spouse's income, the copayment may decrease. Copayment decreases are allowed during the 12-month eligibility period.
- Other requirements at application, during the 12-month eligibility period, and at redetermination continue to apply.

Who is eligible?

This policy is only available to families receiving MFIP or DWP CCAP. A CCAP applicant or participant must first be eligible for this policy on their MFIP or DWP case before they can be eligible for the policy on their CCAP case. See Combined Manual Chapter 22.11 (New Spouse Income) for more information about eligibility for the New Spouse Income policy for MFIP or DWP.

For CCAP, this policy is available when:

- Applicants who marry while their MFIP or DWP CCAP application is pending and are determined eligible for CCAP.
- Applicants who marry while their MFIP or DWP cash assistance application is pending and are determined eligible for cash assistance as part of their initial approval when they apply for CCAP at a later date. If found eligible for CCAP, they are eligible for the remainder of the 26 biweekly periods.
- Existing MFIP or DWP CCAP households where:
    - A newly-married member is added to an existing MFIP or DWP CCAP household.
    - The newly-married members are part of the same household.
    - The newly-married members are part of different MFIP or DWP CCAP households.

Who is not eligible?

The New Spouse Income policy is not available to families receiving Transition Year, Transition Year Extension, Basic Sliding Fee, Portability Pool, or "Student Parent" MFIP or DWP child care.

New Spouse Income policy 6.6.3

Families whose total annualized income is greater than 67% of SMI are not eligible for the New Spouse Income policy.

Who is the Designated Spouse in a CCAP family?

The Designated Spouse is the person whose income will not be counted when the policy is applied.* See CCAP Policy Manual Chapter 2 (Glossary).

*Exception: Income must continue to be counted if a Designated Spouse meets any of the following criteria for their MFIP or DWP case:

- Fails to provide Social Security Number.
- Has a fraud disqualification.
- Is a fleeing felon.
- Is a parole violator.

The MFIP or DWP worker enters the Designated Spouse determination in MAXIS. See Combined Manual Chapter 22.11 (New Spouse Income) for more information about how the Designated Spouse is determined for the New Spouse Income policy. This determination carries through to the CCAP case in MEC². The Designated Spouse is not determined by CCAP.

How are the 26 biweekly periods counted?

The 26 consecutive biweekly periods during which the Designated Spouse's income is eligible to not count are a set period of time which begins two biweekly periods after the biweekly period with the marriage date. This time period is identified as the "New Spouse Income Exemption Period."

The New Spouse Exemption Period:

- May include periods of ineligibility.
- Is not cancelled or altered by a change in CCAP subprograms. However, if a change in CCAP subprograms occurs, the income of the Designated Spouse counts.
- May have different start and end dates between CCAP and MFIP or DWP.

What are the verification requirements?

Verify the marriage date before determining the CCAP household eligible for the New Spouse Income policy. Contact the MFIP or DWP worker to confirm the verification has been turned in or to request a copy of the verification for the CCAP file BEFORE requesting the verification from the family.

- If verification of the marriage date is received within the same biweekly period of the marriage, the family will be eligible for 26 biweekly periods where the Designated Spouse's income is not counted.
- If verification of the marriage date is received **AFTER** the biweekly period of marriage, stop counting the income of the Designated Spouse two biweekly periods **AFTER** verification of the marriage date is received. The Designated Spouse's income will not count for fewer than 26 biweekly periods.

- If verification of the marriage date is not received, count all included earned and unearned income from both spouses. CCAP income verification requirements may apply. See CCAP Policy Manual Chapter 7 (Verification).

See Chapter 7.3 (Verification – Initial Application) and Chapter 7.4 (Verification – 12-Month Eligibility Period) for more information about verification requirements.

What happens when there is a subprogram switch during the New Spouse Income Exemption Period?

If the child care assistance subprogram changes, the Designated Spouse's income will start counting for the new subprogram after the subprogram switch. Copays can only increase at redetermination.

What happens when the New Spouse Income Exemption Period ends?

When the 26 consecutive biweekly periods end, the Designated Spouse's income is counted starting the following biweekly period.

- If the following biweekly period is also the redetermination biweekly period, the copayment may increase as part of processing the redetermination.
- If the following biweekly period is not the redetermination biweekly period, the family is in their 12-month eligibility period and the copayment is not allowed to increase. The copayment may increase when the family's next redetermination is processed.

Where can I find more information about how to implement the New Spouse Income policy?

The CCAP New Spouse Income Worker Guide (SIR login required) is available at DHS-SIR > MEC2 > Worker Resources > CCAP Guides. The guide provides information about how to implement the policy including:

- System functionality to support the policy in MEC^2
- Information about applying the policy
- System limitations related to the policy.

Legal authority

Minnesota Statutes 256P.06

Self-employment income 6.6.5

Self-employed people are those who are responsible for their own work schedule and do not have coverage under an employer's liability insurance or workers' compensation.

Self-employed people generally work for themselves rather than an employer. However, people employed in some types of services may be self-employed even if they have an employer or work out of another's business location (for example: real estate sales people, people who work for commission sales, manufacturer's representatives, independent contractors). Self-employed people may or may not have FICA deducted from the check an employer or another party issues to them.

People who provide gig work, including those using digital platforms such as an app or website, are considered self-employed independent contractors unless an employer verifies W-2 employee status.

Examples of gig work include:

- Driving a car for booked rides or deliveries
- Running errands or completing tasks
- Selling goods online
- Renting equipment
- Providing creative or professional services.

Refer to the following chapters for information about:

- Annualizing self-employment income. See Chapter 6.15.6 (Annualizing Self-Employment Income).
- Documentation requirements for self-employment income. See Chapter 7.9 (Income verification).
- Determining if self-employment meets minimum activity requirements and authorizing care for self-employment. See Chapter 9.1.1.1 (Authorizing Care – Self-employment).

Rental property income

Rental property income is earned or unearned self-employment income, depending on the amount of time the owner spends maintaining or managing the rental property. See Chapter 6.15.9 (Annualizing Rental Property Income).

Farm income

Farmers are considered self-employed. They may be working full-time, part-time or as hobby farmers.

Common types of farm income include:

- Proceeds from sale of crops, livestock or products
- Production from livestock
- Income from home-produced food
- Soil conservation payments and other subsidies
- Farm related insurance payments
- Proceeds from rent, including wages to the farmer/operator

- Capital gains.

See Chapter 6.15.12 (Annualizing Farm Income).

Roomer/boarder income

When the family owns a home and is renting all or a portion of the home to someone else, this is considered rental income. The family may or may not also be residing in the same home. See Chapter 6.15.9 (Annualizing Rental Property Income).

When the family rents a home from someone else, lives at the same home, and also rents rooms or a portion of the home out to someone else, this is considered self-employment from a roomer or a boarder and is counted as earned income. A roomer lives with the family and pays for lodging only. A boarder eats with the family and pays for meals only. A roomer and boarder lives and eats with the family and pays for lodging and meals.

See Chapter 6.15.6 (Annualizing self-employment income) for information about annualizing roomer/boarder income.

Self-employment ownership types

Self-employed people may own a business solely or in partnership.

Sole proprietorship

A sole proprietorship is an unincorporated business with only one owner who pays personal income tax on profits earned. A sole proprietorship may also be referred to as a sole trader or proprietorship.

In a sole proprietorship, the owner is:

- Inseparable from the business
- The recipient of all profits
- Financially and legally responsible for all debts and legal actions regarding the business
- Responsible for tax liabilities which are determined at the personal income tax rate.

A sole proprietorship when both spouses in a marriage carry on the trade or business is known as a qualified joint venture. Generally, a qualified joint venture whose only members are a married couple filing a joint return is permitted to not be treated as a partnership for Federal tax purposes. All items of income, gain, loss, deduction and credit are divided between the spouses in accordance with their respective interests in the venture. Each spouse takes into account their respective share of these items as a sole proprietor.

A sole proprietorship must report their business income as part of their 1040 using schedule C, E or F.

Partnerships

A partnership is the relationship existing between two or more persons who join to carry on a trade or business. Each partner contributes money, property, labor or skill, and expects to share in the profits and losses of the business. A partnership contract spells out the manner in which profits are to be distributed.

Self-employment income 6.6.5

All wages, draws, guaranteed payments, or compensation of officers paid to the business owner or a household member is considered earned income and entered in MEC^2 as wages. Any other income is considered self-employment income and entered in MEC^2 as such.

A partnership can be one of these three types: general, limited and limited liability.

General Partnership

A general partnership has the following major features:

- It is formed by two or more general partners
- The partners are all liable for any legal actions and debts
- It is created by agreement.

General partners have:

- Management control
- Share the right to use partnership property
- Share the profits of the business, usually in predefined proportions, and
- Have joint liability for the debts of the partnership.

Limited Partnership

A limited partnership is a form of partnership that has one or more general partners and one or more limited partners.

Limited partners are partners that may invest in, but are not directly involved in, the management of the partnership. They also have limited liability to the extent of their investments.

The general partner pays the limited partners the equivalent of a dividend on their investment, the nature and extent of which is usually defined in the partnership agreement.

Limited partnerships are different from limited liability partnerships in which all partners have limited liability.

Limited Liability Partnership

A limited liability partnership (LLP) has elements of partnerships and corporations. In a limited liability partnership, all partners have a form of limited liability similar to that of the shareholders of a corporation. However, the partners have the right to manage the business directly, and (in many areas) a different level of tax liability than in a corporation.

A limited liability partnership is for businesses where all investors wish to take an active role in management.

A partnership must file an annual information return (IRS Form 1065 and 1065 Schedule K-1) to report the income, deductions, gains, losses, etc. from its operations. A partnership does not pay income taxes. The profits or losses are “passed through” to its partners. Each partner includes their share of the partnership's income or loss on his or her tax return (IRS Form 1040). Partners are not employees and should not be issued a Form W-2. The partnership must furnish copies of Schedule K-1 (Form 1065) to the partners.

S-Corporations

S-Corporations are considered self-employment businesses. Income received by the shareholders is countable

income regardless of whether the individual decides to reinvest their income back into the corporation.

An S-Corporation must file an annual information return (IRS Form 1120-S and related schedules) to report the income, deductions, gains, losses, etc. from its operations, but it does not pay income tax. Profits or losses are "passed through" to its shareholders.

Each shareholder includes their share of the partnership's income or loss on his or her tax return (IRS Form 1040).

All wages, draws, guaranteed payments, or compensation of officers paid to the business owner or a household member is considered earned income and entered in MEC^2 as wages. Any other income from is considered self-employment income and entered in MEC^2 as such.

Limited Liability Company (LLC)

A Limited Liability Company (LLC) is a hybrid business entity having certain characteristics of both a corporation and a partnership. When someone sets up an LLC, they separate their business and personal identities. If an LLC has only one owner, treat the LLC as a sole proprietor. All wages, draws, guaranteed payments, or compensation paid to a business owner or household member is considered earned income and entered into MEC^2 as wages. Any other income is considered self-employment income and entered in MEC^2 as such.

Legal authority

Minnesota Statutes 119B.09, subd. 4
Minnesota Statutes 119B.011, subd. 15
Minnesota Statutes 256P.05
Minnesota Rules 3400.0170, subps. 7 - 11

Annualizing income 6.15

Annualize income to determine eligibility. Annual income of the applicant family is the current monthly income of the family multiplied by 12, income for the 12-month period immediately preceding the date of application or income calculated by the method which provides the most accurate assessment of income available to the family.

Income components to consider when annualizing income

The individual components needed within MEC^2 will vary depending upon the type of income.

The income components used in MEC^2 include:

- Payment Frequency: Identifies how often the income is paid to the family member.
- Income Projection Amount: Identifies the amount to be used by MEC^2 in the annualized income calculation.
- Income Projection Payment Frequency: Identifies the payment frequency to be used by MEC^2 in the annualized income calculation.
- Income Projection Hours per Week: Identifies the hours per week to be used by MEC^2 in the annualized income calculation if necessary. Not all annualized income calculations require the hours per week.

Most often the Payment Frequency and Income Projection Payment Frequency periods will be the same.

How does MEC^2 annualize income?

There are several methods MEC^2 uses to annualize income. Generally, the worker should enter the verified individual income components, and MEC^2 will calculate the annualized income. Annualize income using the verification and method that is the best indicator of future income.

MEC^2 uses the following multipliers to annualize income:

- Multiply a weekly income projection payment frequency by 52.
- Multiply a biweekly income projection payment frequency by 26.
- Multiply a semimonthly income projection payment frequency by 24.
- Multiply a monthly income projection payment frequency by 12.

If the individual income component information entered into MEC^2 is not supported by the verification information, it is recommended that the worker include a detailed case note describing the relationship between the individual income components and the verification information.

Annualizing expected future income at application

When a family applies for CCAP and has income starting in a future biweekly period, there are two acceptable methods to annualize the income. Using one of these methods ensures application policies are correctly applied and allows the copay to increase with the application approval. Treat all families in similar situations the same.

If an income change starts after the date of eligibility but becomes known while the application is in the application processing period, 12-month eligibility policies apply. Changes that occur after the start date of eligibility must be processed after the application has been approved for the system to correctly apply 12-month eligibility policies. See Chapter 3.7.4 (Changes during the application processing period). An increase in income during the application processing period does not impact the family's copay until the redetermination. See Chapter 6.21 (Family Copayment).

Method 1: Enter new income in future period

Enter the new income in the biweekly period it starts and approve the future copay increase as part of the application eligibility package.

Considerations for this approach:

- Preferred method for a parentally responsible individual (PRI) starting a new job.
- Family will not have a copayment until income starts.
- If income increases in a future biweekly period that brings the family's income over 47% of SMI, the family is still eligible at application as long as income is under 85% of SMI.
- If the biweekly period is unavailable, do not hold up processing the application. It is appropriate to approve the application without the future income entered. After the application is approved, enter the future income when the period becomes available. The copay will not increase until redetermination.

Method 2: Annualize new income offline

Annualize the new income offline, accounting for the weeks without income. Enter the annual income in MEC^2, and case note how the income was annualized. This results in stable income and copay amounts for the biweekly periods in the eligibility approval package (unless other changes in income or family size were made).

Considerations for this approach:

- Preferred method for a PRI on leave or has seasonal/temporary income.
- Family will have a copayment before income starts.

Changes in income during the 12-month eligibility period

You must re-annualize income during the 12-month eligibility period when:

- The reported change results in the family's income exceeding 85% of SMI. See Chapter 7.4 (Verification – 12-month eligibility period) **OR**
- The family verifies a decrease in income. See Chapter 8.1.12 (Changes in income or expenses).

Do not enter unverified income decreases in MEC^2. See Chapter 6.21 (Family copayment).

Annualizing income at redetermination

At redetermination, annualize the family's current income or the income that is the most accurate assessment of income available to the family. Do not reconcile the family's income annualization for the previous year unless there is evidence the family's income exceeded 85% of SMI during their 12-month eligibility period. Verify the income that is annualized for the next 12-month eligibility period. See Chapter 7.6 (Verification – Eligibility redetermination).

Annualizing expected future income at redetermination

When a family has income starting in a future biweekly period, determine if including the expected future income would be the best assessment of income available to the family at redetermination.

If including the expected future income would be the best assessment of income available to the family, then annualize the new income offline, accounting for the weeks without income. Enter the annualized income in MEC^2 in the biweekly period with the redetermination due date, and case note how income was annualized. This results in stable income and copay amounts for the biweekly periods in the eligibility approval package (unless other changes in income or family size were made). See Method 2 under "Annualizing expected future income at application" above.

Do not enter expected future income in a future biweekly period and approve as part of the redetermination package. This will result in system errors.

Treat all families in similar situations the same.

Case example of annualized income

Worker receives four earned income pay stubs as verification from the parent. Each pay stub shows the following gross wages per week at an hourly wage of $12.00 per hour and hours worked per week.

Pay Period	Gross Wages	Hours Worked
Pay period 1	$300	25
Pay period 2	$420	35
Pay period 3	$312	26
Pay period 4	$360	30

After discussions with the parent, the worker has determined the most accurate assessment of income available to the family should be the average of the data from pay periods three and four. The worker would enter in the following information into MEC^2:

- Payment Frequency: Weekly (parent receives payment weekly)
- Income Projection Amount: $336 (average of $312 and $360)
- Income Projection Payment Frequency: Weekly
- Income Projection Hours per Week: 28 (average of 30 and 26)

Alternatively, the worker could enter the following information into MEC^2:

- Payment Frequency: Weekly (parent receives payment weekly)
- Income Projection Amount: $12
- Income Projection Payment Frequency: Hourly
- Income Projection Hours per Week: 28 (average of 30 and 26)

The worker and parent determined that using all the pay stubs did not provide an accurate assessment of income available to the family; therefore, it is recommended that the worker include a case note identifying why all the verifications provided were not used and how the individual income components entered into MEC^2 were calculated. An example of a case note follows.

Case note example

> Based on discussions with the parent, it was determined the most accurate assessment of income available to the family should be the average of the data from pay periods three and four. Worker used this information to determine the income components entered into MEC^2. Income Projection Amount: $336 (average of $312 and $360 from pay periods three and four), Income Projection Hours per Week: 28 (average of 30 and 26 from pay periods three and four).

Legal authority

Minnesota Statutes 119B.09
Minnesota Rule 3400.0170
Minnesota Statutes 119B.011

Annualizing MFIP and earned income 6.15.3

The cash portion of the Minnesota Family Investment Program (MFIP) grant and the MFIP Housing Assistance Grant carry over from MAXIS and are included in the MEC^2 calculation of the annualization of unearned income for the family.

The financial worker determines MFIP eligibility and grant amount prospectively for the first two months of participation and retrospectively thereafter. This means that when an MFIP participant begins working, the earned income is not budgeted against the MFIP grant until two months later. For example, an MFIP participant who begins working in September has a grant reduction in November based on September earnings.

In situations where the parent begins working, MEC² annualizes the full MFIP grant for 12 months even though the MFIP grant would be reduced for a portion of that period due to earned income. When a parent on MFIP starts employment, it may be necessary to calculate the MFIP grant offline and enter the correct annualized MFIP income amount into MEC² using a system override. Consult with the MFIP worker to determine the offline MFIP grant calculation. Case note how the calculated amount was determined.

Refer to the MEC² User Manual > System Limitations > Annualized Reduced MFIP Income for instructions on entering reduced MFIP income that has been annualized offline into MEC².

Legal authority

Minnesota Statutes 119B.09
Minnesota Statutes 119B.011
Minnesota Rules 3400.0170

Annualizing self-employment income 6.15.6

For information about what to consider self-employment income and different self-employment ownership types, see Chapter 6.6.5 (Self-employment income).

Annualize self-employment income before determining if the self-employment meets the minimum work requirement and authorizing care for self-employment. See Chapter 4.6.6.6 (Employment outside of an Employment Plan) and Chapter 9.1.1.1 (Authorizing care – Self-employment).

There is an additional policy that applies to rental property income. See Chapter 6.15.9 (Annualizing rental property income).

Method of calculation

There are two methods of calculating self-employment income: the taxable income method and the 50% of gross income method. Typically, families choose the method of calculation used to determine their self-employment income.

Exceptions:

- Families only have a choice of the taxable income method if they have filed taxes with the Internal Revenue Service (IRS) for the most recent year and provide the tax return and related schedules as verification. See Chapter 7.9 (Income verification).
- If the income and expenses on the tax forms from the most recent year are not the most accurate assessment of annual ongoing income available to the family from the self-employment business, the family must choose the 50% of gross income method.

Families choose a method for each self-employment business. For families also receiving MFIP, DWP or SNAP, different methods may be chosen for different programs. Because different methods and verification may be used for different programs, there may be differences in the amount of self-employment income calculated for each program. If there are concerns about inconsistent information, the agency may request the family provide additional verification to explain discrepancies. See Chapters 7.3 (Verification – Initial application), 7.4.3 (Inconsistent information), 7.6 (Verification – Eligibility redetermination) and 13.3 (Fraud Referrals).

Verification requirements are dependent on the method chosen. See Chapter 7.9 (Income verification).

Once self-employment income has been calculated, the amount counted continues at the same level until redetermination or until the family reports that the income does not provide the most accurate assessment of annual ongoing income available to the family and provides verification to update the calculation. This may include updating the calculation using the same method or changing income calculation methods (see “Changing self-employment income calculation methods” below).

Taxable income method

To calculate self-employment income using the taxable income method, use information from the Internal Revenue Service (IRS) tax return, including schedules, that has been filed with the IRS for the most recent year.

Annualizing self-employment income 6.15.6

1. Determine gross income from the appropriate tax forms.
2. Determine the allowable expenses. Review the list below for expenses that are not allowed.
3. Subtract the allowable expenses from the gross income. The result is the counted self-employment income.

Allow expenses that are also allowed by Internal Revenue Code except for the following:

- Net losses carried over into additional tax years. Only allow net losses in the original year in which it occurred.
- Depreciation.
- Federal, state and local income taxes.
- Money set aside for the self-employed person's own retirement.
- Any amount that exceeds the payment a household receives from a boarder for meals. See Chapter 6.6.5 (Self-employment income) for information about boarders.

Follow guidance in the CCAP Self-employment Guide (SIR login required) when entering self-employment income calculated using the taxable income method in MEC^2.

Note: for a new business in operation for less than 12 months, convert the calculated self-employment income to an annual amount.

Self-employment businesses that calculate to a loss

When the taxable income method is chosen, the self-employment income may calculate to a loss. If a self-employment business calculates to a loss after the calculation is completed and the family has more than one self-employment business, the negative income from one self-employment business may offset the self-employment income from another business(es).

Follow guidance in the CCAP Self-employment Guide (SIR login required) when entering income for self-employment businesses that calculate to a loss in MEC^2.

50% of gross income method

To calculate self-employment income using the 50% of gross income method, use 50% of the current gross income as the counted self-employment income amount. Gross income is earned income before taxes and deductions. Expenses are not used in this calculation method. If the income provided is not already for a full year, convert the calculated self-employment income to an annual amount.

Follow guidance in the CCAP Self-employment Guide (SIR login required) when entering self-employment income calculated using the 50% of gross income method in MEC^2.

Agency responsibility and calculation methods

Agencies are encouraged to provide the family information about both calculation methods, including the impact on the family's income eligibility, copayment, ability to meet minimum work requirements and maximum number of hours of care that can be authorized. You may use The Child Care Assistance Program and self-employment: Questions and answers for families (DHS-8274A) (PDF) and the Minnesota Child Care Assistance Program - Calculation of self-employment income (DHS-8242) (PDF) form to help determine this information.

Annualizing self-employment income 6.15.6

In order to provide the most accurate information about each method, you may request families submit additional verification of self-employment income. A special letter verification request may be used with the following sample language:

> *There are two options used to calculate self-employment income:*
>
> - *Taxable self-employment income as determined from a federal tax return that has been filed with the IRS for the most recent year, with certain expenses not allowed to reduce income. To use this method, you must have filed a tax return for the most recent tax year and must submit it, including schedules.*
> - *50% of current gross self-employment income. To use this method, you must provide documentation of current gross self-employment income that is reflective of expected future income, such as business ledgers-.*
>
> *Contact the CCAP agency for more information and to discuss your options.*

To determine the self-employment income method:

- Typically, families choose the method of calculation.
- The 50% of gross income method must be used if taxes have not been filed for the most recent year (see Chapter 7.9 (Income verification) or if tax forms from the most recent year are not the most accurate assessment of annual ongoing income available to the family.
- If the family provides the verification to calculate self-employment income using only one method, calculate income using the method the verification provided supports.
- If a family provides verification for and meets income and authorized activity eligibility requirements under both methods but does not respond to an agency's attempts to have the family choose a method, the agency must choose the method that results in the lowest copay.

To improve case management:

- DHS recommends workers explain the self-employment income determination method used and why it was used to the family.
- DHS recommends to case noting the method used and calculation for each self-employment business.

Changing self-employment income calculation methods

Once self-employment income has been calculated, the amount counted continues at the same level until redetermination. Families may change the method of self-employment income calculation at redetermination and at any time within the 12 month eligibility period when the current income calculation does not provide the most accurate assessment of annual ongoing income available to the family. See Chapter 8.1.12 (Changes in Income or Expenses). They must meet verification requirements of the chosen method when changing methods. See Chapter 7.9 (Income verification).

Changing self-employment income calculation methods may impact the amount of care that can be authorized. See Chapter 9.1.1.1 (Authorizing Care – Self-employment) for information about calculating the amount of care that can be authorized for self-employment and Chapter 9.12 (Authorization Changes During the 12-Month

Eligibility Period) for information about impacts during the 12-month eligibility period based on the family's reporter type.

Legal authority

Minnesota Statutes 119B.09, subd. 4
Minnesota Statutes 119B.011, subd. 15
Minnesota Statutes 256P.05

Annualizing rental property income 6.15.9

Rental property income is considered a specific type of self-employment income. It may be considered earned self-employment income or unearned self-employment income, depending on the amount of time the owner spends maintaining or managing the rental property.

For information on calculating and annualizing self-employment income, including rental property income, see Chapter 6.15.6 (Annualizing self-employment income).

Determine if rental property income is earned or unearned

Ask the family how many hours a week on average an owner spends maintaining or managing the property when the information is not provided in the application or redetermination.

- Enter income from the rental property as earned self-employment income when the owner spends an average of at least 20 hours or more a week on maintaining or managing the rental property.
- Enter the income as unearned self-employment income when the owner spends an average of less than 20 hours a week on maintaining or managing the rental property.

Legal authority

Minnesota Statutes 119B.011
Minnesota Statutes 256P.05
Minnesota Statutes 256P.06

Annualizing farm income 6.15.12

Calculate and annualize farm income based on the self-employment income calculation method chosen by the family. See Chapter 6.15.6 (Annualizing Self-Employment Income).

Common types of farm income include:

- Proceeds from sale of crops, livestock or products.
- Production from livestock.
- Income from home-produced foods.
- Soil conservation payments and other subsidies.
- Farm-related insurance payments.
- Proceeds from rent, including wages to the farmer/operator.
- Capital gains.

Legal authority

Minnesota Statutes 119B.09, subd. 4
Minnesota Statutes 119B.011, subd. 15
Minnesota Rules 3400.0170, subp. 10

Annualizing lump sum income 6.15.15

A lump sum is cash received on a non-recurring or irregular basis that cannot be reasonably anticipated. See Chapter 6.6 (Earned/Unearned Income) for information on counted lump sum income.

Lump sum income can be earned or unearned. Examples of lump sums include non-recurring child support arrears; an inheritance; an insurance settlement, depending on the circumstances; and gambling winnings.

Lump sums received by CCAP recipients

Lump sums must be annualized effective the date of receipt and continue to count for 12 months or 26 two-week periods from the date of receipt. The period between the date the lump sum is received and 12 months or 26 two-week periods after receipt is the "annualization period". See the MEC² User Manual for information about entering the lump sum in MEC².

The first $60 of unearned non-recurring income received in the calendar quarter is not counted. This $60 amount is a cumulative total for each calendar quarter. MEC² is not programmed to annualize lump sum income with the $60 quarterly exemption. See the MEC² User Manual for information about entering the lump sum exemption in MEC².

Reported during the 12 month eligibility period

Families are required to report receipt of counted lump sum income during the 12-month eligibility period if the income puts the family over the maximum allowed for their family size (85% of SMI).

If a lump sum is reported during the 12-month eligibility period, follow guidance in Chapter 8.1.12 (Changes in Income or Expenses).

Reported at redetermination

At redetermination, families must report and verify any counted lump sum payments received during the previous 12-month eligibility period. See Chapter 8.3 (Reporting Requirements).

At redetermination, when a lump sum is verified:

- Enter the lump sum in the biweekly period the lump sum was received.
- For unearned income, enter the lump sum exemption amount of up to $60, if not already used for the calendar quarter, in the biweekly period the lump sum was received.
- Do not approve eligibility results in the biweekly period where the lump sum was received.
- Approve eligibility results in the redetermination biweekly period. The lump sum amount and lump sum exemption amount, if applicable, included at redetermination is the amount remaining from the redetermination biweekly period to one year after the lump sum is received.

During the 12-month eligibility period, if there is another change in the family's income, the lump sum amount is adjusted to include the remaining months/weeks. The remaining amount of the lump sum is counted in the new annualization.

Annualizing lump sum income 6.15.15

Lump sums received prior to application

If lump sum income is received prior to CCAP application, the lump sum is **NOT** included in the CCAP household income. However, if a CCAP participant receives lump sum income, the case closes and the family reapplies during the original annualization period, continue to count the lump sum through the end of the original annualization period. Do not start a new annualization period.

Lump sum reporting and overpayments

During the 12 month eligibility period

When lump sum income **IS** reported timely, and the income puts the family over 85% of SMI, request verification of the lump sum and allow 15 days for the family to return the verification before closing the case. See Chapter 7.1 (Verification due dates) and Chapter 7.4 (Verification – 12-month eligibility period).

- If verification confirms the family is not eligible, close the case with a 15-day notice of adverse action.
- If verification is not provided within 15 days, close the case with a 15-day notice of adverse action.
- If verification shows the family is still eligible, follow instructions in Chapter 8.1 (Changes in circumstances).

When lump sum income is **NOT** reported timely, and the income puts the family over the maximum allowed for their family size (85% of SMI), cite an overpayment for child care assistance paid in excess of what should have been paid had the payment been reported timely. The overpayment includes the time period between the date of receipt of the lump sum and the end of the 15-day adverse action notice. Consider if all or part of the lump sum would have been disregarded as the first $60 in included lump sum income for the calendar quarter before assessing an overpayment.

At redetermination

If a lump sum received in the previous 12-month eligibility period is **NOT** reported at redetermination and would have put the family over 67% SMI or resulted in a higher copayment, cite an overpayment for child care assistance paid in excess of what should been paid had the payment been reported at redetermination. If the family exceeded 67% SMI at redetermination or a patch is needed for the copayment to increase, contact your policy specialist.

Tracking the lump sum

MEC^2 does not remove the lump sum from income in eligibility when the annualization period ends. See the MEC^2 User Manual for instructions on how to track the expiration of the lump sum income and steps to follow when it expires.

Legal authority

Minnesota Statutes 119B.011
Minnesota Statutes 119B.09

Annualizing lump sum income 6.15.15

Minnesota Rules 3400.0170
Minnesota Rules 3400.0180
Minnesota Rules 3400.0185

Annualizing seasonal and temporary income 6.15.18

Temporary income is income that is known to be ending prior to the end of the family's annualization period. Seasonal income is temporary income that is expected to reoccur annually.

Count the amount of temporary income the client expects to receive during the annualization period. Annualizing seasonal income or other temporary income as on-going income will not give an accurate assessment of annual income available to the family. It is recommended that workers use the method of income calculation that provides the most accurate assessment of annual income available to the family.

Unemployment Insurance is an example of temporary income and must be annualized in a way that takes into account the amount that is available to the family from the point of application or redetermination to the end of the annualization period.

For example:

The Unemployment Insurance award letter indicates the parent is eligible for benefits up to maximum amount of $6,000, issued at $259 per week. $6,000 divided by $259 equals just over 23 weeks the parent will receive this benefit. This is temporary income as it will end prior to the end of the family's annualization period.

Another example:

Nickole is a teacher. She submitted an employer statement that verifies she is employed for the school year, September through May, and is off June, July and August of each year. She earns $17 per hour at 40 hours per week for the school year and is not paid over the summer months. When annualizing this income, only count the income received for the nine months she is receiving it. This is seasonal income as it is expected to reoccur annually.

See Chapter 6.15 (Annualizing income) for instructions to annualize seasonal/temporary income at application.

Legal authority

Minnesota Statutes 119B.011, subd. 15
Minnesota Statutes 119B.09, subd. 4
Minnesota Rule 3400.0170

Annualizing work bonuses and overtime pay 6.15.21

Bonuses and overtime pay are wages. They may be considered ongoing, temporary or lump sum income.

Ongoing work bonuses and overtime pay

If the work bonus or overtime pay is regular or recurring, annualize it for 12 months.

For example:

- A parent receives overtime pay consistently every paycheck. Annualize the overtime for 12 months.
- A parent receives a regular quarterly bonus. Annualize the bonus using "Quarterly" in the "Amount Frequency" field on the Earned Income window in MEC².

Temporary work bonuses and overtime pay

If the overtime or bonus income is for a specific period of time, that is available at the application or redetermination period, annualize it as temporary income for the specific time period.

If the income is received during the 12-month eligibility period and will put the family's income over 85% SMI, annualize the income as temporary income for the specific time period.

If the overtime income or bonus income is for a specific period of time expected to be received later in the 12-month eligibility period, annualize as expected future income. See Chapter 6.15 (Annualizing income).

Lump sum work bonus and overtime pay

If the work bonus or overtime income is for one-time only, is infrequent or is irregular, annualize it as lump sum income when received.

Legal Authority

Minnesota Statutes 119B.09
Minnesota Statutes 119B.011
Minnesota Statutes 256P.01
Minnesota Statutes 256P.06
Minnesota Rules 3400.0170

Income deductions 6.18

MEC^2 will calculate the annualized net income by reducing the gross income by allowable deductions.

Allow the following verified deductions from annual gross income:

- Actual child support paid to someone living outside of the household. Actual child support paid on behalf of someone living outside of the household. This deduction allows the full child support payment to be deducted.
- Spousal support paid to or on behalf of someone living outside of the household.
- Medical, dental and vision insurance premiums for family members, paid by family members.
- If the participant is on Medical Assistance, any portion of the insurance premium that the participant is not reimbursed for.
- Expenditures necessary to secure payment of unearned income (for example, lawyer's fees for an insurance settlement can be deducted from the unearned income).

Do **NOT** allow the following deductions:

- Pre-tax withholding accounts for anticipated expenses, such as medical/dental, child care and transportation expenses.
- Insurance premiums for other than medical, dental or vision insurance.
- Flexible work benefits received from an employer if the employee has the option of receiving the benefit or benefits in cash.

If medical support payments are received from the non-custodial parent (NCP), these amounts are considered income and are added to gross annual income. Client must then provide verification of medical insurance premiums paid to have any amount deducted.

Verification of income deductions

The deduction must be verified in order to reduce annualized gross income. See Chapter 7.9 (Income Verification) for examples of acceptable verification.

Deductions do not need to be verified for families eligible for expedited child care for families experiencing homelessness. Unverified deductions will reduce income for expedited child care applications only. If verification of the deduction is not provided during the three-month period, the family continues to be eligible and the copay cannot increase. At the family's next redetermination, verification of the deduction would be required in order to reduce annualized gross income.

Legal authority

Minnesota Statutes 119B.011
Minnesota Statutes 119B.025, subd. 1
Minnesota Rules 3400.0170

Family copayment 6.21

Child care assistance families are responsible for a copayment. The copayment is paid to the family's child care provider biweekly.

The copayment amount is based on family size and annual income after allowable deductions. Copayments are graduated to move families towards full payment of their child care costs as their income increases.

During the biweekly period when the family first receives service, MEC² will prorate the copayment based on the number of calendar days left in the biweekly period.

Changes in income and/or family size

Copay cannot increase during the 12-month eligibility period

During the 12-month eligibility period, the amount of the copayment cannot increase.

When **family income increases or the family size decreases**, the copayment will stay the same until the family's next redetermination. At redetermination, the copayment will increase after a 15-day notice.

Copay can decrease during the 12-month eligibility period

During the 12-month eligibility period, the amount of the copayment can decrease. A decrease in copayment is effective the first day of the biweekly period after the copay change is approved in MEC².

When **family size increases**, the copayment can decrease, even if the family size increase is not verified. Note: If a new person with unverified income is added to the family size, unverified income can be entered but is not required to be entered. Entering the income may result in no copayment decrease or a smaller decrease.

When **family income decreases**:

- If the income decrease is not verified, the copayment should not decrease. Do not enter an unverified income decrease. MEC² will not check if entered income changes are verified. If an unverified income decrease is entered into MEC² the system may incorrectly decrease the copayment for the family. The family may be subject to an overpayment, if verification later shows the copayment should not have decreased, and the overpayment was caused at least in part by the family's action or error. See Chapter 14 (Overpayments) to determine when to assess an overpayment.

- If the family submits verification of the income decrease, the worker must determine if the decrease is an accurate projection of future annualized income. If the decrease is an accurate projection of annualized income and the change would result in a decreased copayment, the worker must take action to reduce the copayment, including approval of eligibility results and Service Authorization results. A case note is recommended if the worker does not take action on a verified income decrease.

- Workers are not required to act on the following income changes during the 12-month eligibility period: MFIP grant amount changes, changes in child support income, or changes that the family has not

reported to the child care worker but that are otherwise known to the agency. Workers may act on these changes, but are not required to do so.

Copayment not paid

In some situations, the family is not required to pay the copayment. This includes when:

- The child care provider has chosen to waive the copayment for the family.
- Someone outside the family pays the copayment on behalf of the family. Examples include payment by scholarships or a friend of the family. The provider must keep a record of these transactions. Do not count this as income for the family. See Chapter 9.9.3 (Child Care Expenses Paid By Other Sources).

In all other situations, when a family does not pay the required copayment, the family is ineligible for child care assistance until:

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

Note: Some providers apply the amount paid by the family to the oldest fees or to the amount that is more than the maximum rate. In these cases, the provider considers the copayment not to have been paid and may indicate this on the billing voucher. Consider the family to have paid the copayment if the family or provider is able to document that an amount has been paid that is equal to or greater than their copayment.

Special situations

Temporary ineligibility and suspend

The copayment can decrease or stay the same when a case is moved out of temporary ineligibility or suspension during the 12-month eligibility period. The copayment cannot increase.

Reinstatement

If a reinstatement is tied to a redetermination, the copayment can increase, decrease, or stay the same. See Chapter 10.6.10 (Redetermination processing – Reinstatement).

If a reinstatement is not tied to a redetermination and the reinstatement occurs during the 12-month eligibility period, the copayment can decrease or stay the same. The copayment cannot increase.

Incorrect copayment approved

If the approved copayment is lower than it should be, the copayment can increase to avoid continued incorrect payments. See Chapter 14 (Overpayments) to determine when to assess an overpayment. Workers need to contact their CCAP policy specialist to correct the copayment.

If the approved copayment is higher than it should be, the copayment can decrease. The agency can issue an underpayment if allowed under their County and Tribal Child Care Fund Plan underpayment policies.

Recoupment

A copayment can increase during the 12-month eligibility period due to recoupment of an overpayment. The recoupment is based on the family's current copayment. See Chapter 14.9.6 (Recoupment – Families) for information about how to determine the recoupment amount.

For the copayment schedules, select the applicable time period:

- Copayment Schedules effective October 3, 2022 (DHS-6413K) (PDF)
- Copayment Schedules effective October 4, 2021 - October 2, 2022 (DHS-6413J) (PDF)
- Copayment Schedules effective October 5, 2020 - October 3, 2021 (DHS-6413I) (PDF)
- Copayment Schedules effective October 7, 2019 – October 4, 2020 (DHS-6413H) (PDF)
- Copayment Schedules effective October 8, 2018 – October 6, 2019 (DHS-6413G) (PDF)
- Copayment Schedules effective October 9, 2017 – October 7, 2018 (DHS-6413F) (PDF)
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Contact your agency's CCAP policy specialist for previous copayment schedules.

Legal authority

Minnesota Statutes 119B.11, subd. 2a
Minnesota Statutes 119B.125, subd. 4
Minnesota Statutes 119B.12
Minnesota Rules 3400.0100

Verification 7

The Child Care Assistance Program requires verification of certain information. Families have the primary responsibility to verify information.

Any form of verification is acceptable if it confirms the client's statement. Do not require a specific document or form of verification.

Sources of verification include:

- Written or electronic records or documents.
- Written or oral statements from people outside the family.
- Written client statement, in some situations.

Allow families at least 15 days to provide requested verification. See Chapter 7.1 (Verification due dates) for exceptions.

Helping families get verification

You must help families who have trouble getting proof. Families must either provide necessary proof or give their written consent for you to get the information. Certain information may be verified using various Department of Human Services systems or third-party interfaces. See Chapter 7.24 (Verification - DHS systems).

Client statement

With the exception of most income and income deduction verifications, when proof is not available despite the efforts of you and the family, get a signed statement from the family attesting to the correctness of the information.

A signed client statement can be used to verifycertain child support income, the last date of employment, and the date the last paycheck was received. Verification does not need to be requested from the employer prior to accepting a client statement for the last date of employment and the date the last paycheck was received. If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment), the family must choose the 50% of gross income method and a client statement may be used to verify self-employment income. See Chapter 6.15.6 (Annualizing self-employment income) for information about the 50% method and Chapter 7.9 (Income verification) for more information about income verification requirements when the 50% method is chosen.

For the purpose of obtaining verification, information reported on the application, redetermination, or change report form does not qualify as proof.

Refusing to provide verification

If a family refuses to help or deliberately fails to cooperate to verify an eligibility factor, deny or terminate child care assistance. If the unverified eligibility factor affects only a family member (such as a child's immigration

status), deny or end the member's eligibility. If the unverified factor affects the entire unit (such as income), deny or close the case.

Legal authority

Minnesota Statutes 119B.025
Minnesota Rules 3400.0040

Verification due dates 7.1

In general, allow families 15 days to provide verification. When the last day of the 15-day verification request period falls on a Saturday, Sunday, or legal holiday, extend the time period to the next working day.

Verification due dates during application

Allow families 15 days to provide verification. Use the MEC^2 Special Letter: Information Request for "Application" case status to request verification. If families submit verification after the 15-day window but the application is still within the application processing period, the information can be used to process the application. Do not take action to deny an application for missing verifications. Allow MEC² to auto-deny the application at the end of the family's application processing period for failure to complete the application when the family has not submitted all verifications by the end of the application processing period. See Chapter 3.7 (Processing Applications).

Verification due dates during the 12-month eligibility period

For changes that require verification during the eligibility period to continue authorizing child care or determine on-going eligibility, allow families 15 days to provide verification. Use the MEC^2 Special Letter: Information Request for "On-going" case status to request verification. For more on what changes must be verified during the 12 month eligibility period, see Chapter 7.4 (Verification – 12-Month Eligibility Period).

If a family fails to provide a required verification by the specified due date, issue a 15-day notice of adverse action. The 15-day verification request period and the 15-day notice of adverse action cannot overlap each other.

Verification due dates at redetermination

When additional verifications are requested at redetermination, use the MEC² Special Letter: Information Request for "Redetermination" case status to request verification.

Allow families 15 days to provide verification or until the last day of the 30-day reinstatement period, whichever is earlier.

- If the case is open, give the family 15 days to return verifications.
- If the case has closed, give the family until the last day of the 30-day reinstatement period to return verifications. When the 30th calendar day falls on a Saturday, Sunday, or legal holiday, the 30-day time period is extended to the next day that is not a Saturday, Sunday, or legal holiday.

Note: If the redetermination form and all required eligibility verifications are not received and processed by the last day of the redetermination period, close the case with a 15-day notice of adverse action. If a complete redetermination form and all required verifications are received within 30 days after the case closes, see Chapter 10.6.10. (Redetermination processing – Reinstatement).

See Chapters 10.6 (Redetermination process) and 10.6.3 (Redetermination processing standards).

Legal authority

Minnesota Statutes 119B.025

Verification – Initial application 7.3

Verify the following eligibility requirements at initial child care applications:

- Identity of all members of the CCAP family.
  - Verification includes, but is not limited to: driver's license, state ID card, passport, school ID card, birth certificate, or tribal document.
  - If identity verification is not provided for all CCAP family members, the case is not eligible at application or redetermination. MEC^2 incorrectly gives eligible results. Follow the guidance in the MEC^2 User Manual section "System Limitations".
- Presence of the minor child in the home, if questionable.
- Relationship of minor child(ren) to the parent, stepparent, legal guardian, eligible relative caretaker, or the spouses of any of these listed persons.
  - Verification includes, but is not limited to: birth certificate, adoption record, legal guardianship statement, baptismal record, tax records, tribal document, or marriage certificate (to verify stepparent relationship).
  - If paternity has not been established, get a signed statement from the client attesting to the correctness of the information and require the family to cooperate with Child Support. See Chapter 4.9 (Cooperation with Child Support).
- Age of the child(ren) in the family.
  - Verification includes, but is not limited to: birth certificate, baptismal record, school or immunization record, or passport.
- Citizenship or immigration status for at least one child or verification that at least one child is attending care in a setting subject to public education standards.
  - Verification includes, but is not limited to: birth certificate, permanent resident card, passport, or visa.
- Age of the applicant if he or she is under 21.
  - Verification includes, but is not limited to driver's license, birth certificate, baptismal record, school or immunization record, or passport.
- Social security number, if provided.
  - Social security numbers must be requested for all applicants. The applicant must be given the Minnesota Department of Human Services Notice of Privacy Practices DHS-3979 (PDF) before the social security number is requested. The social security number is typically requested on the application, which includes DHS-3979.
  - Social security numbers do not need to be requested for children, although they are often provided on the application.
  - If a social security number is provided for the applicant(s) or children, the interface between MEC^2 and the Social Security Administration will verify the social security number. See Chapter 7.24 (Verification – DHS Systems).
  - A county or tribe must NOT deny child care assistance due to not providing a social security number.
- Income, if counted, and income deductions. See Chapter 7.9 (Income verification) and Chapter 6.6 (Earned/Unearned income) to determine what income sources are counted.

  - For income deductions, send the family a verification request and allow until the end of the 30-day application period or (45 days with the consent of the applicant) for the verification to be returned. If the requested verification is not received, do not allow the expense as a deduction and process the application without the income deduction.
- Authorized activity of Parentally Responsible Individuals (PRIs). See Chapter 4.6 (CCAP Authorized Activities).
- School status of students of any age with earned income. If school status of the student is not verified, the student's earned income must be counted. See Chapter 6.6.1 (Individuals with exempt earned income).
  - Verification includes, but is not limited to: Case noted conversation with school, student-specific class schedule, client statement, or DHS Request for Verification of School Attendance/Progress DHS-2883 (PDF).
- Spousal support and child support payments made to persons outside the household.
- Residence.
  - Verification includes, but is not limited to: driver's license, state ID card, utility bill, mortgage document, current lease, any form of mail provided by the client (except mail addressed to a P.O. Box), or mail sent to the participant from Department of Human Services or the CCAP agency
  - A forwarding address sticker received at the administering agency from the U.S. Postal Service cannot be used as verification of residence.
  - For families in excluded time facilities verify the address or county of residence where the family lived prior to entering the excluded time facility. Have the family provide an address where they can receive mail while in the excluded time facility or receiving excluded time services. Note: mailing address does not require verification. See Chapter 4.24 (Moving between counties).
  - Families that are homeless or without a fixed address are not required to provide a physical address. Verify the county that the family is physically residing in and have the family provide an address where they can receive mail. Verification includes, but is not limited to: a letter from a shelter, a letter from a friend, or a client statement.
  - See Chapter 7.21 (Verification – Safe At Home Program) for information about address verification for families in the Safe At Home Program.
- Inconsistent information, if related to eligibility.

For families who may be eligible for the New Spouse Income policy, request verification of marriage date. If verification of the marriage date is not received, eligibility is not impacted but all countable earned and unearned income from both spouses is counted. See Chapter 6.6.3 (New Spouse Income policy).

Requirements to authorize care if the family is determined eligible to receive CCAP:

- Employment and/or education status of adult family members including employment schedule and/or class schedule must be verified. See Chapter 7.27 (Schedule verification – Employment and education).
- School schedule information for every child who needs child care and attends school must be provided. See Chapter 7.30 (Schedule information – Child's school schedule).
- Citizenship and immigration status of all children for whom child care assistance is being sought.
  - A child who is participating in child care in a setting subject to public educational standards, such as in Head Start or a pre-kindergarten or school-age care program operated under public educational

standards, is exempt from this requirement. See Chapter 7.12 (Verifying citizenship and immigration status).

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.095
Minnesota Rules 3400.0040

Verification for Families Experiencing Homelessness 7.3.1

Requirements at application

A family experiencing homelessness is not required to submit verifications at application. The family must submit proof of eligibility, including all required verifications within three months of the application date.

Requirements by end of the three-month period

A family experiencing homelessness must verify that they meet all of the following requirements by the end of the three month period for eligibility to continue:

- Submit all verifications required at application. See Chapter 7.3 (Verification –Initial Application)
- Submit verification of income reported at application to determine the family met the entrance income limit at application. See Chapter 6.3 (Income Limits).
- Participate in an authorized activity. See Chapter 4.6.9 (Authorized Activities for Families Experiencing Homelessness).
- Cooperate with Child Support Enforcement. See Chapter 4.9.15 (Child Support Cooperation for Families Experiencing Homelessness).

NOTES:

- Do not delete the Case Action Window coded as "Homeless Requirements Not Met" until all requirements above are met.
- See Chapter 4.21 (Expedited Child Care for Families Experiencing Homelessness) for more information.

Legal authority

Minnesota Statutes 119B.025, subd. 1
Minnesota Statutes 119B.097, subd. 3

Verification – 12-month eligibility period 7.4

Whether a change needs to be verified and how an activity change impacts the case depends on the family reporting type and the reported change. Agencies should consider the two reporting types (12-Month Reporters and Schedule Reporters) and the reporting and verification requirements during the 12-month eligibility period. See Chapter 8.3 (Reporting Requirements) for more information about a family's reporting requirements. See Chapter 8.3.6 (Reporting types) for more information about determining a family's reporting type.

You may become aware of changes through:

- Family reporting to the CCAP worker or another worker in the agency.
- Information reported by other people or agencies.
- Upcoming or potential changes the agency has been tracking through MEC^2 or other tracking methods.

During the 12-month eligibility period, there are some situations where acting on information known to the agency is appropriate.

- For example, request information if it is known to the agency that the parent has a permanent end to all authorized activities.

You do not need to follow-up on or request verification of changes that were not required to be reported and do not impact eligibility or authorized hours.

- For example, you do not need to update cases monthly when the MFIP grant amount changes due to monthly HRF processing. See Chapter 6.15.3 (Annualizing MFIP & Earned Income) and the MEC^2 User Manual for instructions on entering reduced MFIP income that has been annualized offline into MEC^2.

If you become aware of inconsistent information during the 12-month eligibility period, refer to Chapter 7.4.3 (Inconsistent information).

All families (12-Month Reporters and Schedule Reporters)

Request verification if any of these eligibility changes are reported:

- Income change that puts the family's income over 85% of SMI for their household size.
  - Request verification of all current income sources, not just verification of the income source that may have put the family over 85% of SMI.
  - If a family has an income increase and it is unknown if the increase puts the family's income over 85% of SMI, the worker may send a Memo or Special Letter to the family telling them they must report and verify if the change puts them over 85% of SMI for their family size. If no further information is received, do not take an adverse case action against the family. If it is discovered that the change puts the family over 85% SMI, assess an overpayment from the date of the change.
- An authorized activity outside of an Employment Plan at the end of job search outside an Employment Plan .
  - If the authorized activity is employment, request verification that the employment activity meets the minimum activity requirements at the end of job search outside an Employment Plan. See Chapter 4.6.6.3 (Job search at application or redetermination).

  - If the authorized activity is education outside an Employment Plan, request verification that the education activity meets the education criteria in the agency's county and tribal child care fund plan. See Chapter 4.6.6.3 (Job search at application or redetermination).
- Move out-of-state. See Chapter 8.1.15 (Changes in residence).
- Move to a different county for a family receiving Basic Sliding Fee.
  - The original county should request address verification, but should not take any negative actions if verification is not received. The new county must have verification prior to issuing a Service Authorization and if verification is not received, the case would be suspended. See Chapter 8.1.15 (Changes in residence) and Chapter 4.24 (Moving between counties).

If a family reports a change that would result in case closure, workers must request verification and allow 15 days for the family to return verification prior to initiating case closure. See Chapter 7.1 (Verification due dates).

- If verification confirms the family is not eligible, close the case with a 15-day notice of adverse action.
- If verification is not provided within 15 days, close the case with a 15-day notice of adverse action.
- If verification shows the family is still eligible, follow instructions in Chapter 8.1 (Changes in circumstances).

Other changes

Changing self-employment income calculation methods

Families may change the method of self-employment income calculation at any time within the 12-month eligibility period when the current income calculation does not provide the most accurate assessment of income available to the family. See Chapter 6.15.6 (Annualizing self-employment income) for information about the methods. They must meet verification requirements of the chosen method when changing methods. See Chapter 7.9 (Income verification).

Changing self-employment income calculation methods may impact the amount of care that can be authorized. See Chapter 9.1.1.1 (Authorizing care – Self-employment) for information about calculating the amount of care that can be authorized for self-employment and Chapter 9.12 (Authorization changes during the 12-Month eligibility period) for information about impacts during the 12-month eligibility period based on the family's reporter type.

New Spouse Income policy

For families who may be eligible for the New Spouse Income policy, request verification of marriage date. If verification of the marriage date is not received, case eligibility is not impacted but all countable earned and unearned income from both spouses is counted. See Chapter 6.6.3 (New Spouse Income policy) for additional information on the New Spouse Income policy.

Schedule Reporters

Request verification if any of these changes are reported:

- Activity changes that would not result in ineligibility but could change the family's Service Authorization. Changes including, but not limited to:

- Schedule changes
- New employment
- A temporary break from employment or education
- A permanent end to employment or education.

If a family reports a change that would result in a Service Authorization change, workers must request verification and allow 15 days for the family to return verification. If after 15 days verification has not been provided, consider the impact of the reported change before taking action.

For changes that would result in a ***reduction*** in authorized hours or if you **do not know** the impact of the change:

- If verification is not received, close the Service Authorization and suspend the family's case until verification is received.
- If verification is received and shows the Service Authorization must be reduced, reduce the authorized hours. Families must receive a 15-day adverse action notice when authorized hours are reduced. Follow MEC² User Manual instructions when there is a Reduction of Hours to a Provider Requiring 15-Day Notice Workaround.

For changes that would result in an ***increase*** in authorized hours:

- If verification is not received, do not increase authorized hours until verification is received. Do not take an adverse case action against the family unless verification is not received by their next redetermination.
- If verification is received and shows the Service Authorization must be increased, increase the authorized hours.

For a temporary break or permanent end in employment or education:

- Ask the parent to submit verification including:
  - Whether the activity ending is permanent or temporary
  - The end date of the activity.
- A written client statement is acceptable verification.
- If verification is not received, close the Service Authorization and suspend the family's case until verification is received.
  - If it is later determined that the family received or may have received child care for longer than the period allowed for Extended Eligibility, an overpayment may be assessed. See Chapter 14 (Overpayments) to determine when to assess an overpayment.
- If verification is received:
  - If the break is temporary, close the Service Authorization and suspend the family's case until verification is received.
  - If the break is permanent, use the end date provided by the verification as the date of Extended Eligibility.

See Chapter 9.12 (Authorization changes during the 12-month eligibility period) for more information about authorization impacts during the 12-month eligibility period.

12-Month Reporters

Request verification if any of these changes are reported:

- Employment or education ending permanently
- New employment, if PRI is working at a child care center licensed by the Department of Human Services
- Activity change for which the family is requesting more hours of care. Changes include, but are not limited to:
  - Schedule changes
  - New employment.

For changes that would result in an ***increase*** in authorized hours:

- If verification is not received, do not increase authorized hours until verification is received. Do not take an adverse case action against the family. Verification will need to be requested at their next redetermination.
- If verification is received and shows the Service Authorization must be increased, update the Child's Provider window to increase the authorized hours.

For employment or education ending permanently:

- Ask the parent to submit verification of the activity ending, including the end date.
  - A written client statement is acceptable verification.

  .
- If verification is received, end the activity and start Extended Eligibility on the date the activity ended.
- If verification is not received, put the family into Extended Eligibility on the date the worker became aware of the permanent activity ending.
  - Do not end eligibility or reduce or close Service Authorization during the Extended Eligibility period.
  - If you get information later about the actual date the activity ended, update the Extended Eligibility begin date to the date the activity ended.
  - If it is later determined that the family received or may have received child care for longer than the period allowed for Extended Eligibility, an overpayment may be assessed. See Chapter 14 (Overpayments) to determine when to assess an overpayment.

For new employment reported at a child care center licensed by the Department of Human Services:

- Request verification of the new employment activity. The family becomes a Schedule Reporter on the date their employment begins with a child care center licensed by the Department of Human Services. See Chapter 8.3.6.3 (Changes in reporting type). Workers must request verification and allow 15 days for the family to return the verification.
  - If verification is not received by the required due date, close the Service Authorization with a 15-day adverse action notice and suspend the family's case. If verification is later received that allows

care to be authorized, move the family out of suspension and authorize care based on the verified activity schedule.

- If verification is received and shows the Service Authorization must be increased, increase the authorized hours.
- If verification is received and shows the Service Authorization must be reduced:
  - Reduce the authorized hours. Families must receive a 15-day adverse action notice.
  - Follow MEC^2 User Manual instructions when there is a Reduction of Hours to a Provider Requiring 15-Day Notice Workaround.
- If verification is received and shows the Service Authorization must be closed, close with a 15-day adverse action notice.

See Chapter 9.12 (Authorization changes during the 12-month eligibility period) for more information about authorization impacts during the 12-month eligibility period.

Legal authority

Minnesota Statutes 119B.025
Minnesota Rules 3400.0040, subp. 4a

Changes not requiring verification 7.4.1

In most cases during the 12-month eligibility period, eligibility should continue when changes are reported even if the change is not verified. For changes that families must verify during the 12-month eligibility period in order for eligibility to continue, see Chapter 7.4 (Verification – 12 month eligibility period). If a change is not required to be verified during the 12-month eligibility period, cases must not close during the 12-month eligibility period due to no verification. Household and authorization impacts for changes during the 12-month eligibility period are described in more detail in Chapter 8 (12 month eligibility period). If families report changes that they are not required to report, evaluate the impact of the change before taking action.

Changes that would benefit the family

Workers must inform families that if they want their benefits to increase, they must submit verification before the change can be processed.

Changes that would benefit the family include changes that would:

- Increase authorized hours
- Reduce copayment
- Authorize care for additional children

Workers cannot close the case if verification is not received and cannot increase the family's benefits until the change is verified.

Changes that would not benefit the family

No actions are needed if families report changes that would not benefit the family during the 12-month eligibility period if the changes do not impact the family's eligibility. The system will not apply adverse actions until the family's next redetermination. For information about changes that would impact family eligibility, see "Reasons a family is no longer eligible during the 12-month eligibility period" in Chapter 8.15 (Termination).

Changes that impact case management

Enter changes necessary to manage the family's case in MEC² even if they are not verified. Changes include, but are not limited to:

- Address changes
- Provider changes
- Household composition changes
- Family status changes.

Legal authority

Minnesota Statutes 119B.025

Inconsistent Information 7.4.3

Inconsistent Information at application

If you are processing a new application, request verification of inconsistent information as part of processing the application. See Chapter 7.3 (Verification – Initial Application).

Inconsistent Information during the 12-month eligibility period

If you become aware of inconsistent information during the 12-month eligibility period, consider the family's reporting type, the family's reporting and verification requirements, and whether the family's eligibility or authorized hours would be impacted before requesting more information or verification.

For example:

- 12-Month Reporters do not need to report when they are working fewer hours. If you become aware the parent is working fewer hours, no further action is needed (unless the family reports the change and requests that their copay be reduced).
- Schedule Reporters do need to report when they are working fewer hours. If you become aware the parent is working fewer hours, request verification from the family. If verification is not received, the case would be suspended following a 15-day notice.

Families may report different information to other workers. If the new information was not required to be reported to CCAP based on the family's reporting type, it is not considered inconsistent information. Workers do not need to take further action in these situations.

If follow-up is needed, consider:

- Contacting the family for more information.
- Requesting verification if eligibility or authorized hours may be impacted.
  - If verification is not received, suspend the case following a 15-day notice.
- Making a fraud referral. Follow your agency policies about when to make a fraud referral. If information did not need to be reported, a fraud referral may not be necessary. See Chapter 13.3 (Fraud referrals).

Inconsistent Information at redetermination

If you are processing a redetermination, request verification of inconsistent information as part of processing the redetermination. See Chapter 7.6 (Verification – Eligibility Redetermination).

If there is inconsistent information about the family that would have affected eligibility or authorization during the 12 month eligibility period, request verification at redetermination, unless requesting information would compromise a fraud investigation. For example:

- Request verification of a Schedule Reporter's temporary and permanent ends in activity if not reported or verified during the previous 12-month eligibility period.

- Request verification of identity, relationship and activity if it is discovered that another parent has been in the home if not reported or verified during the previous 12-month eligibility period.

Legal authority

Minnesota Statutes 119B.025

Verification – Eligibility redetermination 7.6

Verify the following at the time of eligibility redetermination:

- Current income, if counted, and income deductions. See Chapter 7.9 (Income verification) and Chapter 6.6 (Earned/unearned income) to determine what income sources are counted. See Chapter 6.15 (Annualizing income) for how to annualize income at redetermination.
  - If the family reported income changes during their 12-month eligibility period that were not verified but the changes are no longer relevant to the family's current income, do not request verification of the prior change.
  - For income deductions, send the family a verification request and allow the required amount of time for the verification to be returned. See Chapter 7.1 (Verification due dates). If the requested verification is not received, do not allow the expense as a deduction and process the redetermination without the income deduction.
- Authorized activity of Parentally Responsible Individuals (PRIs). See Chapter 4.6 (CCAP Authorized Activities).
- School status of students of any age with earned income. If school status of the student is not verified, the earned income must be counted. See Chapter 6.6.1 (Individuals with exempt earned income) and Chapter 7.9 (Income verification).
  - Verification includes, but is not limited to: case noted conversation with school, student-specific class schedule, client statement, or DHS Request for Verification of School Attendance/Progress DHS-2883 (PDF).
- Residence. There is no time limit to how long a residency verification document can be used as verification. The verification on file can continue to be used if it reflects the family's current name and address.
  - Verification includes, but is not limited to: driver's license, state ID card, utility bill, mortgage document, current lease, any form of mail provided by the client (except mail addressed to a P.O. Box), or mail sent to the participant from Department of Human Services or the CCAP agency.
  - A forwarding address sticker received at the administering agency from the U.S. Postal Service cannot be used as verification of residence.
  - For families in excluded time facilities verify the address or county of residence where the family lived prior to entering the excluded time facility. Have the family provide an address where they can receive mail while in the excluded time facility or receiving excluded time services. Note: mailing address does not require verification. See Chapter 4.24 (Moving between counties).
  - Families who are homeless or without a fixed address are not required to provide a physical address. Verify the county that the family is physically residing in and have the family provide an address where they can receive mail. Verification includes, but is not limited to: a letter from a shelter, a letter from a friend, or a client statement.
  - See Chapter 7.21 (Verification – Safe At Home Program) for information about address verification for families in the Safe At Home Program.
  - A current lease or mortgage statement with the same address (if the client has not moved) is acceptable. The client does not need to submit the lease or mortgage statement again.
- Changes in family status and family size
  - May include new family members, a change in marital status, or family members who have moved out of the household.

  - For new family members, require verification of factors required to be verified at initial application such as identity, age and relationship. See Chapter 7.3 (Verification – Initial application).
- Citizenship or immigration status for at least one child or verification that at least one child is attending care in a setting subject to public education standards if changed since the last eligibility determination.
  - Verification includes, but is not limited to: birth certificate, permanent resident card, passport, or visa.
- Cooperation with Child Support Enforcement and Assignment.
- Inconsistent information, if related to eligibility.
- Any other factor required to be verified at initial application that has changed since the last eligibility determination. See Chapter 7.3 (Verification – Initial application)

For families who may be eligible for the New Spouse Income policy, request verification of marriage date. If verification of the marriage date is not received, eligibility is not impacted but all countable earned and unearned income from both spouses is counted. See Chapter 6.6.3 (New Spouse Income policy).

The following are requirements to authorize care:

- Employment and education/training status including employment and/or class schedule must be verified. See Chapter 7.27 (Schedule verification – Employment and education).
- School schedule for every child who needs child care and attends school must be provided if there is a change in the schedule or the school attended. See Chapter 7.30 (Schedule information – Child's school schedule).

Changes in family circumstances during the 12-month eligibility period

Workers do not need to reconstruct the family's prior 12-month eligibility period at redetermination. If a family has submitted all verification needed to show they meet eligibility requirements at redetermination process the redetermination.

If there are questions about whether the family remained eligible throughout the previous 12-month eligibility period, consider this separately from the redetermination.

- Determine if required changes were not reported during the 12-month eligibility period. Consider the family's reporting status when determining whether a change was required to be reported.

- Determine if verification is needed of changes that were required to be reported. If verification is needed, request verification and allow 15 days for the family to return verification. See Chapter 7.1 (Verification due dates).

- If the family received more child care than they were eligible for, you may need to assess a family overpayment. Do not end eligibility or delay redetermination processing. See Chapter 14 (Overpayments) to determine when to assess an overpayment.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statute 119B.095
Minnesota Rules 3400.0040

Income verification 7.9

When to require income verification

Verify all included sources of income when:

- Processing an application
- Processing a redetermination, **OR**
- A family reports their income is over 85 percent of State Median Income (SMI) during the 12-month eligibility period. See Chapter 7.4 (Verification – 12-month eligibility period).

During a family's 12-month eligibility period:

- Verification of an income decrease may be requested, but not required, if it could reduce the family's copayment. See Chapter 7.4 (Verification – 12-month eligibility period). If verification is not received, the family's eligibility should not be impacted and their copayment should not be reduced.
- A Memo or Special Letter may be sent to the family if it is unknown whether a reported income increase puts the family's income over 85 percent State Median Income. See Chapter 7.4 (Verification – 12-month eligibility period).

Income that is not counted and does not affect the eligibility or amount of assistance the family will receive does not need to be verified. See Chapter 6.6 (Earned/unearned income).

What to request as verification

Request verification that proves when, what type, and the amount of income a family member receives.

A Minnesota Family Investment Program/Diversionary Work Program (MFIP) Employment Plan cannot be used as verification of income.

All income must be verified using the documentation that is the best indicator of future income.

- The recommended standard is the most current 30 days of verification for income other than child support tracked through PRISM.
- If the most current 30 days of income verification is not reflective of expected future income, a different timeframe can be used.
- For child support tracked through PRISM, the recommended standard is the last six months of information.

If the worker uses something other than these standards, it is recommended that they case note why they deviated and how verification is used to support the income components required in the calculation of annualized income.

When documentation cannot be obtained

If the applicant or recipient cannot provide an actual document, ask them to provide a release of information signed by the family member receiving the income allowing you to contact the source of the income directly.

When a client statement can be used to verify income

A client statement cannot be used to verify income except in the following circumstances:

- Self-employment income: If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment), the family must choose the 50% of gross income method (see Chapter 6.15.6 (Annualizing Self-Employment Income)) and a client statement may be used to verify self-employment income.
- Child support income: In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application.
- Earned Income Ending: A signed client statement can be used to verify the date that employment ended and the date the last paycheck was received.

Earned income

- Paycheck Stubs
  - Ask if the applicant or recipient has paycheck stubs for the timeframe that is the best indicator of future income. The recommended standard is the most current 30 days of verification. If the most current 30 days is not reflective of expected future income, such as for seasonal or temporary income, a different timeframe can be used. The paycheck stubs should specifically identify the number of hours worked, gross income based on those hours, payroll period covered, client and employer name.
  - The worker may also use year-to-date totals as the best indicator of future income.
  - If something other than the recommended standard is used to calculate the income components, it is recommended that the worker case note what was used and how it was used to determine the income components.
- Employer Statement
  - If paycheck stubs are not available, or do not contain all the necessary information, ask the applicant or recipient to provide a letter from the employer on company letterhead with the necessary information. It is recommended that the worker case note what was used and how it was used to determine the income components.
  - For seasonal or temporary income, paycheck stubs may not be reflective of expected future income. An employer statement can be used in combination with paycheck stubs to determine expected future income. The worker is not required to use the information on the paycheck stubs when calculating income if the paychecks are not reflective of expected future income. It is recommended that the worker case note what was used and how it was used to determine the income components.
- Multiple Verification Sources
  - The worker may use multiple verification sources to determine expected future income. It is recommended that the worker case note what was used and how it was used to determine the income components.

Self-employment income

Documentation of self-employment income must meet the following criteria:

- When the taxable income method is chosen, verification must be an Internal Revenue Services (IRS) tax return, including all related schedules, that has been filed with the IRS for the most recent year.
  - From January 1 to the tax filing deadline of a given year, accept an IRS tax return that has been filed with the IRS for the previous tax year if taxes for the most recent year have not yet been filed. After the tax filing deadline, the family can only use the taxable income method if an IRS tax return has been filed for the most recent year, even if an extension has been granted.
    - For example, 2020 taxes can be accepted as verification until April 18, 2022 if 2021 taxes have not yet been filed. As of April 19, 2022, if 2021 taxes have not been filed, the family does not have the option to use the taxable income method.
  - See Chapter 6.15.6 (Annualizing Self-Employment Income) for more information about the taxable income method and when it can be used.
- When the 50% of gross income method is chosen, verification must show current gross self-employment income.
  - The recommended standard for income verification is the most current 30 days of verification. When gross self-employment income fluctuates to the extent that the most current 30 days is not reflective of expected future income, use a reasonable period of time (for example, the last 3 months) to determine current income. A longer or shorter period of time can be used. The amount of time that is reasonable to use may vary for each situation based on factors like the seasonality of a self-employment business.
  - A family must verify self-employment income with documentation. Documentation must include a detailed record of self-employment income, such as:
    - Business ledgers (actual receipts not required)
    - Business income receipts
    - Spreadsheet
    - Accounting software program report or document showing income
    - Handwritten “books”
    - Most recent tax returns, including all related schedules
    - Business income receipts
    - Client statement that is signed and dated .
  - Expenses are not considered in this calculation and do not have to be verified.
  - See Chapter 6.15.6 (Annualizing Self-Employment Income) for more information about the 50% of gross income method.
- Self-employment business income records must be kept separate from the family’s personal income records.
- If business records and personal records are not separate, ask the family to separate income records and resubmit according to Child Care Assistance Program requirements.
- If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment), the family must choose the 50% of gross income method and a signed and dated client statement detailing estimated income may be used to verify self-employment income. When child care is authorized based on estimated income, inform the participant of possible overpayment if the estimated income used does not reflect the actual income earned. Contact your policy specialist before determining this type of overpayment.
- If a self-employed person believes that they should not be subject to the higher minimum wage, the agency should work with the applicant or client to identify the correct applicable amount. If a self-employed person believes that they should not be subject to the higher minimum wage but verification is not available, accept a statement from the person that states that they are not subject to that amount and the reason why.

Note: If there are concerns about inconsistent information provided for self-employment, the agency may request the family provide additional verification to explain discrepancies. See Chapters 7.3 (Verification – Initial

application), 7.4.3 (Inconsistent information), 7.6 (Verification – Eligibility redetermination), and 13.3 (Fraud Referrals).

Tax forms by ownership type

When requesting tax forms from a self-employed person, it is important to know the self-employment ownership type to know what tax forms to request. See Chapter 6.6.5 (Self-employment income).

Sole proprietor

- Form 1040
- Schedule C, E or F

Partnership

- Form 1040
- Form 1065 (tax return for entire partnership)
- Schedule K-1 (Form 1065) (each partner's share of income, expenses, and credits). Each partner uses their K-1 (Form 1065) to complete their 1040.

S Corporation

- Form 1040
- Form 1120 (tax return for entire S Corporation)
- Schedule K-1 (Form 1120-S) (each shareholder's share of the income, expenses, and credits). Each shareholder uses their Schedule K-1 (Form 1120-S) to complete their 1040.

Unearned income

- All counted unearned income must be verified using documentation from a timeframe that is the best indicator of future income. The recommended standard is the most current 30 days of verification, excluding child support tracked through PRISM.
- For child support tracked through PRISM, the last six months of information is the recommended standard.
- For child support that is not tracked through PRISM, the recommended standard is the most current 30 days of verification.
- If the worker uses something other than these standards to calculate the income components, it is recommended that the worker case note what was used and how it was used to determine the income components.

Unearned income verification examples

Examples of acceptable documentation of unearned income include but are not limited to:

- Court documents providing child support and/or spousal maintenance amounts.
- Documentation from the Child Support and Collections office. In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application but must agree to cooperate with child support enforcement by completing the required paperwork. The self-declared child support received is included in the annualization of income.
- Award letters from the Social Security Administration, the Veterans' Administration, etc.

- State Verification Exchange System (SVES) interface screen prints. See Chapter 7.24 (Verification – DHS systems).
- Bank statements indicating interest paid on a specific account.
- Copies of checks for pensions, trust funds, annuities, unemployment compensation, etc.
- Cash settlements/awards/winnings may be verified through copies of the "letters of award" or court order or other applicable items.
- A screen print of the TPCO screen in MMIS or a copy of Your Health Insurance is Cost Effective (DHS-3767E) (PDF) as verification of cost effective insurance reimbursement.

Income deductions

Request verification of the amount and type of expense and allow the required amount of time for the verification to be returned. See Chapter 7.1 (Verification due dates). If the requested verification is not received, do not allow the expense as a deduction and process the case without the income deduction. The following are examples of acceptable verification:

- Payroll deductions as indicated on the pay stubs. Request consecutive pay stubs to verify that the deduction is ongoing.
- Copy of invoice and receipt of payment from an insurance company. The documentation provided must verify the amount and type of expense covered.
- Copy of current invoice for Minnesota Care premiums.

Legal authority

Minnesota Statutes
119B.011, subd. 15
Minnesota Statutes 119B.025
Minnesota Statutes 256P.06

Verifying citizenship and immigration status 7.12

Citizenship and immigration status of parents is not required for child care assistance. Do not request verification of citizenship or immigrations status for anyone in the family other than the child for whom child care assistance is requested.

Only citizenship and immigration status of the children for whom child care assistance is requested is relevant for authorizing care for child care assistance.

Do not require verification of citizenship or immigration status when child care is provided in a setting subject to public education standards (an education program that meets the state's expectations for student learning in K-12 public schools, such as Head Start programs and prekindergarten or school-age care programs).

When child care is or will be provided in a setting that is not subject to public educational standards:

- Require verification that at least one child for whom assistance is requested meets citizenship or immigration status requirements before approving eligibility.
- Require verification that each child for whom assistance is requested meets citizenship or immigration status requirements before authorizing care for that child.

NOTE: An expired immigration document is **NOT** acceptable verification of current status. Do not assume that an expired document is an indication that the immigration status has changed or that the person is undocumented. If documentation has an expiration date, track and request verification of renewed documentation prior to the expiration date.

Case action

Deny a family's application or at redetermination terminate child care assistance when:

- The setting where child care will be or is being provided is not subject to public educational standards. **AND**
- None of the child(ren) for whom assistance is requested meets citizenship or immigration status requirements for child care assistance.

Approve an application when:

- The setting where child care will be or is being provided is subject to public educational standards. **OR**
- At least one of the children for whom assistance is requested meets citizenship or immigration status requirements for child care assistance.

Legal authority

Minnesota Statutes 119B.025

Minnesota Rules 3400.0040

Verification – Safe at Home 7.21

Safe at Home (SAH) is designed to help people who fear for their safety maintain a confidential address. When someone enrolls in Safe at Home, they are assigned a PO Box address they can use as their legal address. The participant's real address remains under security with the Safe at Home office and the program provides a mail forwarding service.

CCAP applicants and participants are considered participants in the Safe At Home (SAH) program when they:

- provide the CCAP agency with a Safe At Home Identification Card, OR
- provide the CCAP agency with their unique lot number with PO Box 17370 assigned to them by the Secretary of State's office, OR
- declare they are Safe At Home participants, either verbally or in writing. If a CCAP agency receives verbal declaration, document the statement in Case Notes.

SAH participants are not required to provide the CCAP agency with a Safe at Home Identification card.

SAH participants only need to tell the CCAP agency the county where they actually live.

Case information for SAH participants must be protected as PRIVILEGED in MEC². See "Safe at Home (SAH) Address" in the MEC² User Manual.

Because there may be a delay in the mail forwarding process, public assistance program notices may not be received by the participants when anticipated and the ability of the participant to respond timely will be affected. CCAPworkers will need to make exceptions in these situations.

For more information about the Safe At Home Program, call 651-201-1399 or 1-866-723-3035 or TTY 1-800-627-3529 or 711.

Legal authority

Minnesota Rules 8290

Verification - DHS systems 7.24

Child Care Assistance Program participants are required to verify certain information as a condition of eligibility and to authorize care. See Chapter 7 (Verification).

For families who have received public assistance benefits through the Minnesota Department of Human Services and/or the county human service agency(s), this may mean certain information can be verified through MAXIS or various other Department systems or interfaces. This happens in two ways:

- Information is verified directly through a third-party interface. Examples of information that can be verified directly through a third-party interface include, but are not limited to:
  - Social Security numbers (SSN): An interface between MEC² and the Social Security Administration (SSA) will verify all Social Security Numbers by entering a validation code on the MEC² Member window. If the client information does not match the Social Security Number, the worker will get an Alert. The message will list the discrepancy that needs to be clarified. To clarify the information, compare the information on the Member window to the case file or contact the client for more information.
  - Social Security income:
    - The State Verification Exchange System (SVES) interface on MAXIS is an exchange with the Social Security Administration (SSA), which allows workers with access to verify Retirement, Survivors, and Disability Insurance (RSDI) benefit information. Information coded on the STAT/UNEA panel in MAXIS does not qualify as being verified directly from the Social Security Administration; verification must come from the SVES interface.
    - Social Security Administration State Online Query (SOLQ) is a web-based application and can be used to verify RSDI.
  - Disbursed Child Support income: For child support tracked and verified through PRISM, the last six months of information is recommended. See Chapter 7.9 (Income Verification). Income coded on the STAT/UNEA panel in MAXIS does not qualify as being verified directly from Child Support Enforcement; verification must come from PRISM.
  - Identity and/or citizenship information:
    - The “SSA/MA Citizenship Verification” field on the STAT/MEMI panel in MAXIS interfaces directly with the Social Security Administration. If this field is coded with an “A” (indicating that citizenship was verified through the Social Security Administration), the Child Care Assistance Program recognizes this as acceptable verification of identity for that family member and/or citizenship for that child.
    - Identity can be verified through the Social Security Administration State Online Query (SOLQ). In SOLQ use the SSN verification section that displays after selecting “View VerifyMN.” Identity is verified only when the code in the “SSN Verification Code” is “V.” If a code other than “V” displays do not use SOLQ as verification of identify.
  - Relationship information: The Case Status (CAST) screen in PRISM can be used to verify the relationship of children to the parent. Information from the BCRD, BCRM and ROPD screens should not be used. Workers can contact the child support workers for more information.
  - Earned Income: Earned income can be verified through the Work Number/Equifax which provides wage and employment verification. The Child Care Assistance Program recognizes this as acceptable verification of earned income.

- Verification information is shared through integrated fields in the MAXIS and MEC² systems. When verification information from an integrated MAXIS field carries over to MEC², but there is no documentation in the child care file, the worker must:
  - Confirm that verification exists within the agency. The worker can obtain a copy of the verification or document in Case Notes the action taken to confirm this information, the type of documentation, and how it was used to establish eligibility. It is recommended that the worker attempt to confirm that verification exists within the agency prior to requesting verification from the family.

  OR
  - Request verification from the family. It is recommended that the worker request verification from the family only if they cannot confirm that verification exists within the agency.

Agencies are responsible for developing best practices for inter-agency communication to determine whether system documentation exists and meets Child Care Assistance Program verification requirements. These practices must be applied consistently.

Case file verification

The Internal Revenue Service has special requirements for safeguarding federal tax information (FTI) generated by the Income and Eligibility Verification System (IEVS). For more information about what qualifies as federal tax information and how to prevent unauthorized use and disclosure of this information, see Combined Manual 0010.24.21 (IEVS Safeguarding Responsibilities).

Social Security information gathered from the State Verification Exchange System (SVES) interface is NOT considered federal tax information. Specific protocols for safeguarding federal tax information when gathering and documenting information do NOT apply to information gathered through the SVES interface.

Generally, child care workers must obtain hard copies of income verification for the child care file. See Chapter 7.9 (Income Verification). Exceptions occur when income is verified through a third-party interface. When information is verified using a third-party interface, record the source of the verification and make a screen print of the third-party interface for the case file.

- When income from Social Security is verified using the SVES interface:
  - Make a screen print of the SVES interface information for the child care case file.
  - Record a generic reference in Case Notes that includes the type of income, the date of the SVES interface response, and that a printed record of the interface information is available in the case file. As a precaution, do not include detailed information in Case Notes. For example, do NOT copy and paste any information gathered from the SVES interface and/or TPQY result messages into Case Notes.
- When income or identity is verified using SOLQ:
  - Make a screen print of the SOLQ interface information for the child care case file.
  - Record a generic reference in Case Notes that includes the identity information, type of income and the date of the SOLQ interface response. Do not include detailed information in Case Notes. Do NOT copy and paste any information gathered from the SOLQ interface into Case Notes.
- When income from Child Support is verified using PRISM, screen prints are not required.
- When earned income is verified using The Work Number, screen prints are not required.

Legal authority

Minnesota Statutes 119B.025
Minnesota Rules 3400.0020, subps. 18 & 40e
Minnesota Rules 3400.0040, subp. 3
Minnesota Rules 3400.0170
Minnesota Rules 3400.0180, subp. 3

Schedule verification – Employment and education 7.27

Verification of employment schedule and/or class schedule is required at application and redetermination for all families. Schedule Reporters must also report and verify when there is a change in activity and when there is a change in schedule. See Chapter 8.3.6 (Reporting types) for more information. The schedule must show the days and times worked or the days and times that classes meet. Schedule verification is not required for job search activities. For the purpose of obtaining schedule verification for parent employment or education, information reported on the application, child care addendum, redetermination form, or change report form does not qualify as verification of schedule.

MFIP/DWP families with an approved Employment Plan

For MFIP or DWP families with an approved Employment Plan, verification of the activity schedule is not required for activities in the Employment Plan IF the job counselor has indicated:

- the activity schedule (days and times of the activities) OR
- the days and times that child care is needed.

If the job counselor has indicated the days and times that child care is needed for activities in the Employment Plan on the MFIP/DWP Employment Services Child Care Request DHS-7054 (PDF), verification of the activity schedule is not required. The job counselor may also use other methods to communicate the activity schedule or days and times that child care is needed.

Job counselors may indicate the number of hours of child care needed for activities other than employment and education.

If the job counselor does not indicate the days and time that child care is needed or the activity schedule, the CCAP worker needs to request schedule verification.

Flexible employment schedules

For a client with a flexible employment schedule, a statement with the typical days and times worked or the possible days and times worked is allowable. The statement could be written by the job counselor for MFIP/DWP families with an approved Employment Plan, the employer, or the client if proof is not available despite the best efforts of you and the client.

Once verification of the flexible schedule has been provided:

- Clients do not need to report or verify schedule changes that fall within the range reported on the schedule verification of typical or possible days and times worked.
- Schedule Reporters must report and verify schedule changes that do not fall within the range reported on the schedule verification of typical or possible days and times worked.
- 12-Month Reporters do not need to provide additional information beyond the initial verification of the flexible schedule. See Chapter 8.3.6 (Reporting types).

Schedule verification – Employment and education 7.27

Verification types

Examples of acceptable verification of schedule include, but are not limited to:

- Class schedule with days and times of class, printed from a website.
- Statement from the employer with the days and times that the client is scheduled to work. This could be an email from the employer using an employer email address.
- Paystub if the days and times worked are listed.
- Copy or picture of the schedule that the employer posts to show the days and times that the client is scheduled to work.

If proof is not available despite the efforts of you and the client, you may obtain a signed statement from the client with the days and times worked or the days and times that classes meet, attesting to the correctness of the information.

Self-employment schedule verification

Business records or a signed statement from the client with the days and times worked can be used to verify self-employment work schedules.

Failure to provide schedule verification

Verification of employment schedule and/or class schedule is needed to determine the appropriate number of hours of care to authorize. Verification of employment schedule and/or class schedule is NOT a condition of eligibility. If verification of the employment schedule and/or class schedule is not provided at application or redetermination but all other eligibility requirements are met, the case should be suspended until the schedule verification is received.

During the 12-month eligibility period, if schedule verification is not received for Schedule Reports, care should be suspended. During the 12-month eligibility, if schedule verification is not received for 12-Month Reporters, the authorization continues until redetermination.

Legal authority

Minnesota Statute 119B.095
Minnesota Rules 3400.0020, subp. 38(b)
Minnesota Rules 3400.0040, subp. 18
Minnesota Rules 3400.0110, subp. 3

Schedule information – Child's school schedule 7.30

Verification of a child's school schedule is not required, but workers do need the days and times that a child attend school.

Information about a child's school schedule is required for every child who needs child care and attends school. Information is needed at application and redetermination.

Information about a child's school schedule is also required if a change in the child's school schedule during the 12-month eligiblity period results in a need for more authorized hours.

When authorizing care, consider the amount of time that the child attends preschool, a Head Start program or school while the parent is participating in an authorized activity.

Acceptable ways to get child school schedule information

The information must include the start and end times ofthe school day. If start and end times differ by day of the week, the information must include the start and end times by day of the week.

Ways to get child school schedule information include, but are not limited to:

- Worker obtained school schedule information, such as information from the school's website
- School schedule nformation provided by the family on the application, redetermination or change report form
- Written school schedule information from the family
- Verbal school schedule information from the family documented in a case note.

For children attending a school without a set schedule, such as an online based school or home schooling, the family must provide the days and start and end times when the child is anticipated to be participating in school activities.

MFIP/DWP families with an approved Employment Plan

For MFIP or DWP families with an approved Employment Plan, information about the child's school schedule is **NOT** required if the job counselor has indicated:

- the child's school schedule (days and times of school) **OR**
- the days and times that child care is needed, taking into account the child's school schedule.

Failure to provide school schedule information

Information about the child's school schedule is needed to determine the appropriate number of hours of care to authorize at application, redetermination or when a change in school schedule results in a need for increased hoursduring the 12-month eligibility period. Information of the child's school schedule is **NOT** a condition of eligibility. If information of the child's school schedule is not provided for a child who attends school, care should not be authorized for that child. If care is not authorized for any children, the case should be suspended.

Schedule information – Child's school schedule 7.30

Legal authority

Minnesota Statute 119B.095
MN Rules 3400.0020, subp. 38b
MN Rules 3400.0040, subp. 18
MN Rules 3400.0110, subp. 3

12-month eligibility period 8

During the 12-month eligibility period, limited factors can negatively impact a family's case. The purpose of the eligibility period is to provide for stable, consistent child care arrangements for children in the family.

Most changes will not impact the family's eligibility until their next redetermination. See Chapter 8.1 (Changes in circumstances).

Policies support continuous eligibility and maintaining consistent child care arrangements for families and children during the 12-month period by:

- Aligning approved activities across CCAP subprograms. See Chapter 16.15 (Authorized activities comparison sheet).
- Limiting verification requirements. See Chapter 7.4 (Verification – 12-month eligibility period).
- Providing a graduated phase out for families when income exceeds the 67 percent exit limit. See 6.3 (Income limits).
- Applying some eligibility requirements only at application and redetermination. See Chapter 4.9 (Cooperation with Child Support) and Chapter 4.6 (CCAP Authorized Activities).
- Allowing copayment fee reductions when a family verifies an income change. Copayment increases are not allowed. See Chapter 6.21 (Family copayment).
- Allowing copayment fee reductions when a family's household size increases. Copayment increases are not allowed. See Chapter 6.21 (Family copayment).
- Allowing child care hours to increase when a family verifies a need for more hours. Authorized hour decreases are not allowed for most families. See Chapter 9.12 (Changes to child care authorizations during the 12-month eligibility period).
- Allowing child care hours to continue when a family has a temporary end to their activity. See Chapter 9.15.3 (Care During Temporary Breaks from Authorized Activity).
- Allowing child care hours to continue when a family has a permanent end to their activity. See Chapter 9.15.6 (Extended Eligibility).
- Limiting reporting requirements during the 12-month eligibility period. See Chapter 8.3 (Reporting requirements).

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.05
Minnesota Statutes 119B.09
Minnesota Statutes 119B.095
Minnesota Statutes 119B.10
Minnesota Statutes 119B.105
Minnesota Statutes 119B.12
Minnesota Statutes 256P.07
Minnesota Statutes 256J
Minnesota Rules 3400.0040 and 3400.008

Changes in circumstances 8.1

Changes during a family's 12-month eligibility period may not impact a family's eligibility or authorization until their next redetermination.

You may become aware of changes through:

- Family reporting. See Chapter 8.3 (Reporting Requirements) for family reporting responsibilities, timeliness, and methods.
- Information reported by other people or agencies.
- Upcoming or potential changes the agency has been tracking through MEC^2 or other tracking methods.

Case actions when a change occurs

When you become aware a change has occurred or will occur, determine what kind of change it is and follow instructions based on the type of change:

- For a change in household composition, see Chapter 8.1.3 (Changes in household composition).
- For a change in family status, see Chapter 8.1.6 (Changes in family status).
- For a change in activity, see Chapter 8.1.9 (Changes in activity).
- For a change in family income or expenses, see Chapter 8.1.12 (Changes in income or expenses).
- For a change in residence, see Chapter 8.1.15 (Changes in residence).
- For a change in a child's age to 13 or 15, see Chapter 8.1.21 (Other changes).
- For other changes, see Chapter 8.1.18 (Changes in Sub-program) and 8.1.21 (Other changes).

Changes must be acted on within 10 calendar days from the date the change was reported or becomes known to the agency.

When a change results in families moving from one child care sub-program to another, do not require a new application. See Chapter 3 (Applications).

If you become aware of a future change which may affect eligibility, track the expected change. Request that the family provide documentation of the change if required. See Chapter 7.4 (Verification – 12 month eligibility period).

Notify families of the effect of changes. See Chapter 7 (Verification) and Chapter 12 (Notices).

When you become aware of a change, you may need to ask the family for more information or verification before you can determine if the change affects the case. See Chapter 7.4 (Verification – 12 month eligibility period) for more information.

Case actions at redetermination

Workers do not need to reconstruct the family's prior 12-month eligibility period at redetermination. If a family submitted all verification needed to show they meet eligibility requirements at redetermination, process the redetermination.

If there are questions about whether the family was eligible throughout the previous 12-month eligibility period, workers must determine if required changes were not reported during the 12-month eligibility period. See Chapter 7.6 (Verification – Redetermination) for more information.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.05
Minnesota Statutes 119B.09
Minnesota Statutes 119B.12

Changes in household composition 8.1.3

New Parentally Responsible Individual (PRI)

Household impacts

If a new Parentally Responsible Individual (PRI) is reported, add them to the household in MEC². MEC² will count PRIs added to the household even if identity and relationship information is not verified. This is appropriate.

If the new PRI does not have income, the increased family size may decrease the family's copay. This is appropriate, and the new copay can be approved even if identity and relationship information is not verified. Enter information about the PRI's reported activity into MEC² even if it is not verified. Minimum work requirements do not apply during the 12-month eligibility period. See Chapter 4.6.6.6 (Employment outside of an Employment Plan). If the new PRI does not have an authorized activity or it is unknown if the PRI has an authorized activity, put the PRI into Extended Eligibility. See Chapter 9.15.6 (Extended Eligibility).

Note: If a new PRI moves into the household while an eligible relative caregiver is receiving child care assistance, see Chapter 5.3 (Determining the CCAP family).

Authorization impacts

12-Month Reporter families
Verification is not required until redetermination unless the family requests an increase in authorized hours

Do not decrease care for children already authorized.

Do not increase authorized hours for children already authorized until relationship to the PRI and the PRI's activity are verified.

Do not authorize care for children not previously authorized until verification of the new PRI's identity, relationship to the child(ren) are verified. Care should be authorized at the same level as other children in the household. The PRI's activity schedule does not need to be verified to authorize care for additional children during the 12-month eligibility period.

Schedule Reporter families
To authorize care for Schedule Reporters, verification of the PRI's identity, relationship, activity, and activity schedule is needed. Care must be authorized based on their verified activity schedule.

If a new PRI joins a Schedule Reporter family, reports an activity but does not verify the activity and/or the activity schedule within 15 days of requesting verification, add the activity to MEC² to maintain eligibility but suspend Service Authorizations for children of the PRI until the activity and schedule are verified.

New child

Household impacts

If a new child is reported, add them to the case in MEC² even if identity, birthdate and citizenship/immigration status are not verified. MEC² will not count them in the household until their identity and birthdate have been verified. They will be added to the family size even if their citizenship or immigration status is not verified but not eligible for CCAP. This is appropriate.

Authorization impacts

Do not authorize care for children until their identity, birthdate, citizenship/immigration status and relationship to their PRI(s) are verified. MEC² will not prevent you from authorizing care before relationship to PRI is verified. Workers must confirm that the child(s) identity, birthdate, citizenship/immigration status and relationship to their PRI(s) are verified before increasing the family's benefits.

New non-household member

No verification is required for people that enter the home that are not part of the CCAP family. See Chapter 2 (Glossary) for the definition of family.

CCAP family member leaves

Household impacts

When a member leaves, process the change. Verification is not required unless inconsistent information was received. Evaluate income changes that occur as a result of household size changes according to Chapter 8.1.12 (Changes in income or expenses). Workers can send Child Support Enforcement forms to the family but cooperation is not required until the family's next redetermination. See Chapter 4.9 (Cooperation with Child Support).

Authorization impacts

Evaluate whether the member leaving impacts Service Authorizations for children in the household and process changes if necessary. For example, in a two-parent household if one parent leaves the household, authorized hours may need to increase to support the activity of the parent that remains in the household. If the member was a child, the Service Authorization would end.

Child turns 18 or dependent adult student status ends

It is recommended that the worker follow-up with the family if a child turns 18 during the 12 month eligibility period or if a dependent adult student stops attending school or receiving support from the family during the 12 month eligibility period. Follow up to determine if child or adult dependent meet the dependent adult student requirements of being a full-time student and receiving 50 percent or more of their support from the family.

- If the family confirms that the child or adult dependent meets the dependent adult student requirements, the child or adult dependent remains in the CCAP family. Verification is not required until the next redetermination.
- If the family confirms that the child or adult dependent does not meet the dependent adult student requirements, remove the child or adult dependent from the CCAP family.
- If the family does not confirm that the child or adult dependent meets the dependent adult student requirements, allow the child or adult dependent to remain in the CCAP family until the next redetermination. At the redetermination, the family must submit verification of adult dependent student status in order for the household member to remain in the CCAP family.

Legal authority

Minnesota Statutes 119B.025

Changes in family status 8.1.6

Marriage

Household eligibility impacts

When a marriage occurs, it may change the household size and the family's income. See Chapter 5.3 (Determining the CCAP family). Evaluate changes in household composition according to Chapter 8.1.3 (Changes in household composition) and family income changes according to Chapter 8.1.12 (Changes in income or expenses). Determine if the family is eligible for the New Spouse Income policy according to Chapter 6.6.3 (New Spouse Income policy). Determine if there is a change in copayment according to Chapter 6.21 (Family copayment).

Authorization impacts

Evaluate whether there are any changes to a child's Service Authorization as a result of the marriage.

- If the family is a Schedule Reporter, evaluate whether there are any changes to a child's Service Authorization as a result of the marriage. For example, if a child of Parent A would now have Parent B as a PRI, consider the activity schedule of both parents to determine the number of hours of child care the child is eligible for. See Chapter 9.12 (Authorization Changes During the 12-Month Eligibility Period).
- If the family is a 12-Month Reporter, authorized hours may increase but may not decrease. See 9.12 (Authorization Changes During the 12-Month Eligibility Period).

Divorce

Household eligibility impacts

When a divorce occurs, it may change the household size and the family's income.

- If the parents remain living together, both parents' income and activities should be used in determining eligibility and authorized hours.
- If one parent moves out of the household, remove that household member and do not require Child Support cooperation until the family's next redetermination. See Chapter 4.9 (Cooperation with Child Support) and 8.1.3 (Changes in household composition).

Authorization impacts

Evaluate whether there are any changes to a child's Service Authorization as a result of the divorce/separation.

- If the family is a Schedule Reporter, authorized child care hours must be based on the verified activity schedule of the remaining PRI(s) in the household. See Chapter 9.12 (Authorization Changes During the 12-Month Eligibility Period).
- If the family is a 12-Month Reporter, authorized hours may increase but may not decrease. See Chapter 9.12 (Authorization Changes During the 12-Month Eligibility Period).

Death

Household eligibility impacts

When a member dies, process the change. Verification is not required unless inconsistent information was received. Evaluate income changes that occur as a result of household size changes according Chapter 8.1.12 (Changes in income or expenses). Determine if there is a change in copayment according to Chapter 6.21 (Family copayment).

Authorization impacts

Evaluate whether there are any changes to a child's Service Authorizations as a result of the death.

- If the family is a Schedule Reporter, authorized child care hours must be based on the verified activity schedule of the remaining PRI(s) in the household. See Chapter 9.12 (Authorization Changes During the 12-Month Eligibility Period).
- If the family is a 12 Month Reporter, authorized hours may increase but may not decrease. See Chapter 9.12 (Authorization Changes During the 12-Month Eligibility Period).

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 256P.06

Changes in activity 8.1.9

Whether a change in activity will impact a family's case depends on the family's reporting type. See Chapter 8.3.6 (Reporting types) for more information about determining a family's reporting type.

Families that experience a permanent end to their activity are eligible for Extended Eligibility. See Chapter 9.15.6 (Extended Eligibility).

12-Month Reporters

Families who are 12-Month Reporters should not have their eligibility or Service Authorizations adversely impacted by temporary changes in a parent's work or school schedule.

See Chapter 7.4 (Verification – 12-month eligibility period) for verification requirements and Chapter 9.12 (Authorization changes during the 12-month eligibility period) for authorization impacts.

Schedule Reporters

Continue to process changes to eligibility and authorizations based on changes in parent activities for families that are Schedule Reporters. See Chapter 4 (Eligibility requirements) and Chapter 9 (Authorized care and payments).

Changes include, but are not limited to:

- Schedule changes (including temporary changes)
- New employment or education activity
- Temporary end to activity

See Chapter 7.4 (Verification – 12-month eligibility period) for verification requirements and Chapter 9.12 (Authorization changes during the 12-month eligibility period) for authorization impacts.

Legal authority

Minnesota Statutes 119B.025

Changes in income or expenses 8.1.12

Income increase

Do not increase the family's copayment during the 12 month eligibility period. Workers may enter verified or unverified income increases in MEC^2 but are not required to enter these. See Chapter 6.21 (Family copayment) for more information.

If a family's income increases but does not exceed 85 percent SMI, there is no impact on the family's benefits until their next redetermination. The worker may inform the family that verification will be required at redetermination.

If a family's income increases and exceeds 85 percent SMI, the family is ineligible. Follow instructions in Chapter 7.4 (Verification – 12 month eligibility period) to request verification and terminate the family's eligibility if verification is not received or verification confirms that the family is over 85 percent SMI.

If a family's income increases and it is unknown if the increase puts the family's income over 85 percent SMI, the worker may send a Memo or Special Letter to the family telling them they must report and verify if the change puts them over 85 percent SMI for their family size. See Chapter 7.4 (Verification – 12-month eligibility period). If no further information is received, do not take an adverse case action against the family. If it is later discovered that the change puts the family over 85 percent SMI, assess an overpayment from the date of the change.

Income decrease

If a family reports a decrease in income to the child care worker:

- If the family submits verification of the income decrease, the worker must determine if the decrease is an accurate projection of future annualized income.
  - If the decrease is an accurate projection of annualized income and the change would result in a decreased copayment, the worker must enter the change in MEC^2.
    - The worker must take action to reduce the copayment, including approval of eligibility results and Service Authorization results.
- A case note is recommended if the worker does not take action on a verified income decrease.
- Do not enter unverified income decreases in MEC^2, as this may result in the copay inappropriately decreasing.

See Chapter 6.21 (Family copayment) for more information.

Expense decrease

Do not increase the family's copayment during the 12 month eligibility period. Workers may enter verified or unverified expense decreases in MEC^2 but they are not required to enter these decreases. See Chapter 6.21 (Family copayment) for more information.

If a family's expenses decrease but the family income does not exceed 85 percent SMI, there is no impact on the family's benefits until their next redetermination. The worker may inform the family that verification will be required at redetermination.

If a family's expenses decrease and the income exceeds 85 percent SMI, the family is ineligible. Follow instructions in Chapter 7.4 (Verification – 12 month eligibility period) to request verification and terminate the family's eligibility if verification is not received or verification confirms that the family is over 85 percent SMI.

If a family's expenses decrease and it is unknown if the family's income is over 85 percent SMI, the worker may send a Memo or Special Letter to the family telling them they must report and verify if the change puts them over 85 percent SMI for their family size. See Chapter 7.4 (Verification – 12-month eligibility period). If no further information is received, do not take an adverse case action against the family. If it is later discovered that the change puts the family over 85 percent SMI, assess an overpayment from the date of the change.

Expense increase

If a family reports an increase in allowable expenses to the child care worker:

- If the family submits verification, the worker must determine if the change is an accurate projection of future annualized income.
  - If the increase in an allowable expense is an accurate projection of annualized income and the change would result in a decreased copayment, the worker must enter the change in MEC^2.
    - The worker must take action to reduce the copayment, including approval of eligibility results and Service Authorization results.
- A case note is recommended if the worker does not take action on a verified expense increase.
- Do not enter unverified expense increases in MEC^2, as this may result in the copay inappropriately decreasing.

See Chapter 6.21 (Family copayment) for more information.

Legal authority

Minnesota Statutes 119B.025

Changes in residence 8.1.15

Moving within your county

Household impacts

Update the family's address in MEC². Verification of the move is not required until the family's next redetermination.

Authorization impacts

Most within county moves will not impact an authorization unless other factors have changed, such as a change in activity or provider.

Moving to a different county

Household impacts

Update the family's address in MEC². The original county should request address or residency verification but should not take any negative action if verification is not received. For additional policy guidance, see Chapter 4.24 (Moving between counties).

During a family's 12-month eligibility period

If a family moves during their 12-month eligibility period, the new CCAP agency must **not**:

- Reduce the authorized hours.
  - Authorized hours must not be reduced solely because of the move.
  - Authorized hours can be reduced if the family meets the criteria for reducing hours during the 12-month eligibility period. See Chapter 9.12 (Authorization changes during the 12-month eligibility period) for information about when authorized hours can be reduced,
- Increase the family's copayment, **OR**
- Require verification of changes during the 12-month eligibility period that do not impact the family's eligibility.
  - If the new county realizes required verifications are missing from the physical case file, agencies should first contact the original county to determine if the original county has the verification. If the original county does not have the verification, the agency can request verification from the family. If the family does not submit the verification, eligibility and authorization continues until redetermination.
  - For BSF cases, including Portability Pool cases, the new county must not issue a Service Authorization until the agency has address or residency verification.
- Reassess an education plan outside an Employment Plan that was approved by the previous CCAP agency. The education plan approved by the previous CCAP agency is considered approved through the family's 12-month eligibility period. See Chapter 4.6.6.9 (Education outside an Employment Plan).

Moving out of Minnesota

Household impacts

- If verified, update the family's address in MEC² and approve the ineligible results generated.
- If not verified, request verification following guidance in Chapter 7.4 (Verification – 12 month eligibility period). If the family does not return requested verification, update the family's address in MEC² and approve the ineligible results generated.

Authorization impacts

If the family is still using the child care provider, do not end the Service Authorization until the case closes. If the family reports that they are no longer using the child care provider, end the Service Authorization with a 15-day adverse action notice.

Returned mail with no forwarding address

Knowing a family's address is important for case maintenance. If a CCAP family's mail has been returned to the CCAP agency and there is no forwarding address, take the following steps:

1. Do not update the Address window. Follow up with a phone call to the family.
2. If you connect with the family and they have a new address within your county, update the Address window in MEC² with the new address. Verification of the move is not required until the family's next redetermination.
3. If you connect with the family and they have a new address in a different county, start the move transfer process. Verification of the move is required by the new county before they can issue a new Service Authorization.

If you do not connect with the family, end the Service Authorization with a 15-day adverse action notice. On the Service Authorization to the family and provider, add a comment explaining the family must contact their CCAP worker.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statute 119B.03
Minnesota Statute 119B.10
Minnesota Rule 3400.0020
Minnesota Rule 3400.0040
Minnesota Rule 3400.0060
Minnesota Rule 3400.0080

Changes in subprogram 8.1.18

Employed families who are moving to another child care assistance subprogram during their 12-month eligibility period are not subject to minimum work requirements.

Students on MFIP/DWP moving to Transition Year or BSF

When a student has education approved in their MFIP or DWP Employment Plan prior to moving to Transition Year or BSF, child care continues for the education activity approved in the MFIP or DWP employment plan until education outside of an employment plan is approved based on education criteria included in the county or tribal fund plan or until redetermination. The education plan approval process may take some time to complete so it is beneficial for the student to begin the approval process prior to the redetermination. If the student does not complete the education plan approval process or the education plan is not approved by the county or tribe, authorization of the education program ends at redetermination.

If a student has a post-baccalaureate education program, which includes education programs beyond a bachelor's degree such as a master's program, approved in their MFIP Employment Plan and then the family moved to Transition Year, child care continues for the post-baccalaureate education program until the family's next redetermination.

Note: MEC² functionality incorrectly determines the subprogram for student parents on MFIP/DWP who move to Transition Year. To get Transition Year results for student parents, follow instructions in the MEC² User Manual for "MFIP/DWP Student Parent Subprogram Switch."

Students on BSF, Transition Year, or Transition Year Extension who start receiving MFIP or DWP

When a student receiving BSF, Transition Year or Transition Year Extension has an approved education plan and then starts receiving MFIP or DWP, child care continues for the education program until it is included in an employment plan. If the education program is not included in the employment plan or the student has not developed an employment plan by their next redetermination, authorization for the education program ends at redetermination.

MFIP/DWP closing and Transition Year

Families must have received MFIP or DWP for at least one of the six months prior to the closing of their cash assistance case to be eligible for Transition Year.

A parent eligible for Transition Year must receive Transition Year, including parents under 21 years old pursing a high school diploma or general equivalence diploma (GED) who meet Transition Year requirements.

Note: MEC² functionality incorrectly determines the BSF subprogram for parents under 21 years old pursing a high school diploma or GED who are eligible for Transition Year. To get Transition Year results for a parent under 21 years old who is pursuing a high school diploma or GED, follow instructions in the MEC² User Manual for "Student parent under 21 attending high school or GED eligible for Transition Year."

Changes in subprogram 8.1.18

If a family meets the requirement of having received MFIP or DWP for at least one out of the six months before their cash assistance closes, eligibility continues when moving from MFIP or DWP to Transition Year.

If the parent's activity is employment and/or education, continue the family's authorization:

- If the family is a 12-Month Reporter, the authorization cannot be reduced.
- If the family is a Schedule Reporter, authorize care based on the verified employment and/or education activity schedule.

If the family had an employment plan that only included support activities or activity participation is unknown, care continues to be authorized at the same level under Extended Eligibility.

DWP to MFIP

For families whose DWP has ended and are transitioning to MFIP, there may be a period of time between the end of DWP and developing an MFIP Employment Plan.

If the family is not participating in employment or their activity participation is unknown, care continues to be authorized at the same level under Extended Eligibility. If the parent's activity is employment, continue the family's authorization:

- If the family is a 12-Month Reporter, the authorization cannot be reduced.
- If the family is a Schedule Reporter, authorize care based on the verified employment activity schedule.

Change in subprogram during Temporary Ineligible status

If a family is scheduled for a subprogram change when the family is in Temporary Ineligible status, MEC² suppresses the program switch due to the Temporary Ineligible status. The family is eligible for the new subprogram, but the subprogram switch cannot be approved until the family becomes eligible again. The family still has up to 90 days to become eligible during the temporary ineligibility period.

Changes in subprogram and MFIP/DWP Child Care for Student Parents

For subprogram changes for families that meet criteria for MFIP/DWP Child Care for Student Parents, See Chapter 4.3.15.6. (MFIP/DWP child care for Student Parents-Subprogram Changes).

Legal Authority

Minnesota Statutes 119B.011, subd. 20
Minnesota Statutes 119B.10, subd. 3
Minnesota Rules 3400.0090

Other Changes 8.1.21

Changes in citizenship or immigration status

See Chapter 4.15 (Child's citizenship and immigration status) for eligibility requirements for eligible immigration status of children in the CCAP family.

- If a child in a CCAP family has not verified their citizenship or immigration status and requests child care in a setting not subject to public educational standards, the Service Authorization cannot be issued until citizenship or immigration status is verified.
- If a child in the CCAP family has an end to their immigration status prior to the end of the 12-month eligibility period and the child is not attending a setting subject to public educations standards, end care with a 15-day notice.
- If none of the child(ren) for whom assistance is requested meet citizenship or immigration requirements:
  - Suspend care during the 12-month eligibility period. See Chapter 8.9 (Suspending)
  - Terminate eligibility at redetermination. See Chapter 7.12 (Verifying citizenship and immigration status).

Change in custody or visitation schedule

If there is a change in a family's custody or visitation schedule:

- If the children spend more time in the household and additional care is needed, authorize additional child care hours once the parent confirms the need for increased hours.
- If the children spend less time in the household, adjust the family's Service Authorization based on when the child is in the household. Give a 15-day adverse action notice before reducing authorized hours. Follow instructions in the MEC^2 User Manual for Reduction of Hours to a Provider Requiring a 15-day Adverse Action Notice Workaround.
- If the child is no longer in the CCAP household:
  - If the absence is expected to be temporary, you may suspend the case or make the family temporarily ineligible. See Chapter 8.9 (Suspension) and Chapter 8.6 (Temporary ineligibility).
  - If the absence is permanent, remove the child from the household. If there are no other eligible children in the CCAP household, you may terminate the family's eligibility. See Chapter 8.15 (Termination).

Change in child's age to 13 or 15

When a child who is currently authorized for CCAP turns age 13, or when a child who is currently authorized for CCAP with a documented disability turns age 15, end the child's Service Authorization on the child's birthdate. The child remains eligible for CCAP until the family's next redetermination. Because of how age is calculated in MEC^2, the system may not recognize that a child has turned age 13 or 15 until the next biweekly period. If care is still needed after the child turns age 13 or 15, the parent must contact their CCAP worker and request care be authorized.

Care can only be authorized for a 13-year-old or authorized for a 15-year-old with a documented disability if the child was authorized to receive CCAP at the time they turned 13 or 15.

If the family or provider is requesting a special needs rate to care for a child over age 12, see Chapter 9.15.15 (Special needs).

Authorizing care with a licensed family child care provider, certified license exempt center, or legal nonlicensed provider

When care is requested for a 13-year-old or when care is requested for a 15-year-old with a documented disability at a licensed family child care provider, certified license exempt center, or legal nonlicensed provider:

- Case note the parent's request.
- Authorize care to start/reopen the later of:
  - the date care ended,
  - the date the parent wants care to begin, or
  - the earliest date care can be paid if a provider provided care without receiving a Service Authorization and billing form. See Chapter 9.3 (Payments to providers).
- Authorize care:
  - For 12-Month Reporters, authorize care at the same level authorized prior to the child's 13th or 15th birthdate, unless the parent verifies a need for additional hours.
  - For Schedule Reporters, authorize care based on the parent's activity schedule. See Chapter 9.12 (Authorization changes during the 12-month eligibility period).

Authorizing care with a licensed center

When care is requested for a 13-year-old or when care is requested for 15-year-old with a documented disability at a licensed center:

- Obtain documentation of the DHS licensing variance allowing the provider to care for the 13 or 15-year-old child.
  - Ask the parent to get a copy of the variance from the provider and submit to the CCAP agency.
  - If the parent signs an authorization to release information, the CCAP agency may request a copy of the variance directly from the provider.
  - Do not authorize care if a copy of the DHS licensing variance is not submitted.
- Authorize care to start/reopen the later of:
  - the date care ended,
  - the date the parent wants care to begin, or
  - the earliest date care can be paid if a provider provided care without receiving a Service Authorization and billing form. See Chapter 9.3 (Payments to providers).
- Authorize care:
  - For 12-Month Reporters, authorize care at the same level authorized prior to the child's 13th or 15th birthdate, unless the parent verifies a need for additional hours.
  - For Schedule Reporters, authorize care based on the parent's activity schedule. See Chapter 9.12 (Authorization changes during the 12-month eligibility period).

Other changes

If there are other changes in the CCAP family during the family's 12-month eligibility period that are not covered in Chapter 8 of this manual, contact your CCAP policy specialist.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.09, subd. 1(e)
Minnesota Statutes 119B.13, subd. 6

Reporting requirements 8.3

Reporting types

Families must report changes that affect their eligibility. Failure to meet the reporting requirement may result in overpayments. See Chapter 14 (Overpayments).

Families are either:

- 12-Month Reporters

OR

- Schedule Reporters

For more information on determining whether a family is a Schedule Reporter and 12-Month Reporter, see Chapter 8.3.6 (Reporting types).

All families must report the following changes within 10 calendar days after they occurred:

- A change in family income that puts the family over the maximum amount allowed for their family size (85% SMI).
  - A change in income occurs on the day the participant receives the first payment reflecting the change in income.
- A permanent end to a parent's authorized activity.
- Providing child care or working in a child care setting.
- A change in address or residence.
- A change in family status or household composition.
- A change in citizenship or immigration status for any child receiving child care assistance.
- A change in a parentally responsible individual's (PRI's) visitation schedule or custody arrangement for any child receiving child care assistance.
- Families must report changes in provider to the CCAP agency and the provider at least 15 days prior to the change.

NOTE: A 15-day notice period is not required for a change in provider, when:

- A Minnesota licensed provider's license has been temporarily, immediately suspended 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.

The above changes must be reported, but changes only require verification when the change affects eligibility or the amount of the assistance payment. See Chapter 7.4 (Verification – 12 month eligibility) and Chapter 7.9 (Income Verification).

Families who are Schedule Reporters must report additional information, including:

- A change in authorized activity status, this includes:
  - Changes in employment, education or training status (starting, ending, or temporary breaks).
  - Changes in employment or education schedule.

- Changes in job search participation.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.095
Minnesota Statutes 256P.07
Minnesota Statutes 245A.07
Minnesota Rules 3400.0040, subp. 4

Agency responsibilities for family reporting 8.3.3

Agencies must take prompt action on all changes to determine if the change affects the household's eligibility or family copayment amount without requiring verification of any eligibility factors that did not change. Changes must be acted on within 10 calendar days from the date the change was reported or becomes known to the agency. Agencies should consider the family's reporting type and verification requirements for the family's reporting type to determine what changes requires agency action. See Chapter 8.3.6 (Reporting types).

Timely agency actions include:

- Requesting verification if the change needs to be verified. Do not require verification of changes for on-going eligibility during a family's 12 month eligibility period. See Chapter 7.4 (Verification – 12-month eligibility period).
- Sending a 15-day notice of adverse action to the family, and/or to child care provider if a verified, reported change resulted in an adverse action to the family and/or the child care provider. See Chapter 12 (Notices).
- Entering a case note if a reported change was not required to be reported and would not benefit the family to process.

For information that becomes known to the agency:

- If the information was not required to be reported and does not impact eligibility or authorized hours, agencies do not need to take further action on the information. See Chapter 7.4 (Verification – 12 month eligibility period).
- If the information indicates the family may not be eligible or if it may affect the family's reporting status, agencies must follow up on the information.
- If the information indicates the family's benefits could increase, agencies can follow up on the information. For example, if information shows the family's income decreased, the worker can inform the family that if they want their benefits to increase they can verify the change. Agencies should develop internal practices to apply consistently to all families.

There is no overpayment if the family reported the change timely. See Chapter 14 (Overpayments) to determine when to assess an overpayment.

Agencies can send the CCAP Change Report Form DHS-4794 (PDF) to eligible families as a method of reporting changes. Assist families who need help to complete the report form. Family use of this form is optional. Changes can also be reported in person, by phone, by facsimile, and/or by mail (including electronic email).

Legal authority

Minnesota Statutes 119B.025

Agency responsibilities for family reporting 8.3.3

Minnesota Statutes 119B.11, subd. 2a
Minnesota Rules 3400.0040, subp. a and b

Reporting types 8.3.6

Schedule Reporters

Families are Schedule Reporters when meeting at least one of the following criteria:

A. A parent in the family is employed by any child care center that is licensed by the Department of Human Services;
   I. Parents employed at tribally licensed child care centers or license-exempt centers do not meet this criteria.
   II. A "center employee" is a person employed by a licensed child care center.
B. At least one child in the family is authorized for care with a legal nonlicensed provider;
   I. A child with a Service Authorization using an LNL provider who cares for children in their own home or in the child's home meets this criteria. See Chapter 11.9 (Legal Non-Licensed (LNL) Providers).
   II. A child using a license-exempt center does not meet this criteria (unless they are also authorized with an LNL provider).
   III. A child using an unlicensed provider without a Service Authorization does not meet this criteria.
C. At least one child in the family is authorized for care with more than one provider. There are some scenarios that do not meet this criteria:
   I. If each child in the family has a Service Authorization with only one provider (regardless of whether the same provider is used for all children in the family), the family does not meet this criteria.
   II. A child who is authorized for CCAP with only one provider but also uses another non-CCAP provider (such as a family member or friend not paid by CCAP), does not meet this criteria.
   III. A child switching providers (they stop attending one provider and begin attending another provider with no overlap), does not meet this criteria.
   IV. A child who has a Service Authorization with one provider but also occasionally uses a back-up provider. A back-up provider is not continuously used and is only paid during days/times when the child's primary provider is not being paid. A child whose use of a backup provider meets this description does not meet this criteria. Examples of a back-up provider include:
      - A child using a single back-up provider during school breaks and school release days
      - A child using a single back-up provider on days when their primary provider is closed due to vacation, sickness or weather.

For Schedule Reporters, care must be authorized and scheduled with a provider based on the applicant's or participant's verified activity schedule. These families have more reporting requirements so that their care authorizations can be adjusted as needed.

12-Month Reporters

Families that do not fall into one of the criteria above are 12-Month Reporters. They are subject to the minimum reporting standards for all families in Chapter 8.3 (Reporting requirements). Their child care hours cannot be reduced during their 12-month eligibility period except for certain reasons.

Agency responsibility and reporting type

Tell Schedule Reporters their reporting status at application, redetermination, and when there is a change in the family's reporting type during the 12 month eligibility period.

It is recommended, but not required, to tell 12 Month Reporters their reporting status at application, redetermination, and when there is a change in the family's reporting type during the 12 month eligibility period.

Notify a family of their reporting status by:

- Sending a Special Letter
- Adding a comment to a Service Authorization or Eligibility notice
- Sending a memo, or
- Having a verbal conversation with the client, documented in a case note

Using a Special Letter is the recommended approach. Go to the Special Letter window for "ongoing" case status type. Select only the appropriate reporter type for the family (do not select both reporter types). MEC^2 will send the parent the Special Letter with information about the selected reporter type.

Case impacts of reporting types

- For eligibility impacts, see Chapter 8.1.9 (Changes in activity).
- For authorization impacts, see Chapter 9.12 (Authorization changes during the 12-month eligibility period).
- For verification impacts, see Chapter 7.4 (Verification – 12-month eligibility period).

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.095

Changes in reporting type 8.3.6.3

A family may change reporting types during the 12 month eligibility period or at redetermination. Only one reporting type is allowed per biweekly period in MEC[2]. However, a family's reporting type may change on any day for purposes of authorizing care.

Changing from a 12 Month Reporter to a Schedule Reporter

If a change occurs that would change the family's reporting type from 12 Month Reporter to Schedule Reporter, the date the family becomes a Schedule Reporter is:

- If a child begins using multiple providers: The family becomes a Schedule Reporter on the date that care was authorized with multiple providers as listed on the Service Authorization.
- If a child begins using a legal nonlicensed provider: The family becomes a Schedule Reporter on the date that care was authorized with the legal nonlicensed provider as listed on the Service Authorization.
- If a parent begins working at a child care center: The family becomes a Schedule Reporter on the date that employment began.

Changing from a Schedule Reporter to a 12 Month Reporter

First, determine whether the family has any factors that continue to make the family a Schedule Reporter.

If a change occurs that would change the family's reporting type from Schedule Reporter to 12 Month Reporter, the date the family becomes a 12 Month Reporter is:

- If a child stops using multiple providers: The family becomes a 12 Month Reporter on the date that authorization ends with multiple providers as listed on the Service Authorization.
- If a child stops using a legal nonlicensed provider: The family becomes a 12 Month Reporter on the date that authorization ends with the legal nonlicensed provider as listed on the Service Authorization.
- If a parent stops working at a child care center: The family becomes a 12 Month Reporter on the date that employment ended.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.095

Temporary ineligibility 8.6

When Temporary Ineligible (TI) status must be used

Agencies must reserve a family's position in CCAP by placing them in Temporary Ineligible (TI) status in some situations.

Required situations include:

- When a parent is on an unverified temporary break from their activity at redetermination and their activity meets the minimum requirements that apply at redetermination. A parent must meet the minimum activity requirements that apply at redetermination when they return to their activity in order to move out of Temporary Ineligible status.
  - If the activity is employment, Temporary Ineligible status cannot exceed 90 days. When the 90th day falls on a Saturday, Sunday, or legal holiday, the timeframe is extended to the next day that is not a Saturday, Sunday, or legal holiday.
  - If the activity is education, Temporary Ineligible status for this reason cannot exceed one academic quarter or semester as determined by the educational institution.
- Families whose increased income from active military service makes them ineligible. Continue Temporary Ineligible status until the person is deactivated from military service.
- When a family experiencing homelessness does not meet all of the requirements at the end of the three month period, the case must be put into Temporary Ineligible (TI) status with a 15 day notice. This allows the family additional time to meet program requirements.

When Temporary Ineligible (TI) status can be used at the agency's option

When a family has been receiving child care assistance and a change makes them ineligible **AND** you believe the ineligibility to be temporary and do not know when the temporary ineligibility will end, agencies can reserve the family's position in CCAP.

Optional situations include, but are not limited to:

- Participants who do not have an eligible activity following their Extended Eligibility period. Temporary Ineligible status cannot exceed 90 days. When the 90th day falls on a Saturday, Sunday, or legal holiday, the timeframe is extended to the next day that is not a Saturday, Sunday, or legal holiday.
- Participants who do not have an eligible activity at the end of 240 hours of job search. Temporary Ineligible status cannot exceed 90 days. When the 90th day falls on a Saturday, Sunday, or legal holiday, the timeframe is extended to the next day that is not a Saturday, Sunday, or legal holiday. If a new calendar year starts while a family is on Temporary Ineligible status after job search ends, the case should remain on Temporary Ineligible status until activity requirements at application or redetermination are met. See Chapter 4.6.6.3 (Job search at application or redetermination).
- Families who reach the end of the one-year suspension period due to not having a child care provider. Temporary Ineligible status cannot exceed 90 days. When the 90th day falls on a Saturday, Sunday, or legal holiday, the timeframe is extended to the next day that is not a Saturday, Sunday, or legal holiday.

- Families that exceed the income exit guidelines during the 12-month eligibility period or at redetermination. Temporary Ineligible status cannot exceed 90 days. When the 90th day falls on a Saturday, Sunday, or legal holiday, the timeframe is extended to the next day that is not a Saturday, Sunday, or legal holiday. The case should remain on Temporary Ineligible status until income requirements are met. See Chapter 6.3 (Income Limits).

Family experiencing homelessness meets all requirements during Temporary Ineligible period

- If the family was not participating in an authorized activity at the end of the three month period, but begins participating in an authorized activity during the Temporary Ineligible period, eligibility begins on the date the authorized activity began. Care can be authorized beginning the date the authorized activity began.
- If the family failed to provide all required verifications at the end of the three month period, but submitted all required verifications during the Temporary Ineligible period, eligibility goes back to the Temporary Ineligible begin date. Care can be authorized beginning the date Temporary Ineligible began.
- If the family was not cooperating with child support at the end of the three month verification period, but began cooperating during the Temporary Ineligible period, eligibility goes back to the Temporary Ineligible begin date. Care can be authorized beginning the date Temporary Ineligible began.

Authorization changes when a family moves out of Temporary Ineligible

When a family moves out of Temporary Ineligible status because the family is eligible, there are different policies for authorizing care depending on the family's reporting status and when their redetermination occurs:

- For Schedule Reporters, the number of hours authorized is based on the parents' verified activity schedule. The hours can increase or decrease at redetermination and during the 12-month eligibility period.
- For 12-Month Reporters:
  - If the family moves out of Temporary Ineligible status during the same 12-month eligibility period, the authorized hours should be the same as what was authorized prior to when the family went into Temporary Ineligible status (unless the family provides verification showing that more hours are needed).
  - If the family moves out of Temporary Ineligible status when their redetermination is processed, the authorized hours should be based on the redetermination. The authorized hours can increase or decrease.
  - If the family was placed into Temporary Ineligible at redetermination and they move out of Temporary Ineligible status later, the authorized hours should be based on the amount of care needed at the time the family moves out of the temporary ineligible status. The authorized hours can increase or decrease.

Families on the waiting list

In addition, your agency must reserve a family's position in CCAP for up to 90 days if the family:

- Reaches the top of the Basic Sliding Fee (BSF) waiting list

AND

- Is Temporarily Ineligible.

Check your county and tribal child care fund plan to determine whether your county or tribe has chosen to reserve the family's position for more than 90 days.

Temporary Ineligible status and change in subprogram

The family still has up to 90 days to become eligible while in Temporary Ineligible status even if a change in subprogram is scheduled. See Chapter 8.1.18 (Changes in Subprogram).

Legal authority

Minnesota Statutes 119B.09, Subd. 4a
Minnesota Statutes 645.15
Minnesota Rules 3400.0040, Subp. 17
Minnesota Rules 3400.0060, Subp. 6

Suspending 8.9

A case can be suspended if the family remains eligible for child care assistance, but child care is not needed or cannot be authorized. A case can be suspended for up to one year.

Suspension examples include, but are not limited to:

- School age children not needing care during the school year.
- Cost of care is less than the family's copayment.
- During their 12-month eligibility period, a student is on break between quarters or semesters including summer breaks. See Chapter 9.1.2 (Authorizing care-Students) for more information about suspending care for students on break.
  - Schedule Reporters must have their case suspended during the break if the education is their only activity.
  - 12-Month Reporters may ask to have their case suspended if they do not want child care during the break.
- During their 12-month eligibility period, a participant is on a parental leave from their job. See Chapter 9.15.3 (Care During Temporary Breaks from Authorized Activities).
  - Schedule Reporters must have their case suspended during the leave if the job is their only activity.
  - 12-Month Reporters may ask to have their case suspended if they do not want child care during the leave.
- During their 12-month eligibility period, a participant is temporarily laid off from their job. See Chapter 9.15.3 (Care During Temporary Breaks from Authorized Activities).
  - Schedule Reporters must have their case suspended while they are laid off if the job is their only activity.
  - 12-Month-Reporters may ask to have their case suspended if they do not want child care while they are laid off.
- The family has not identified a provider.
- A family starts living with their provider. See Chapter 11 (Providers).
- A family's legal nonlicensed provider does not meet group size or age category requirements.
- All children in the family are temporarily absent (such as in foster care or visiting relatives for the summer). See Chapter 5.6 (CCAP Family - Temporary Absence).
- At application, redetermination and the end of job search, the family meets all eligibility requirements but has not provided employment and/or class schedules for each adult family member. Proof of employment and/or class schedules is not a condition of eligibility but is needed to authorize child care appropriately. See Chapter 7.3 (Verification - Initial Application). For information about activity verification requirements during the 12-month eligibility period, see 7.4 Verification (12-Month Eligibility Period).
- A parent becomes employed at a licensed family home or starts providing care as a legal nonlicensed (LNL) provider with no other authorized activity. See Chapter 9.15.21 (Children of Child Care Providers).
- At application and redetermination, the family meets all eligibility requirements but there is no information about school schedule for every child who needs child care and attends school. See Chapter 7.30 (Schedule Verification - Child's School Schedule).
- At application or redetermination, a parent in a family is on a verified temporary break from their activity, and the activity meets the minimum activity requirements that apply at application or

redetermination. See Chapters 3.7 (Processing applications) and 10.6.3 (Redetermination Processing Standards).

- A parent requests their case be suspended because child care is not currently needed.
- If it is discovered during the 12-month eligibility period that a family may not have met eligibility requirements at application or redetermination, but verification has not yet been provided. See Chapters 7.4 (Verification) and 7.4.3 (Inconsistent information).
- If citizenship or immigration status for the only child authorized is not verified during the 12-month eligibility. See Chapter 8.1.21 (Other Changes).

Authorization changes when a family moves out of suspension

When a family moves out of suspend status because the family is eligible, there are different policies for authorizing care depending on the family's reporting status and when their redetermination occurs:

- For Schedule Reporters, the number of hours authorized is based on the parents' verified activity schedule. The hours can increase or decrease at redetermination and during the 12-month eligibility period.
- For 12-Month Reporters:
  - If the family moves out of suspend status during the same 12-month eligibility period, the authorized hours should be the same as what was authorized prior to when the family went into suspend status (unless the family provides verification showing that more hours are needed).
  - If the family moves out of suspend status when their redetermination is processed, the authorized hours should be based on the amount of care needed at redetermination. The authorized hours can increase or decrease.
  - If the family was placed into suspend status at application or redetermination and they move out of suspend status later, the authorized hours should be based on the amount of care needed at the time the family moves out of the suspend status. The authorized hours can increase or decrease.

Legal authority

Minnesota Statutes 119B.095
Minnesota Statues 119B.105
Minnesota Rules 3400.0040, Subp. 18

Termination 8.15

Terminate child care assistance when:

- The family asks you to close their case.
- A member of the family has been disqualified for committing an Intentional Program Violation (IPV). See Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families).
- The family is no longer eligible. There are different eligibility requirements at redetermination than during a family's 12-month eligibility period.

Send a notice of termination to the family at least 15 calendar days before closing the case. See Chapter 12.3.12 (Termination notices - Family).

Reasons a family is no longer eligible during the 12-month eligibility period

There are limited reasons families lose eligibility during the 12-month eligibility period. Do not apply redetermination eligibility requirements during the 12-month eligibility period.

During the 12-month eligibility period, you must terminate a family's eligibility when:

- Income exceeds 85 percent of State Median Income (SMI).
- Assets exceed $1 million.
- Extended Eligibility period ends and there is no authorized activity.
- All available job search hours outside of an Employment Plan have been used and there is no authorized activity.
- Copayment has not been paid.
- The family moves out of state.
- There are no eligible children in the household.
- The only parent in the household has been temporarily absent for more than 60 days **AND** the parent is not in an authorized activity **OR** their Extended Eligibility period has ended. See Chapter 5.6 (CCAP family – Temporary absence).
- The family's MFIP eligibility ends, they are not eligible for TY and there is not funding for BSF.
- The family's one year suspension period has expired.
- It is discovered and verified during the 12-month eligibility period that the family did not meet eligibility requirements at application or redetermination. Note: Due to 12-month eligibility policy, MEC² will not generate ineligible results. Contact your policy specialist.

Terminating eligibility around the redetermination due date

If any of these termination reasons occur when the redetermination biweekly period is available in the approval package, ineligible results are not available to be approved. Workers must follow the following workaround:

- Close the family's Service Authorization with a 15-day adverse action notice using the closing reason "Care is no longer authorized."

- Send the family the Child Care Assistance Notice of Decision – Termination (DHS-5588A) (PDF) to terminate eligibility with a 15-day adverse action notice (align with the Service Authorization end date). Include the reason that eligibility is ending.
  - NOTE: The system will still show the family's case as open and will automatically generate a termination notice as part of the auto-batch closing for their redetermination. To prevent confusion, add the following language to the manual termination notice:
    - "Your case is closing [DATE] because [REASON]. If this issue is resolved, your case will close [REDETERMINATION DUE DATE] if your redetermination is not complete. You may receive a notice that your eligibility is ending due to no redetermination even if you haven't resolved this case closure. If you haven't addressed [REASON], your correct case closing date is indicated on this notice and you can disregard the second notice."
- A copy of the termination notice should be copied into the case file.
- Case note all actions.

Reasons for termination at redetermination

At redetermination, families must meet eligibility requirements in Chapter 4 (Eligibility requirements) and Chapter 6 (Income eligibility).

At redetermination, terminate a family's eligibility when:

- Income exceeds 67 percent of State Median Income (SMI).
- Assets exceed $1 million.
- The family is not in an eligible activity that meets any applicable minimum participation requirements.
- The family is not cooperating with child support.
- Completed redetermination is not received by the last day of the redetermination period, which could include:
  - Redetermination form is not received
  - Verifications required to establish eligibility at redetermination are not received.
  - Verifications requested for factors required to be verified during the previous 12-month eligibility period are not received; see Chapter 7.4 (Verification - 12-Month Eligibility Period).
  - Verifications requested due to inconsistent information during the previous 12-month eligibility period are not received; see Chapter 7.4.3 (Inconsistent Information).
- The family's one year suspension period has expired.
- The family's only child eligible for CCAP is age 13 or their only child eligible for CCAP is age 15 with a documented disability.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.09
Minnesota Rules 3400.0183, subp. 2 and 5
Minnesota Rules 3400.0040, subp. 6a
Minnesota Rules 3400.0185

Authorizing care and payments 9

This chapter has information about:

- Authorizing child care
- Payments to providers
- Payments to families
- Determining payment amounts
- Authorization changes during the 12 month eligibility period
- Care and payments for special circumstances
- Provider rates
- Correcting underpayments.

Legal authority

Minnesota Statutes 119B

Authorizing child care 9.1

The amount of child care authorized must reflect the needs of the family and minimize out of pocket child care costs to the family. Include information in case notes describing how care is authorized.

Guidelines for authorizing child care

Rules for authorizing child care differ depending on the family's authorized activities:

- For parents with approved Employment Plans, see Chapter 9.1.5 (Authorizing care – Employment Plans).
- For parents attending school, see Chapter 9.1.2 (Authorizing Care – Students).
- For employed parents, see Chapter 9.1.1 (Authorizing care – Employment).
- For self-employment parents, see Chapter 9.1.1.1 (Authorizing care – Self-employment).
- For parents who are job searching, see Chapter 9.1.4 (Authorizing care – Job search).
- For parents who are participating in a combination of activities, see Chapter 9.1.7 (Authorizing care – Combinations of activities).

Determining the number of hours to authorize

Determine the schedule of care needed

Do **NOT** pay for more than 120 hours of child care assistance per child every two weeks.

The maximum number of hours authorized for each child should be the number of hours that care is needed to support parental authorized activities, excluding the hours that the child does not need child care and the hours that the provider is not available. The child may not need child care due to the child being in school or the parent having another care arrangement. If the family indicates on the application or redetermination that fewer hours of child care are needed, the worker may follow up with the family to determine if fewer hours of care should be authorized.

To determine the number of hours that care is needed for each child, the worker must examine each of these:

- The family's authorized activity schedule
- The child's school schedule
- The provider's availability.

See Chapter 7.27 (Schedule verification – Employment and education) and Chapter 7.30 (Schedule information – Child's school schedule).

Custody schedules or parenting time arrangements

If a child resides in multiple homes, hours can only be authorized based on the times the child is in the CCAP home. A child is considered temporarily absent from the CCAP parent's home when the child is residing with the other parent. Care cannot be authorized and paid for a child during the times they are temporarily absent from the CCAP home, even though they are still included in the household size. This includes payment of absent days when the child is in the other parent's custody. See Chapter 5.3 (Determining the CCAP Family) for information about how parenting time arrangements affect determination of the CCAP family. See "Communicating the

number of authorized hours" below for information about communicating authorized hours when there are shared custody schedules.

Two-parent families

In a two-parent family where both parents are in an authorized activity and are able to care for the child, care can only be authorized during time periods when both parents are participating in authorized activities, including travel time and breaks/meals. During times when only one parent is participating in authorized activities, care is not needed because the other parent is available to care for the child.

Determine the number of hours to cover the schedule of care

Care must be authorized in full hour increments. If the amount of care needed is in increments of less than a full hour, round up to the full hour to obtain a daily total of hours to be authorized.

- Example: if care is needed for 5.5 hours per day, 5 days per week, the number of hours authorized per day should be rounded up to 6 hours.
  - 6 hours per day times 5 days per week is 30 hours of care per week. 60 hours of care biweekly should be authorized.

Sessions of child care

When authorizing care for school age children or preschool children who attend preschool or Head Start programs in addition to child care, if the amount of care needed is in increments of less than a full hour, round up the amount of care to the full hour for each separate session and add together to obtain a daily total of hours to be authorized.

- Example: Child needs the following care five days per week.

AM	PM	Care Authorized
1.5 hours=2 hours	1.5 hours=2 hours	4 hours=40 hours biweekly rather than 30 hours biweekly
15 minutes=1 hour	1.5 hours=2 hours	3 hours=30 hours biweekly rather than 20 hours biweekly

Authorizing retroactive care

Care may be authorized and paid retroactively.

Retroactive authorization at application

If a provider provided care for a time period without receiving a Service Authorization and a billing form, care for the initial authorization at or after application can be authorized retroactively to the latest of:

- The date care started
- The family's eligibility begin date. See Chapter 4.18 (Date of Eligibility).
- The date the family meets authorization requirements

Retroactive authorization and payment cannot go back further than six months prior to the date Service Authorizations and billing forms are issued.

See Chapter 9.3 (Payments to providers).

Example

- 7/1/21 – Family applies for MFIP child care. MFIP, authorized activities, and care with the children's provider started 3/1/21.
- 7/30/21 – CCAP application processed and eligibility approved back to 4/1/21 (3 months from the CCAP application date). Care not authorized due to no activity schedules.
- 10/25/21 – Agency receives verifications needed to authorize care back to the eligibility begin date.
- 11/1/21 – Service Authorization approved back to 5/1/21 (six months before the Service Authorization is issued). *For a family at application, retroactive authorization and payment cannot go back further than six months prior to the date Service Authorizations and billing forms are issued.*

Retroactive authorization during the 12-month eligibility period or at redetermination

After a family's initial authorization, if a provider provided care for a time period without receiving a Service Authorization and a billing form for an eligible family, care can be authorized retroactively for a maximum of three months from the date the provider is issued a Service Authorization and billing form.

Example

- Family has been eligible for two years. Children are authorized with a primary provider (Mon. – Thurs.).
- 7/1/21 – Family notifies their CCAP agency that children have attended a secondary provider (Fri. – Sun.) since 12/4/20.
- 7/15/21 – Agency receives verifications needed to increase authorized hours.
- 7/19/21 – Agency approves an authorization for the secondary provider for up to 20 hours per biweekly period back to 4/19/21 (three months before the Service Authorization is issued).

Communicating the number of hours authorized and schedule of care

The number of hours authorized per biweekly period is listed on the Service Authorization. Workers can include comments on the Service Authorization.

Scheduled and authorized hours

- For 12-Month Reporters, it is not necessary to communicate scheduled and authorized hour information. Workers can include a comment to let families know how their authorized hours were determined, but are not required to do so. Families and providers can determine when the authorized hours can be scheduled.

- For Schedule Reporters, it is recommended that workers include a comment to let families and providers know what the scheduled and authorized hours are.

Custody schedules or parenting time arrangements

It is recommended that workers communicate to the parent when adjustments to a Service Authorization are made to reflect a parenting time or custody arrangement. The parent will need to communicate to their provider that care should not be billed on their child care assistance case, including absent days, when the child is in the other parent's custody. It is recommended that workers add a comment to the family's Service Authorization or if the information is communicated in person or over the phone, to case note the conversation.

Best practice is to include comments on the provider's Service Authorization about the scheduled and authorized hours but not include that the custody schedule is the reason for that schedule. For example in a situation in which parents switch custody every other week, an appropriate comment may be, "Care is scheduled and authorized for 30 hours within one week in a biweekly period."

Legal authority

Minnesota Statutes 119B.09
Minnesota Statutes 119B.095
Minnesota Statutes 119B.13, subd. 6
Minnesota Rules 3400.0110

Authorizing care - Employment 9.1.1

Authorize no more than 120 hours per child every biweekly period.

Employment

Employment requirements for families with Employment Plans

If a MFIP or DWP family has an approved Employment Plan with an employment activity, authorize the number of hours needed for the employment activity or for support of the employment activity, as indicated by the job counselor. The number of hours authorized for each child should be the number of hours that care is needed to support the parental authorized activities, excluding the hours that the child does not need child care or the hours that the provider is unavailable. The child may not need child care due to the child being in school.

Employment requirements outside of an Employment Plan

BSF, TY, TYE and MFIP or DWP participants without an approved Employment Plan must meet minimum work requirements at application, redetermination and the end of job search outside of an Employment Plan to receive child care during employment hours. See Chapter 4.6 (CCAP authorized activities). When a participant has multiple employment activities, the hours worked at the different employment activities may be combined to meet the 20 hours per week at the applicable minimum wage requirement. See Chapter 4.6.6.15 (Applicable Minimum Wage).

Work with the participant to determine a length of time, not to exceed six months, over which the number of hours worked weekly can be averaged to determine if the participant meets the requirement to work an average of 20 hours per week at the applicable minimum wage at application, redetermination and the end of job search outside of an Employment Plan.

Determining employment hours to authorize

When the participant works for an hourly wage, child care should be authorized for the number of hours scheduled to be worked, including break and meal time during the employment, and up to two hours per day for travel time.

When the participant does not work for an hourly wage, authorize child care for the LESSER of:

- The number of hours spent in the employment activity, plus meal/break time and up to two hours per day for travel time,
  OR
- The number of hours determined by dividing the annual gross earned income from the employment activity by 52 weeks and then by the applicable minimum wage, plus up to one hour per eight hours worked for meals/breaks, and up to two hours per day for travel time.

Students and employment

Students are not required to work.

- If a full-time student who does NOT have an approved MFIP/DWP Employment Plan chooses to work and requests child care assistance during their employment time, they are required to work an average 10 hours per week at the applicable minimum wage at application, redetermination and the end of job search outside of an Employment Plan. Authorize care for employment if requirements are met.
- If a part-time student who does NOT have an approved MFIP/DWP Employment Plan chooses to work and requests child care assistance during their employment time, they are required to work an average 20 hours per week at the applicable minimum wage at application, redetermination and the end of job search outside of an Employment Plan. Authorize care for employment if requirements are met.

If a student is approved for child care assistance for education only and starts working during the 12-month eligibility period, the student does not need to meet the minimum work requirements until redetermination. Authorize care for employment once verification of the work schedule is submitted showing a need for more hours of care.

NOTE: Because schools have differing definitions of full-time and part-time students, rely on the terminology of the specific school for determination. If you have questions about a student's status, contact the school or ask the student to do so for more information.

There is no minimum number of credits that a student must have to be considered part-time. A part-time student is anything less than full-time.

Work study must be counted as employment.

Child care in support of employment

For participants that do NOT have an approved MFIP/DWP Employment Plan, authorize child care assistance in support of employment, such as for sleep time, for non-work hours if necessary if the following conditions are met:

- The child care in support of employment or in combination with the employment activity does not exceed the amount of child care that would normally be granted for child care during employment.
- The family meets all eligibility requirements.
- The employed person cannot reasonably modify the non-work schedule to provide child care.

Legal authority

Minnesota Statutes 119B.10

Authorizing care – Self-employment 9.1.1.1

Employment requirements for families with Employment Plans

If a MFIP or DWP family has an approved Employment Plan with a self-employment activity, the parent is not subject to the minimum hour and minimum wage requirements. Authorize the number of hours needed for the self-employment activity or for support of the self-employment activity, as indicated by the job counselor. The number of hours authorized for each child should be the number of hours that care is needed to support the parental authorized activities, excluding the hours that the child does not need child care or the hours that the provider is unavailable. The child may not need child care due to the child being in school.

Employment requirements outside of an Employment Plan

Basic Sliding Fee, Transition Year, Transition Year Extension and MFIP or DWP participants without an approved Employment Plan must meet minimum employment requirements that apply at application, redetermination and the end of job search outside of an Employment Plan to receive child care during self-employment hours. See Chapter 4.6.6.6 (Employment Outside of An Employment Plan).

Determining the minimum wage to use

See Chapter 4.6.6.15 (Applicable minimum wage) for the minimum wage references. Use the federal minimum wage to determine the number of hours unless the self-employed person is subject to a state minimum wage. If a self-employed person is subject to a state minimum wage, use that minimum wage to determine the number of hours.

Determining if self-employment meets minimum activity requirements

First, calculate the annualized self-employment income using the self-employment income calculation method chosen for the self-employment activity. See Chapter 6.15.6 (Annualizing self-employment income).

To determine if self-employment meets minimum activity requirements:

- Divide the annualized self-employment income from the self-employment activity by:
  - 52 weeks if the self-employment activity occurs all year, or
  - If the activity is seasonal or temporary, by the number of weeks of activity participation.
- Then divide that number by the applicable minimum wage to determine the number of self-employment hours per week at the applicable minimum wage.

If the parent is self-employed for at least an average of 20 hours per week at the applicable minimum wage (10 hours if a full-time student), they meet the minimum activity requirements.

At application, redetermination, and the end of job search outside of an Employment Plan, if the parent is not self-employed for at least an average of 20 hours per week at the applicable minimum wage (10 hours if a full-time student), they do not meet the minimum work requirements (unless they have another employment activity – see below).

Authorized hours – Self-employment 9.1.1.1

During the 12-month eligibility period, if the parent no longer meets minimum work requirements but is still working, the parent continues to be eligible until redetermination.

Authorizing child care for self-employment

If the parent meets the minimum work requirements, authorize child care for the self-employment activity for the LESSER OF:

- The number of hours determined by dividing the annualized self-employment income from the self-employment activity by 52 weeks* and then by the applicable minimum wage, plus up to one hour per eight hours for meals and up to two hours per day for travel time.
  OR
- The number of hours spent in the self-employment activity, plus meal/break time and up to two hours per day for travel time.

*If the self-employment activity is seasonal, divide by the number of weeks of activity participation.

For 12-Month Reporters, the amount of care authorized during the 12-month eligibility period must continue at the same number of hours or more until redetermination, including when the parent no longer meets minimum activity requirements but is still working. If a parent requests more hours of care, they must verify the need for more hours.

For Schedule Reporters, the amount of care authorized during the 12-month eligibility period must change when a parent's activity schedule changes. Schedule Reporters must report and verify changes in hours worked.

See Chapter 9.12 (Authorization Changes During the 12-Month Eligibility Period) and Chapter 7.4 (Verification - 12-Month Eligibility Period).

Self-employment in combination with other employment

If the parent has a self-employment activity and another employment activity:

- Determine the number of hours for the other employment activity.
- Determine the number of hours in the self-employment activity by dividing the annualized self-employment income by 52 weeks* and by the applicable minimum wage.
- Add the hours for the self-employment activity and the other employment activity to determine if the parent is employed at least an average of 20 hours per week at the applicable minimum wage (10 hours if a full-time student).
  - If the parent is not employed for at least an average of 20 hours per week at applicable minimum wage (10 hours if a full-time student), they are not eligible for child care at application, redetermination and the end of job search outside an Employment Plan for their employment activities.
  - If the parent is employed for at least an average of 20 hours per week at applicable minimum wage (10 hours if a full-time student), add the hours for self-employment activity and the hours for the other employment activity to determine the number of hours to authorize.

*If the self-employment activity is seasonal, divide by the number of weeks of activity participation.

Authorized hours – Self-employment 9.1.1.1

Self-employment with negative gross income

If the parent has at least one self-employment activity with a negative gross income:

- Determine the annualized self-employment income from each self-employment activity separately.
- Divide the annual CCAP annualized self-employment income for each self-employment activity by 52 weeks* and then by the applicable minimum wage to determine the number of hours the parent is employed in that self-employment activity. The number of hours associated with the self-employment activity with the negative gross income is 0.
- Add the number of hours from each self-employment activity and all other employment activities together to determine if the parent is employed for at least 20 hours per week at the applicable minimum wage (10 hours if a full-time student).
  - If the parent is not employed for at least an average of 20 hours per week at applicable minimum wage (10 hours if a full-time student), they are not eligible for child care at application, redetermination and the end of job search outside an Employment Plan for their employment activities.
  - If the parent is employed for at least an average of 20 hours per week at applicable minimum wage (10 hours if a full-time students), use the total number of hours from each employment activity (including self-employment) to determine the number of hours to authorize.

*If the self-employment activity is seasonal, divide by the number of weeks of activity participation.

Legal authority

Minnesota Statutes 119B.09
Minnesota Statutes 119B.095
Minnesota Statutes 119B.10, subd. 1
Minnesota Rules 3400.0040, subp. 8

Authorizing care - Students 9.1.2

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

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.

See Chapter 9.1.1 (Authorizing care – 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 agency 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). If the Employment Plan does not include enough hours for actual class time, credit hours for independent study and internships, up to two hours of travel time per day, and/or two hours per week per credit hours for post-secondary students for study time and academic appointments, those additional hours of care may be authorized to support the needs of the family.
- During the 12 month eligibility period, students on school breaks who are expected to return to school at the end of the break remain eligible during the break, including summer break. See Chapter 8.9 (Suspending) and Chapter 9.15.3 (Care During Temporary Breaks from Authorized Activities).
  - For 12-Month Reporters: do not reduce their authorized hours or end their Service Authorization.
  - For Schedule Reporters:
    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 family and provider. It is acceptable for the 15-day notice to be sent in advance of the scheduled break, when the break begins, or when acting on the reported change.
    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. It is acceptable for the 15-day notice to be sent in advance of the scheduled break, when the break begins, or when acting on the reported change.

- At application or redetermination, when a parent is on a temporary break from their education activity, whether they are considered to be in an authorized activity at application or redetermination depends on whether their return to the activity is verified and if they meet all other eligibility requirements. See Chapter 3.7 (Application Processing), Chapter 10.6.3 (Redetermination Processing - Standards), and Chapter 8.9 (Suspending) for more information

Legal authority

Minnesota Statutes 119B.10
Minnesota Rules 3400.0040

Authorizing care – School release days 9.1.3

Child care may be authorized for families who need child care only on school release days and for families who need additional care on school release days. Do NOT authorize or pay for more than 120 hours of child care assistance per child every two weeks.

Each county and tribe is encouraged to develop standards for how care should be authorized for school release days.

Describe how child care is authorized in case notes. When authorizing child care for school release days, it is important that there be communication between families, providers, case workers and billing workers. For example, the comment section on a Service Authorization, a special memo or conversations (with case notes to document) between parents, providers and staff are recommended methods to communicate how care is authorized in relationship to school release days.

Methods of authorizing child care

There are three acceptable methods to authorize child care for school release days:

1. Authorize the actual number of hours care is needed, increasing or decreasing the hours authorized based on school release days. Case note the method used.
   OR
2. Authorize the number of hours care is needed when there are not school release days.
   - If care is not needed when there are not school release days, authorize one hour of care. Authorizing one hour of care results in the provider receiving billing forms. When the provider provides additional care for a school release day, payment can be made by increasing the number of hours listed in the "Total Hours of Care Authorized" field on the Billing window or creating a new Service Authorization with additional hours. There must be communication between families, providers, case workers and billing workers regarding when additional care can be paid. Case note the method used.

   OR
3. Authorize the highest number of hours care is needed with the provider. Case note the method used.

Agencies may develop standards for use of more than one of the above methods. For example, an agency may determine that for all children who ONLY need care on school release days, one hour of care will be authorized. For children who regularly need care and require additional care on school release days, authorize the highest number of hours needed.

Reporting type considerations

Schedule Reporters

When authorizing child care for families with school release days, the provider is expected to bill only for the time that care is needed. There must be communication between families, providers, case workers and billing workers regarding when care with the provider can be paid for.

12-Month Reporters

Once care is authorized for 12-Month Reporters, the provider is expected to bill only for the time that care is needed. However, if the family's work schedule changes and less care is needed, the provider is still eligible to bill for the hours initially authorized for school release days. Child care hours for 12-Month Reporters cannot be reduced as a result of changes in the parent's work schedule during the 12-month eligibility period. See Chapter 9.12 (Authorization changes during the 12-month eligibility period).

Legal authority

Minnesota Statutes 119B.09, subd. 6
Minnesota Statutes 119B.095
Minnesota Rules 3400.0110, subp. 2a

Authorizing care – Job search 9.1.4

Job search activities include locating, contacting, preparing for interviews and interviewing with potential employers and travel time associated with these activities.

Job search within an Employment Plan

Job search is not limited to 240 hours per calendar year and can be authorized at any time during the 12-month eligibility period (not just at redetermination and application) if included in an approved MFIP or DWP Employment Plan. Authorize care according to the approved Employment Plan.

Job search outside of an Employment Plan

For MFIP/DWP participants without an approved Employment Plan and BSF, TY, and TYE participants, authorize job search according to the following three requirements:

- Authorize job search **ONLY** at application or redetermination
- Authorize the number of hours requested by the participant **NOT TO EXCEED** 40 hours in a biweekly period
- Authorize a maximum of 240 hours per calendar year.

Job search at reapplication

If a parent reapplies for CCAP and requests job search outside of an Employment Plan within the same calendar year some job search hours were already used, the parent has less than 240 hours of job search available. The remaining available job search hours must be authorized at a lower amount to cover at least 12 weeks of child care. See Chapter 4.6.6.3 (Job Search at application and redetermination).

Job search and other activities

Do not authorize job search in combination with other activities. See Chapter 4.6.6.12 (Combination of Activities Examples).

Counting job search hours

Job search hours should be counted using only the hours of child care authorized for the job search activity (including travel time, if needed). For example, if the parent is authorized for six hours per day of child care for the job search activity and the provider charges a daily rate, count only six hours of job search toward the 240 hours allowed per year.

Counting job search hours during an adverse action period

If the amount of child care authorized is being reduced, a 15-day notice is required. During the notice period, count only the hours the parent is job searching toward the 240 hours allowed per year. For example, if 40 hours of care biweekly was previously authorized and care is being decreased to 20 hours biweekly, pay the 40 hours of care through the required notice period but only count the 20 hours used for job search toward the 240 hours allowed per year. Hours authorized for job search should only be reduced at the parent's request.

Reconciling job search hours

Workers can reconcile job search hours used on the job search tracking window when the family used less child care than authorized and the provider bills for less hours than authorized.

Example:
If 20 hours per week was authorized and the provider billed 15 hours per week, the job search tracking window can be adjusted to 15 hours per week.

Verifying job search

Do not verify the actual numbers spent on job search or require families to submit job search logs.

Legal authority

Minnesota Statutes 119B.10, subd.1
Minnesota Rules 3400.0040, subp.15a

Authorizing care - Employment plans 9.1.5

An MFIP/DWP client is eligible for CCAP if the client meets all CCAP eligibility requirements.

If a family meets CCAP eligibility requirements and the parent(s) has an Employment Plan, the amount of child care authorized must be based on the parents' schedule of participation in the activities identified in the Employment Plan, the child's school schedule, the provider's availability, and any other factors that would affect the amount of care that the child needs. The CCAP worker must take into account the family's reporting status before making changes to the family's authorization.

The amount of child care authorized should reflect the child care needs of the family and minimize the out-of-pocket child care costs to the family.

For more information about authorizing care, see Chapter 9.1 (Child care authorization) and Chapter 9.12 (Authorization changes during the 12 month eligibility period).

Communication

The agency should develop a method of communication between the job counselor and the CCAP worker that supports sharing information as efficiently and as timely as possible so care can be authorized. The job counselor and CCAP worker can communicate through a variety of methods (including, but not limited to fax and email).

Because families that are Schedule Reporters must have Service Authorizations changed based on their activity participation, job counselors should report changes in activity to CCAP workers at least for families who are Schedule Reporters. Agencies should determine communication guidance for CCAP workers and job counselors in their agency. If agencies develop different guidelines for communication between CCAP workers and job counselors based on a family's reporting type, workers must coordinate to understand which reporting type the family is considered and what must be reported. See Chapter 8.3 (Reporting requirements) and Chapter 8.3.6 (Reporting types).

Roles and responsibilities

Your agency may determine whether the job counselor or CCAP worker is responsible for determining how many hours of child care are needed, provided that the job counselor or CCAP worker is considering:

- The activity schedule (days and times) of the parent(s).
- The school schedule (days and times) of the children.
- The provider's availability.

Job counselor roles and responsibilities

The job counselor is responsible for:

- Determining the activities included in the Employment Plan.
- Determining how many hours of care are needed, if the job counselor provides this information for families with Employment Plans.

- Providing the CCAP worker with the activities included in the Employment Plan, including activity type and activity begin dates.
- Monitoring participation in Employment Plan activities on an ongoing basis.
- Adjusting the Employment Plan as needed.
- Determining if a client is out of compliance with his/her Employment Plan.
- Notifying the CCAP worker within 10 days of changes in Employment Plan activities, changes in the parent's schedule if known, and sanctions.

The job counselor is encouraged to:

- Provide the CCAP worker with either the activity schedules of the parent(s) and children OR the days and times that child care is needed.
- Cluster or group Employment Plan activities to create periods of time that work with child care provider schedules and practices, when possible.

The job counselor may indicate the number of hours of child care needed for activities other than employment and education.

The job counselor is not required to send the Employment Plan to the CCAP worker.

The job counselor can use the MFIP/DWP Employment Services Child Care Request DHS-7054 (PDF) or an agency created form to send information to the CCAP worker.

CCAP worker roles and responsibilities

The CCAP worker is responsible for:

- Determining how many hours of care are needed, if the job counselor has not provided this information for families with Employment Plans.
- Authorizing the care the family is eligible for in MEC^2.
- Acting on information received from the job counselor within 10 days.
- Ensuring that families and providers are given 15-day notice of adverse actions.
- Communicating concerns about actual participation in the activities in the Employment Plan to the job counselor.
- Obtaining schedule verification of the activities in the Employment Plan only if the job counselor has not provided the activity schedule (days and times) or the days and times that child care is needed.
- Obtaining income verification for employment. An Employment Plan cannot be used as verification of income for CCAP.

CCAP workers should not re-verify activity information that is monitored by the job counselor.

CCAP workers are not responsible for monitoring participation in the activities in the Employment Plan.

Employment Plan information

The job counselor regularly determines if the participant is participating in the activities in the Employment Plan. They must take appropriate action when and if changes occur or an Employment Plan ends.

Details about the status of Employment Plans:

- If an MFIP/DWP participant has an Employment Plan, consider that person to be participating in the activities in the Employment Plan until the job counselor communicates otherwise or changes the Employment Plan.
- All signed Employment Plans are considered to be "approved."
- The job counselor does not need to indicate a date that the Employment Plan or the Employment Plan activities will end if the job counselor believes that the family will continue to participate in the activities.
- The review dates listed on the Employment Plan should not be interpreted as "end dates." Child care assistance should not automatically end if an Employment Plan review date has passed and a new Employment Plan has not been completed.
- Workforce One (WF1) assigns a "Plan Start Date" on the front page of the Employment Plan and does not allow that date to be adjusted. Individual activities within the Employment Plan can have earlier dates than the "Plan Start Date." CCAP can be authorized and paid back to the earlier individual activities dates as long as the family was MFIP eligible and meets all CCAP eligibility requirements.
- For information about when a participant is out of compliance with their Employment Plan, see Chapter 4.3.3.9 (MFIP sanctions) and Chapter 4.3.3.18 (DWP non-compliance).

Employment Plans and overpayments

The agency should implement safeguards to ensure that the appropriate amount of care is being provided to CCAP families. Safeguards might include Employment Plan/CCAP audits.

Families may be charged with CCAP overpayments if:

- The family does not provide timely reports of changes in income over 85% of SMI, family composition or other factors related to the family's eligibility for child care assistance.
- CCAP fraud is determined. See Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families).
- MFIP fraud is determined, and that results in the family's reduction or loss of CCAP eligibility or authorization. See Chapter 4.3.3.6 (MFIP Special Circumstances).

A job counselor may determine that a participant has not been in compliance for a prior period of time with some or all of the activities identified in the Employment Plan. Do not assess a CCAP overpayment due to lack of or reduced participation in the Employment Plan activities, except in cases of MFIP and/or CCAP fraud. If a job counselor fails to notify the CCAP worker that an Employment Plan has changed or ended, this would not be an overpayment because the overpayment resulted solely from agency error. See Chapter 14 (Overpayments) to determine when to assess an overpayment.

Authorizing care - Employment plans 9.1.5

Legal authority

Minnesota Statutes 119B.05
Minnesota Statutes 119B.07
Minnesota Statutes 119B.11, subd. 2a
Minnesota Rules 3400.0080

Authorizing care – Sanctions 9.1.5.3

Non-compliance with Employment Services (ES)

Agencies apply Minnesota Family Investment Program (MFIP) sanctions when participants do not comply with Employment Services requirements. Eligibility for MFIP child care continues as long as the caregiver remains eligible for MFIP. See Chapter 4.3.3.9 (MFIP sanctions) for information about how MFIP sanctions affect a family's eligibility for child care assistance.

The effect of MFIP Employment Services sanctions on child care authorization depends on a variety of factors. Most Employment Services sanctions are related to participation in MFIP Employment Plan activities. Whether a change in activity participation will affect a family's case depends on their reporting type. See Chapter 8.3.6 (Reporting types) for more information about determining a family's reporting type.

In general, do not approve an adverse action related to an Employment Services sanction until the participant has actually been sanctioned. This does not happen until after the Notice of Intent to Sanction (NOITS) phase. Notification that the participant has been sanctioned should come from the job counselor, not the financial worker.

12-Month Reporters

At application and redetermination

At application and redetermination, 12-Month Reporters must have their child care hours authorized based on their verified activity schedule. See Chapter 9.1.5 (Authorizing care – Employment Plans) for more information about authorizing care for families with Employment Plans.

During 12-month eligibility period

In general, child care hours cannot be reduced during a family's 12-month eligibility period for families who are 12-Month Reporters.

If sanctioned due to non-compliance with some but not all activities in the Employment Plan:

- Do not decrease authorization as long as the client is still participating in some part of their Employment Plan activities or employment outside of an Employment Plan.

If sanctioned due to non-compliance with all activities in the Employment Plan:

- If participating for any number of hours in activities in the Employment Plan, continue to authorize care at the same level until redetermination.
- If not participating for any number of hours in activities in the Employment Plan **BUT** participating in employment outside of an Employment Plan, continue to authorize care at the same level until redetermination.
- If not participating for any number of hours in activities in the Employment Plan **AND** not participating in employment outside of an Employment Plan, put the client into Extended Eligibility. Care should

continue at the same level for up to three months or until next redetermination, whichever occurs first. See Chapter 9.15.6 (Extended Eligibility) for more information.

Schedule Reporters

At application, redetermination and during 12-month eligibility period

Schedule Reporters must have their child care hours authorized based on their verified activity schedule. See Chapter 9.1.5 (Authorizing care – Employment Plans) for more information about authorizing care for families with Employment Plans.

If sanctioned due to non-compliance with some but not all activities in the Employment Plan:

- Determine if the authorization should be decreased based on the activity schedule for the activities the client is still participating in. If a decrease is needed, decrease hours following a 15-day notice.
- Do not end care or put the client into Extended Eligibility if the client is still participating in some part of their Employment Plan activities or employment outside of an Employment Plan.

If sanctioned due to non-compliance with all activities in the Employment Plan:

- If participating for any number of hours in activities in the Employment Plan, continue to authorize care based on those activities until redetermination. Determine if the authorization should be decreased based on the activity schedule for the activities the client is still participating in.
- If not participating for any number of hours in activities in the Employment Plan **BUT** participating in employment outside of an Employment Plan, continue to authorize care based on those activities until redetermination. Determine if the authorization should be decreased based on the activity schedule for the activities the client is still participating in.
- If not participating for any number of hours in activities in the Employment Plan **AND** not participating in employment outside of an Employment Plan, put the client into Extended Eligibility. Care should continue at the same level for up to three months or until next redetermination, whichever occurs first. See Chapter 9.15.6 (Extended Eligibility) for more information.

MFIP case closes due to seventh sanction

If an MFIP case closes due to a seventh sanction occurrence, also referred to as 100 percent sanction or sanction disqualification, the family is no longer eligible for MFIP child care.

See Chapter 4.3.3.9 (MFIP sanctions) for information about assessing a family's eligibility for other subprograms when an MFIP case closes due to a seventh sanction occurrence. See Chapter 8.1.18 (Changes in subprogram) for information about how changes in subprogram impact authorization during the 12-month eligibility period, see Chapter 8.1.8 (Changes in subprogram).

Legal Authority

Minnesota Statutes 119B.011 to 119B.24
Minnesota Statutes 256J

Authorizing care – Flexible schedules 9.1.6

Child care may be authorized for families who have flexible schedules. Do NOT authorize or pay for more than 120 hours of child care assistance per child every two weeks.

Describe how child care is authorized in case notes.

See Chapter 7.27 (Schedule verification – Employment and education) for information about obtaining schedule verification for clients with flexible employment schedules.

Methods of authorizing child care

Depending on the method used to authorize child care, provider may be able to be paid for more or less child care than has been authorized in the Service Authorization.

There are three acceptable methods to authorize child care for families with flexible schedules:

1. Authorize the typical number of hours needed.
   - When the family's schedule requires additional care, the provider bills for the additional care. Payment can be made by increasing the number of hours listed in the "Total Hours of Care Authorized" field on the Billing window or by creating a new Service Authorization with additional hours. This method is recommended for families with a set schedule that occasionally requires them to work additional hours. Case note the method used.

   OR
2. Authorize the minimum number of hours care is needed.
   - When the family's schedule requires additional care, the provider bills for the additional care. Payment can be made by increasing the number of hours listed in the "Total Hours of Care Authorized" field on the Billing window or by creating a new Service Authorization with additional hours. This method may be used for families whose schedules require them to work a varying number of hours each week. Providers must be informed that they may bill for additional hours when the family needs more care than what has been authorized. Agencies should develop communication strategies to ensure that appropriate payments are made when additional hours are billed. Case note the method used.

   OR
3. Authorize the highest number of hours that care is needed with the provider.
   - The provider is expected to bill only for the time that care is needed. This method may be used for families whose schedules require them to work a varying number of hours each week. Agencies should develop strategies to ensure that appropriate payments are made. Case workers are encouraged to periodically review provider billing to reduce the likelihood of overpayments in these situations. Case note the method used.

Reporting type considerations

Schedule reporters

When authorizing child care for families with flexible schedules, it is important that there be communication between families, providers, case workers and billing workers. For example, the comment section on a Service

Authorizing care – Flexible schedules 9.1.6

Authorization, a special memo or conversations (with case notes to document) between parents, providers and staff are recommended methods to communicate how care is authorized in relationship to the expected schedule(s).

12-Month Reporters

Once care is authorized for 12-Month Reporters, you cannot reduce the family's child care authorization except in limited circumstances. See Chapter 9.12 (Authorization changes during the 12-month eligibility period). Agencies should consider how this impacts their methods of authorizing child care.

Legal authority

Minnesota Statutes 119B.09, Subd. 6
Minnesota Rules 3400.0110, Subp. 2a
Minnesota Rules 3400.0040, Subp. 8

Authorizing care – Combinations of activities 9.1.7

Authorize no more than 120 hours of care per child every two weeks.

Combinations of activities in an approved Employment Plan

Authorize hours necessary to support an approved MFIP or DWP Employment Plan. The Child Care Assistance Program does not have a minimum wage or hours per week requirement for employment activities that are included in an approved MFIP or DWP Employment Plan.

Authorizing education and employment outside of an employment plan

Students are not required to work.

When BSF, TY, TYE or MFIP/DWP participants whose employment hours are not included in an approved Employment Plan are full time students and request child care for their employment activity:

- Require employment of at least an average of 10 hours per week and receipt of at least the applicable minimum wage for all hours worked.
- These participants do not need to have a county or tribal approved Education Plan to receive child care for their employment hours.
- The student's full-time status needs to be verified.
- When a full time student has a school break, including summer breaks, they retain their full time student status, if the student is expected to return to full time school following the break. Do not decrease the child care authorization unless the family is a Schedule Reporter.

When BSF, TY, TYE or MFIP/DWP participants whose employment hours are not included in an approved Employment Plan are less than full-time students and request child care for their employment activity:

- Require employment of at least an average of 20 hours per week and receipt of at least the applicable minimum wage for all hours worked.
- These participants do not need to have a county or tribal approved Education Plan to receive child care for their employment hours.

Job search

Do not authorize job search hours in combination with other activities outside of an Employment Plan. Only authorize job search at application and redetermination or when included in an Employment Plan

Legal authority

Minnesota Statutes 119B.10
Minnesota Rules 3400.0040, subp. 11

Authorizing care – Multiple providers 9.1.9

The Child Care Assistance Program (CCAP) limits care when a child has multiple providers. Each child can use up to two providers, one primary provider and one secondary provider, that can be paid by CCAP.

- The amount of care authorized with a secondary provider is limited to 20 hours in a biweekly period.
- The amount paid to a secondary provider cannot be more than two daily rates in a biweekly period.

Legal nonlicensed (LNL) child care providers do not count toward the two-provider limit. If a child uses a legal nonlicensed provider and one other type of provider, the authorization and payment will not be reduced for either provider.

Provider designation

Parents choose their children's primary and secondary providers. They can choose a different primary and secondary provider for each child in the family.

Track the provider designation (primary or secondary) for each child with multiple providers, even if the designation does not affect a child's authorization. Parents may report information about their child's primary and/or secondary provider verbally, in writing, or can submit the CCAP Primary & Secondary Provider Report Form DHS-7680 (PDF). If a provider reports information about their primary or secondary designation for a child on a parent's behalf, workers must follow up with the parent to confirm the information.

Authorizing care

Do not authorize more than 20 hours per biweekly period with a secondary provider..

- If a child uses two providers, do not authorize more than 20 hours per biweekly period with the child's secondary provider, even if more than 20 hours with a secondary provider is written in an Employment Plan.
- If a child starts using a secondary provider, record primary and secondary designation, and do not authorize more than 20 hours biweekly with a child's secondary provider.
- If a child's secondary provider is authorized for more than 20 hours per biweekly period, reduce authorized hours to 20 hours or less with 15-day notice.

Payments to multiple providers

Do not pay for more than a total of 120 hours of child care assistance per child every two weeks. See Chapter 9.1 (Authorizing child care).

Do not pay for more than one provider for the same period of time.

Switching providers

See Chapter 9.1.10 (Authorizing care – Switching providers) for information about authorizing care for families when they are changing providers in the middle of a biweekly period.

Weekly authorization to high quality providers

See Chapter 9.1.12 (Weekly Authorization to High Quality Providers) for information about authorizing care for families with multiple providers when at least one of the providers qualifies for the Weekly Authorization to High Quality Providers policy.

Legal authority

Minnesota Statutes 119B.09, subd. 6
Minnesota Statutes 119B.097
Minnesota Rules 3400.0110, subp. 2a

Authorizing care – Switching providers and back-up providers 9.1.10

Workers cannot authorize more than 120 hours of care per child, per biweekly period, except temporarily:

- During provider switches; or
- When authorizing care with a back-up provider.

If authorizing more than 120 hours of care per child, per biweekly period, never pay:

- More than 120 hours of care. See Chapter 9.9 (Determination of Payment Amounts).
- Two providers for the same period of time. See Chapter 9.1.9 (Authorizing care – Multiple providers).

Switching providers

What is a provider switch?

Provider switches occur when:

- A child ends care with one provider and starts care with another provider; or
- A child continues care with a provider, but the provider's primary or secondary status changes.

Giving proper notice

Typically, 15-day notice is needed before taking an adverse action, such as ending a Service Authorization or decreasing authorized hours. See Chapter 12.1 (15-day Notice Requirements).

When a child switches to a new provider or a child's primary provider switches to their secondary provider, do not start a new authorization or reduce an existing authorization until the earliest of:

- The first day after 15-day notice ends, if care with the previous provider:
  - Is scheduled to end;
  - Is available;
  - Continues through the end of the notice period.
- The first day a child runs out of absent days, if care with the previous provider:
  - Is available;
  - Does not continue through the notice period, but the provider bills absent days.
- The first day care is no longer available with the previous provider (for example, if the provider is closed or can no longer care for a child).
- The first day of the biweekly period after 15-day notice ends, if authorization is being reduced because a child's previous primary provider switches to their secondary provider. See "Reduction of Hours to a Provider Requiring a 15-Day Notice Workaround" in the MEC² User Manual.
- The first day the previous provider says they will stop billing or the first day a previous primary provider says they will not bill more than 20 hours per biweekly period if they continue as the child's secondary provider. It is recommended the agency:
  - Inform the new provider that they will not be paid for the time period if the original provider bills, since two providers cannot be paid for the same time period.
  - Document in Case Notes if a previous provider verbally agrees to stop billing or reduce their billing to 20 hours per biweekly period.

Back-up providers

What is a back-up provider?

A back-up provider is a provider that a child only attends, and child care assistance only pays, on a sporadic basis when the child's usual primary or secondary provider is not available. Back-up providers are commonly used during school breaks, school release days, and/or when the usual provider is on vacation.

Care can be authorized with a back-up provider for up to the entire time the child's usual provider is unavailable.

Can a back-up provider's authorization stay open when care is not needed?

A back-up provider's authorization can only stay open when care is not needed if they are:

- Designated as the child's ONLY secondary provider and authorized for 20 hours or less; or
- A legal nonlicensed provider (LNL). Legal nonlicensed providers do not count toward a child's two provider limit.

Otherwise:

- A child cannot be authorized with more than one primary provider and one secondary provider at the same time. See Chapter 9.1.9 (Authorizing care – Multiple providers).
- Authorization with a back-up provider can only be opened when care with a child's usual primary or secondary provider is unavailable.

Note: If a child's secondary provider is only a back-up provider when the child's primary provider is unavailable, the family does not meet Schedule Reporter criteria. See Chapter 8.3.6 (Reporting Types).

Adjusting Service Authorizations in a single action

A single action is when a Service Authorization is:

- Opened and closed in the same approval package; or
- Increased and lowered with the same provider on the same day.

Taking a single action prevents authorization from continuing longer than needed and prevents the need to issue a 15-day notice. A 15-day notice is not needed in these situations because temporarily opening or increasing hours is a positive action.

Opening and closing a Service Authorization in a single action

When care is only authorized with a back-up provider for a short, limited time when care is not available with the child's usual provider, it is recommended that workers open and close the back-up provider's Service Authorization in a single action.

Authorization with the child's usual provider can stay open when care is authorized with a back-up provider, if:

- The child's usual provider is not paid, and care is unavailable; and
- The back-up provider's authorization is expected to last 15 days or less.

If care with the child's usual provider remains available or the back-up provider's authorization is expected to last more than 15 days:

- Close the usual provider's authorization; or
- Designate the usual provider as secondary and reduce hours to 20 or less (if the child does not have a secondary provider).

It is recommend that workers case note or communicate to billing workers that the child's usual provider cannot bill.

Switching a back-up provider's designation and increasing and lowering hours in a single action

It is recommended workers switch a back-up provider's designation and increase and lower authorized hours in a single action, when:

- A back-up provider's authorization stays open continuously as a child's secondary provider; but
- The back-up provider occasionally needs to temporarily have their designation changed to primary and their hours increased because a child's usual primary provider is unavailable.

The child's usual primary provider can keep their designation and typical authorization if:

- The child's usual primary provider is not paid, and care is unavailable; and
- The back-up provider's increased authorization is expected to last 15 days or less.

If the back-up provider's increased authorization is expected to last more than 15 days, workers must:

- Close the usual primary provider's authorization; or
- Designate the usual primary provider as secondary and reduce hours to 20 or less.

MEC² Recommendations

It is recommend workers:

- Case note or communicate to billing workers that the child's usual primary provider cannot bill.
- Check to be sure the back-up provider and the family get Service Authorizations with all changes in authorized hours and effective dates. If necessary, add comments to MEC² notices or send supplemental notices.

- Increase "Total Hours of Care Authorized" on the Billing window, if necessary, to match what was authorized temporarily, when processing bills for a back-up provider. Raising hours on the Billing window without changing the designation will not increase payment above the secondary provider limit of twenty hours (or two daily rates).

Authorization Examples

Example 1: New primary provider (original provider bills absent days)

Scenario

On 11/29, the family reports their child is ending care with their primary provider on 12/7 and starting a new primary provider on 12/10. The original provider says they plan to bill absent days during the 15-day notice period. The worker processes the change on 12/3.

What happens?

The worker took action to close the Service Authorization on 12/3, so 15-day notice runs through 12/19. The child had absent days remaining, and the original provider bills absent days 12/10 through 12/19. The new

primary provider's authorization and primary designation can start on 12/20 (after 15-day notice ends for the original primary provider).

Provider designation

- Primary provider end date: 12/19 (original provider)
- Primary provider start date: 12/20 (new provider)

Example 2: New primary provider (original provider says they will not bill absent days)

Scenario

On 11/29, the family reports their child is ending care with their primary provider on 12/7 and starting a new primary provider on 12/10. The original primary provider says they will not bill absent days during the 15-day notice period. The worker processes the change on 12/3.

What happens?

The new primary provider's authorization and primary designation can start on 12/10, the day care starts.

Provider designation

- Primary provider end date: 12/7 (original provider)
- Primary provider start date: 12/10 (new provider)

Example 3: Primary provider vacation (back-up provider providing care)

Scenario

On 11/29, the family reports their child's back-up/usual secondary provider will be their primary provider from 12/10 – 12/20 because the child's usual primary provider will be on vacation. The worker processes the changes in a single action on 12/3.

What happens?

The child's usual back-up/secondary provider can temporarily have their hours increased and be designated as a primary provider for the dates of the usual primary provider's vacation because:

- The child's usual primary provider is unavailable and cannot be paid; and
- The hours and designation with the child's back-up/usual secondary provider were increased and decreased in a single action.

Because care is temporarily unavailable for 15 days or less, the child's usual primary provider can keep their primary designation and authorization and resume billing on 12/21.

Provider designation

In the biweekly period that includes the date the usual primary provider starts their vacation:

- Secondary provider end date: 12/9 (usual secondary provider)
- Primary provider start date: 12/10 (usual secondary provider)

In the biweekly period that includes the date the usual primary provider ends their vacation:

- Primary provider end date: 12/20 (usual secondary provider)
- Secondary provider start date: 12/21 (usual secondary provider)

Example 4: New primary provider (original primary provider becomes secondary provider)

Scenario

On 11/29, the family reports their child is starting care with a new primary provider on 12/10 and the existing primary provider will become their secondary provider. The original primary provider does not plan to reduce their billing until the end of the 15-day notice period. The worker processes the change on 12/3.

What happens?

Hours cannot be reduced with the original primary provider until 12/31 (first day of the biweekly period after the 15-day notice period ends).

Provider designation

- The original primary provider:
  - Ends their primary designation on 12/30.
  - Starts their secondary designation on 12/31.
- The child's new primary provider:
  - May be authorized as a secondary provider 12/10 – 12/30 because another secondary provider is not authorized during this time.
  - Starts their designation as primary provider and increases their hours on 12/31 (the day after the original primary provider's designation ends).

Legal authority

Minnesota Statutes 119B.09, subd. 6
Minnesota Statutes 119B.097
Minnesota Statutes 119B.13, subds. 1(g) & 7
Minnesota Rules 3400.0110, subps. 3 & 9
Minnesota Rules 3400.0185

Weekly authorization to high quality providers 9.1.12

The Weekly Authorization to High Quality Providers policy supports consistent care for young children attending high quality care.

Some children attending high quality care can be authorized for more hours than they would normally be eligible for. Their providers can be paid up to the applicable weekly maximum rate, not to exceed the provider's charge. The parent and provider determine a schedule of care that is not tied to the specific days and times the parent is in an authorized activity.

The child may attend care according to the schedule of care, even if some of the care is not needed to support the parent's activities. Under this policy, CCAP may routinely pay providers for some scheduled and authorized care that is not needed to support the parent's activities. Unless an overpayment exists for other reasons, no overpayments exist if the parent whose child has a weekly authorization with a high quality provider chose to use their hours during times when they were not scheduled to be in their authorized activity. See Chapter 14 (Overpayments) to determine when to assess an overpayment.

Provider requirements

Providers must be eligible for a higher rate for quality to be eligible. Eligible providers are:

- Providers with a three or four-star Parent Aware rating. See Chapter 9.24.12 (Higher Rates for Quality – Parent Aware Rated Providers).
- Centers accredited by certain organizations. See Chapter 9.24.9 (Higher Rates for Quality – Accreditation/Credential).
- Licensed family child care providers that hold certain current early childhood development credentials or are accredited by the National Association for Family Child Care. See Chapter 9.24.9 (Higher Rates for Quality – Accreditation/Credential).

Agency identified/Department of Human Services (DHS) approved at-risk providers are eligible if they meet the provider requirements. See Chapter 9.15.15 (Special Needs) for more information on at-risk providers.

NOTE: Legal nonlicensed providers are not eligible for weekly authorizations to high quality providers.

Child requirements

The child must:

- Be ages zero through five but not yet in kindergarten,
- Qualify for at least 30 hours of child care per week at the high quality provider, and
- Attend a high quality provider.

Qualifying for 30 hours of child care per week

The child must qualify for at least 30 hours of child care per week at the high quality provider:

- Children eligible for Expedited Child Care for Families Experiencing Homelessness qualify for 30 hours of child care per week and meet this requirement.
- For all other children, determine the number of hours that the child qualifies for using the guidance for authorizing child care in Chapter 9.1 (Child care authorization).
- Count authorized hours needed for travel time and breaks toward meeting the 30 hours of child care needed per week.
- In a two-parent family, count only times when a parent is not available to care for the child towards the 30 hours of child care needed per week.
- The amount of care needed can be averaged between two weeks. For example, if child care is needed for 20 hours one week and 40 hours the next week, that averages to 30 hours per week and the child would qualify for this policy.

Authorizing care

Children who qualify will have Service Authorizations of 50 hours per week (100 hours biweekly).

The parent and provider can determine a schedule of up to 50 hours per week (100 hours biweekly). If the parent and provider agree to a weekly schedule of care, it will typically result in payment at the applicable maximum weekly rate, not to exceed the provider's charge. Providers are not required to offer the full 50 hours of care per week (100 hours biweekly).

Decrease in authorized hours allowed during the 12-month eligibility period

The authorized hours can decrease when:

- The child starts kindergarten
- The family has a redetermination
- The child's family is a Schedule Reporter and the child begins qualifying for less than 30 hours of child care per week based on the parents' activities
- The child's family is a Schedule Reporter who qualified under Expedited Child Care for Families Experiencing Homelessness and begins qualifying for less than 30 hours of child care per week after the three month period.
- There is a change in custody schedule or parenting time arrangement that results in a child qualifying for less than 30 hours of child care per week.

Decrease in authorized hours not allowed during the 12-month eligibility period

The authorized hours cannot decrease when:

- A child turns six
- The provider's status as a high quality provider changes
- The child moves to a new provider
- The child's family is a 12-Month Reporter and there is a reduction in the parent's activities.
- The child's family is a 12-Month Reporter experiencing homelessness and the three month period ends.

Child's provider window

MEC² will determine whether a child is eligible for the Weekly Authorization to High Quality Providers and generate Service Authorizations with 50 hours of care per week authorized (100 hours biweekly). Once MEC² determines that a child is eligible for this policy, update the Child's Provider window to indicate 100 hours of care is authorized biweekly. Case note this change. At redetermination, reevaluate the child's authorized hours and update the authorized hours in the Child's Provider window. If MEC² determines that the child is still eligible for the Weekly Authorization policy, update the Child's Provider window to indicate 100 hours of care is authorized biweekly and case note the change.

Schedule Reporters

If a child in a Schedule Reporter family qualifies for Weekly Authorization to High Quality providers and there is a change in their parents' activities or the three month period ends for families experiencing homelessness, determine the number of hours the child qualifies for.

- If the number of hours is 30 hours or more per week, keep the number of hours on the Child's Provider window at 100 hours.
- If the number of hours is less than 30 hours per week, change the number of hours on the Child's Provider window, allowing for a 15-day notice of adverse action.

Change in custody schedule or parenting time arrangement

If a child qualifies for Weekly Authorization to High Quality provider and there is a change in custody schedule or parenting time arrangement that results in the child qualifying for a different number of hours, determine the number of hours the child qualifies for.

- If the number of hours is 30 hours or more per week, keep the number of hours on the Child's Provider window at 100 hours.
  - Note: Although the child still qualifies for Weekly Authorization to High Quality provider, care can only be paid on days when the child resides in the home. See Chapter 5.6 (CCAP Family - Temporary Absence). Workers need to communicate to the parent when adjustments to a Service Authorization are made to reflect a parenting time or custody arrangement. See Chapter 9.1 (Child Care Authorization).
- If the number of hours is less than 30 hours per week, change the number of hours on the Child's Provider window, allowing for a 15-day notice of adverse action.

Multiple providers

The number of hours that can be paid per biweekly period per child is 120 hours. A child can use up to two providers paid by CCAP, one primary provider and one secondary provider. The amount of care authorized with a secondary provider is limited to 20 hours in a biweekly period. See Chapter 9.1.9 (Authorizing care – Multiple providers). If the child meets the requirements and attends a high quality provider for at least 30 hours per week, the child is eligible for 50 hours of care per week (100 hours biweekly). Increasing the authorization to 100 hours biweekly means there are 20 hours of care left for the child's secondary provider.

Weekly authorization to high quality providers 9.1.12

Legal nonlicensed (LNL) child care providers do not count toward the two provider limit. If a child is using care with a high quality provider for at least 30 hours a week and is also using an LNL provider, work with the family to determine whether 50 hours of care should be authorized with the high quality provider (100 hours biweekly). If the child is using an LNL provider in this circumstance, the family can choose to not have the high quality provider authorized for 50 hours of care per week (100 hours biweekly).

Information for parents and providers

- The Child Care Assistance Program (CCAP) Weekly Authorization to High Quality Providers DHS-6954-ENG (PDF) may be sent to providers eligible for this policy.
- The Child Care Assistance Program (CCAP) Weekly Authorization to High Quality Providers DHS-6954A-ENG (PDF) may be sent to families eligible for this policy.

Legal authority

Minnesota Statutes 119B.097
Minnesota Statutes 119B.13, subd. 3c
Minnesota Statutes 119B.097, subd. 3

Authorizing Care – Expedited Child Care 9.1.15

Expedited Child Care for Families Experiencing Homelessness

Authorize 60 hours per biweekly period

Children whose families are eligible for Expedited Child Care for Families Experiencing Homelessness are eligible for 60 hours biweekly, including school-age children.

Children remain eligible for 60 hours biweekly for the entire three month period.

Notes:

- Job search hours are not used for families experiencing homelessness at application.
- If a legal nonlicensed (LNL) provider is chosen, the family must sign and return the Parent Acknowledgment When Choosing a Legal Nonlicensed Provider Form (DHS-5367) (PDF) before care is authorized. See CCAP Policy Manual 11.9 (Legal nonlicensed (LNL) providers).
- When there is a custody schedule or parenting time arrangement, the child still qualifies for 60 hours of child care biweekly during the three month period. Care can only be paid on days when the child resides in the home. See Chapter 5.6 (CCAP Family - Temporary Absence). Workers must communicate to the family that care should not be billed on their child care assistance case when the child is in the other's parent's custody or during the other parent's parenting time. The family is responsible for communicating this to the provider. See Chapter 9.1 (Child Care Authorization).

Weekly Authorization to High Quality Providers

If the child is age birth to 5, not yet in kindergarten, and is attending care with a provider eligible for the rate differential, the child is eligible for the Weekly Authorization to High Quality Providers policy. See CCAP Policy Manual 9.1.12 (Weekly Authorization to High Quality Providers).

Authorizing more than 60 hours biweekly

If the family has an authorized activity that qualifies them for more hours, additional hours can be authorized if the activity and activity schedule are verified. See CCAP Policy Manual 9.1 (Child Care Authorization).

Authorizing less than 60 hours biweekly

Fewer than 60 hours biweekly should only be authorized if:

- The family requests fewer hours,
  OR
- The provider is available for fewer hours

Authorizing Care – Expedited Child Care 9.1.15

Authorizing care after the three month verification period

Reporter Types

If the family is a 12-Month Reporter, authorization continues at the same number of hours for the remainder of the 12-Month Eligibility Period. Additional hours can be authorized if the parents' activities qualify them for more hours.

If the family is a Schedule Reporter, the authorization is based on the parents' verified activity schedule. Follow instructions in Chapter 9.1 (Authorizing child care) and sub-chapters to adjust the authorized hours based on verified activity schedules.

Legal authority

Minnesota Statutes 119B.097, subd. 3
Minnesota Statutes 119B.13, subd. 3c

Payments to providers 9.3

Make payments to providers, unless the provider cares for children in the children's own home. Care provided in the child's home must be approved by the Department of Human Services. Payment must be made directly to the family when care is provided in the child's home. This applies whether the provider is licensed or legal nonlicensed. See Chapter 9.6 (Payments to families).

You must:

- Make payments within 21 days after receipt of the bill when the provider submits a complete bill.
- Provide notice to both the family and provider of the payment amount and how and when the payment will be made.

First payment date

Pay the provider (or parent, if care in the home is approved) after the provider is authorized by the county or tribe, retroactive to the later of the date that:

- Child care was authorized to begin **OR**
- The family became eligible. See Chapter 4.18 (Date of Eligibility) **OR**
- The family began using a licensed provider **OR**
- The family began using a legal nonlicensed provider and the provider completed training required based on the age of the child. See Chapter 11.9.9 (Legal nonlicensed providers – Training requirements). **OR**
- The family began using a certified license exempt center. See Chapter 11.6 (Certified license exempt centers).

Timeline to submit bills

If a provider has received an authorization of care and been issued a billing form for an eligible family, the billing form must be submitted within 60 days of the last date of service on the bill. You may pay a bill submitted more than 60 days, but not more than one year, from the last date of service if the provider shows good cause for the delay. Good cause includes agency error and applies for one full year from the last date of service on the billing form. Good cause criteria other than agency error is defined in your County and Tribal Child Care Fund Plan.

Do **NOT** pay a bill submitted more than a year after the last date of service on the bill, even if the provider shows good cause.

Do **NOT** require participants to pay providers in advance of receiving payment from the child care fund as a condition for receiving child care assistance.

Receiving an incomplete or incorrect bill

When a provider submits an incomplete bill or the provider notifies you after the bill is submitted that the bill was completed incorrectly, the provider must submit corrections in writing. How the provider submitted the bill originally (either a paper bill or submitted electronically through MEC² PRO) determines how the corrections are made.

- If your agency identifies an error(s):
  - Inform the provider what they need to correct;
  - Keep a copy of anything you send to the provider for the provider's file; and
  - Follow instructions below for resubmitting a paper or electronic bill.
- If the provider identifies an error(s):
  - Keep a copy of the provider's request for their file and/or document the communication in Provider Notes; and
  - Follow instructions below for resubmitting a paper or electronic bill.

If your agency has program integrity concerns about a provider's billing practices, follow guidance in Chapter 13.3 (Fraud Referrals) for referring or notifying the DHS Office of Inspector General (OIG) Child Care Provider Fraud Investigations Unit.

Resubmitting a paper bill

If your agency receives an incomplete/incorrect paper bill, the provider has three options to submit a correction:

- Make a copy of the submitted bill and return the original bill to the provider. The provider makes the changes to the original bill and resubmits to the agency.
  or
- Resend the bill to the provider from the provider Notice Activity window. The provider completes the bill and resubmits to the agency. See MEC² User Manual Resend Notice.
  or
- Send the provider the Child Care Assistance Billing Form (DHS-5523). The provider completes the paper bill and resubmits to the agency.

Resubmitting an electronic bill

Once a bill is submitted through MEC² PRO, the provider user cannot make changes. The provider has two options to submit a correction:

- The provider user prints the bill from the "Submitted" window in MEC² PRO, marks the changes and resubmits to the agency
  OR
- Your agency sends the provider the Child Care Assistance Billing Form (DHS-5523), and the provider completes the paper bill and resubmits to the agency.

Ending payment for provider non-compliance

County and tribal agencies that opt to do so in their County and Tribal Child Care Fund Plan or the Department of Human Services may end or deny a provider's authorization, stop payment issued to a provider, or refuse to pay a bill submitted by the provider if the provider violates one or more of the following clauses:

- Clause 1: The provider admits to intentionally giving materially false information on the billing forms.

- Clause 2: The agency finds by a preponderance of evidence that the provider intentionally gave materially false information on the billing forms and/or attendance records.
- Clause 3: The provider violates CCAP rules, until the violations have been corrected.
- Clause 4: The provider is operating after receipt of a DHS licensing order of suspension, revocation, or decertification (this occurs when providers are appealing the revocation, suspension, or decertification).
- Clause 5: The provider submits false attendance reports or refuses to provide attendance records upon request.
- Clause 6: The provider gives false child care price information.
- Clause 7: The provider fails to report on the billing form when a child's attendance in child care falls to less than half of the child's authorized hours or days for a four-week period.

Implementation

To implement these clauses, CCAP agencies must include them in their County and Tribal Child Care Fund Plan. CCAP agencies who choose to include any clause(s) in their County and Tribal Child Care Fund Plan must apply the policies consistently to providers. If your agency wants to implement a clause that is not included in your County and Tribal Child Care Fund Plan, your plan must be amended prior to implementation. To amend your County and Tribal Child Care Fund Plan, contact your policy specialist.

DHS Notification

Refer or notify the DHS Office of Inspector General (OIG) Child Care Provider Fraud Investigations Unit of providers you have program integrity concerns about, such as concerns about record keeping practices, and/or providers you suspect of fraud. CCAP agencies are encouraged to use the Child Care Provider Investigations Communications DHS-6811 (PDF) form to inform the OIG of all child care provider investigations. See Chapter 13.3 (Fraud referrals).

Notify your policy specialist at least 10 days prior to closing a provider's registration or taking any other action to enforce any of these policies (with the exception of clause 4 as noted below). Notification is required in all situations, even if the provider is only registered in one agency, to ensure the provider receives proper notice and appeal rights.

NOTE: CCAP agencies do not need to notify their policy specialist prior to implementing clause four for licensed family child care providers when notified by the department (see below about a periodic list the department sends CCAP agencies regarding clause 4).

Clauses One and Two

For clauses one and two, CCAP agencies must complete a provider fraud referral and pursue an Intentional Program Violation (IPV) disqualification. See Chapter 13.9 (Disqualification for wrongfully obtaining child care assistance – Providers). The provider's registration stays closed and payments are stopped until:

- The Department of Human Services (DHS) determines there is insufficient evidence to continue the action; or
- The Department of Human Services (DHS) or a CCAP agency decides not to pursue further administrative remedy under Minnesota Statutes, chapter 245E or section 256.98; or

- All criminal, civil, or administrative proceedings related to the alleged misconduct have concluded and all appeal rights have been exhausted.

A provider that has their payments stopped under clauses 1 or 2 may request an administrative review. See Chapter 15.6 (Family and Provider Appeal Rights).

Lifting payment stops

If DHS determines a payment stop can be lifted:

- Payments may be made for services provided before the payment stop took effect, if the provider bills timely and accurately. See information in the section titled "Timeline to submit bills" above about the provider's timeline for submitting bills.
- The provider must complete a new registration to receive CCAP again. Registration does not guarantee a child's authorization or payment.

Assuming all other registration requirements are met, the new registration may go back to the later of:

- The date the registration closed previously
  OR
- The date set in a legally binding settlement agreement.

For service dates after the new registration opens, standard eligibility, authorization, and payment policies for families apply. For example, see:

- Chapter 4.18 (Date of Eligibility) for retroactive eligibility limits.
- Chapter 9.1 (Child Care Authorization) for information about the earliest date care can be paid if a provider provided care without receiving a Service Authorization and billing form.

Clause Four

Clause 4 implementation for:

- **DHS Licensed and certified child care centers** is handled state-wide by **DHS Office of Inspector General (OIG) staff**
- **DHS Licensed family child care providers** is handled by **CCAP agencies** that choose this policy in their County and Tribal Child Care Fund Plan.

Approximately once a month, the department will send a list of licensed family child care providers with a licensing order of suspension or revocation to CCAP agencies who have chosen to implement clause four.

If a child care provider appeals a registration closure under clause 4, the provider's:

- Registration must stay closed, and payments cannot continue for service dates after the registration closes, while an appeal is pending; and
- Child care assistance appeal will happen after a final decision is reached about their license or certification. See Chapter 15.15 (Continuation of Benefits).

Once a provider's registration is closed or denied under clause four, it remains inactive until DHS Licensing confirms the provider's suspension, revocation, or decertification has been reversed. If the Licensing decision is reversed, the provider must complete a new registration to receive CCAP again.

Assuming all other registration requirements are met, the new registration cannot start before the date the provider's license or certification status is Active AND no longer "Subject to or Under Appeal."

Clauses Three, Five, Six, and Seven

For clauses 3, 5, 6, and 7, the CCAP agency may withhold a provider's authorization or payment for a period of time not to exceed three months beyond the time that the condition has been corrected. The CCAP agency must describe in their County and Tribal Child Care Fund Plan how the provider is able to correct the condition.

Once a provider's registration closes or is denied, the provider must serve the penalty period and complete a new registration to receive CCAP again.

Assuming all other registration requirements are met, the new registration cannot start before the date the provider corrects the condition and serves their penalty period (if applicable).

Employee/employer relationship

Receipt of federal, state or local funds by a child care provider either directly or through a child care assistance recipient does **NOT** establish an employee-employer relationship between the provider and the county or state.

Legal authority

Minnesota Statutes 119B.011, subd. 19a
Minnesota Statutes 119B.09
Minnesota Statutes 119B.125
Minnesota Statutes 119B.13
Minnesota Statutes, 119B.16
Minnesota Statutes 119B.161
Minnesota Rules 3400.0110
Minnesota Rules 3400.0120, subps. 1(C) & 1a
Minnesota Rules 3400.0185
Minnesota Rules, 3400.0230
Minnesota Statutes 256.983, subd. 5

Registration fees 9.3.6

Pay for registration fees when the provider charges registration fees to all families.

If a licensed family child care provider, a licensed center, or certified center charges a registration fee to enroll children in the child care program and the registration fee is not included in the provider's rate, pay the provider's registration fee up to the county's maximum registration fee, whichever is less.

If the provider is located in the cities of St. Cloud or Sartell, pay the provider's registration fee up to the city's maximum registration fee, whichever is less.

The maximum registration fee may be based on provider responses within a county or other geographic groupings. Separate maximum registration fees are established for licensed family child care and center-based care. See Chapter 9.24.03 (Child Care Rates, Registration Fees, Copayments) for the link to the maximum registration fees that CCAP can pay.

If the provider's registration fee exceeds the maximum amount, the family is responsible to pay for the amount CCAP cannot pay.

Only pay for two registration fees per child to one or more providers in a 12-month period. The family is responsible to pay for any additional registration fees.

Example 1:

Parent enrolled child in child care XXX on January 6., The provider billed a registration fee for the child. On June 30, the child changed providers. The new provider also billed a registration fee.

1st registration fee paid on January 6

2nd registration fee paid on June 30

Both registration fees were paid by CCAP because a child is eligible for up to two registration fees in a 12-month period.

Example 2:

Parent enrolled child in child care XXX on March 3. The provider billed a registration fee for the child. On September 5, the child changed providers. . The new provider also billed a registration fee. On December 29 the child changed providers again. The new provider billed a registration fees.

1st registration fee paid on March 3

2nd registration fee paid on September 5

3rd registration fee was not paid on December 29,

CCAP can only pay for two registration fees per child to one or more providers in a 12-month period. CCAP did not pay the 3rd registration fees to the provider because CCAP had already paid two registration fees per child

within a 12-month period. The 3rd registrion fee billed by the child care provider will be the family's responsibility to pay.

Do not pay registration fees to legal nonlicensed (LNL) providers.

Legal authority

Minnesota Rules 3400.0130, subp. 7
Minnesota Statutes 119B.13, subd. 1 (i), and subd. 1a (d)

Payments to families 9.6

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 OR
2. The family lives in an area where out-of-home care is not available **OR**
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. 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

Determination of payment amounts 9.9

The payment amount is the provider's rate, not to exceed the CCAP maximum rate, minus the family copayment. See Chapter 9.24.3 (Child Care Rates, Registration Fees, Copayments), Chapter 9.24.9 (Higher Rates for Quality - Accreditation/Credential), Chapter 9.24.12 (Higher Rates for Quality – Parent Aware Rated Providers), and Chapter 6.21 (Family Copayment).

Base the maximum payment rate on the county where child care is provided or if the provider is located in the cities of St. Cloud or Sartell, base the maximum payment rate on the city where care is provided. Pay out-of-state providers based on the participant's county of residence.

Do not pay more than the CCAP maximum rate or the rate the provider charges to private, full-paying families for like services, whichever is lower.

The payment amount is based on:

- The county (or city, if St. Cloud or Sartell) where care is provided
- The age of the child
- The type of the provider
- The status of the provider (primary or secondary)
- The provider's charge
- The number of hours of child care that are authorized
- The hours the child is scheduled to be in care.

When the provider charge is more than the amount CCAP can pay, the parent is responsible for the additional amount plus the family copayment fee.

Legal nonlicensed providers (LNL)

Legal nonlicensed providers can only be paid by the hour. CCAP cannot pay for more than 10 hours of care in one day. CCAP cannot pay for more than 50 hours of care in one week.

Licensed providers and license exempt centers

For children attending licensed family child care providers, licensed centers, and license exempt centers, CCAP will pay:

- Up to the maximum weekly rate if the child is scheduled and authorized for more than 35 hours per week with a single provider.
- Up to the maximum daily rate if the child is scheduled and authorized for 35 hours or less per week, and more than five hours per day with a single provider.
- Up the maximum hourly rate if the child is scheduled and authorized for 35 hours or less per week, and five or less hours per day with a single provider.

Determination of payment amounts 9.9

CCAP cannot pay more than the maximum daily rate for one day of care. CCAP cannot pay more than the maximum weekly rate for one week of care.

CCAP will never pay for more than the maximum weekly rate to a child's primary provider for one week of care.

CCAP will never pay more than two maximum daily rates to a child's secondary provider for a two-week billing period.

Sessions of child care

During the school year for school age children, before and after school age care providers sometimes use "session rates." In these cases, the hours of care authorized will determine if an hourly, daily or weekly rate may be paid. Payment will be the lesser of the CCAP maximum rate or the provider charge. See Chapter 9.1 (Authorizing Child Care).

Maximum authorization and payment

Do **NOT** authorize or pay for more than 120 hours of child care assistance per child every biweekly period.

Count all hourly rates paid to legal nonlicensed providers towards the 120 hours.

To convert child care paid on a full-day or weekly basis to licensed providers into hours to determine if payment exceeds 120 hours of child care assistance:

- Payment at the daily maximum rate is equal to 10 hours of care.
- Payment at the weekly maximum rate is equal to 50 hours of care.

Rate	Actual hours of care	Count toward total hours of care
Hourly	5 or less	Actual number of hours
Daily	Greater than 5	10 hours
Weekly	Greater than 35	50 hours

Payment deductions

The Department of Human Services Financial Operations Division staff enters IRS and Minnesota Department of Revenue tax levies, sends appropriate notices and monitors fulfillment of the levy. Agency staff can view information on IRS and Minnesota Department of Revenue tax levies and see that a levy has been entered and/or payments made tied to a particular provider in MEC^2.

For other payment deductions required by law, such as child support payments, see Chapter 12.6.12 (Payment Deduction Required by Law Notices) and the MEC^2 User Manual for entering deductions.

License exempt program rate

Make payments for care of children in certified license exempt programs (such as school-based school-age programs, summer camps, etc.) at the same rate as licensed centers in the same age category.

Higher rates for quality

Providers with certain current early childhood development credentials and providers with a three- or four-star Parent Aware rating are eligible for higher rates for quality. Higher rates for quality are not a bonus that providers can charge above their typical rates. High quality rates may allow CCAP to pay more of the rate a provider charges private, full-paying families for like services. See Chapter 9.24.9 (Higher Rates for Quality – Accreditation/Credential) and Chapter 9.24.12 (Higher Rates for Quality – Parent Aware Rated Providers).

Special needs rate

Payment rates for care of children with special needs may exceed your agency's maximum rates. See Chapter 9.15.15 (Special Needs).

Copayments

Child care providers are responsible for collecting family copayment fees and must indicate on the billing form if the copayment was or was not collected or if the copayment was waived. The agency may stop payment or refuse to pay a submitted bill if the provider falsely declares receipt of the family's copayment. When a family is unable to pay their copayment, a payment arrangement can be established between the provider, the parent, and the agency. If the copayment is not collected, the provider can indicate on the billing form if there is a payment agreement. The family must continue to comply with the payment agreement to remain eligible for CCAP. See Chapter 6.21 (Family Copayment).

Legal authority

Minnesota Statutes 119B.097
Minnesota Statutes 119B.13
Minnesota Rules 3400.0110, Subd. 4a
Minnesota Rules 3400.0130

Child care expenses paid by other sources 9.9.3

Families may receive help paying for child care by sources other than CCAP. These other sources can help pay for expenses not covered by CCAP such as: copays, transportation or activity fees, the amount of a provider's charge not covered by the CCAP maximum rate, and breaks or reductions in CCAP authorization or eligibility.

When a child care provider receives payment from other source for child care expenses, they have certain responsibilities.

Provider responsibilities

Child care providers who accept payments from other sources must maintain family-specific documentation of payment source, amount, types of expenses, and time period covered by the payments. The CCAP agency may request that this documentation be provided if there are concerns about a particular case. CCAP should not be billed for costs covered by other sources. The provider is responsible for ensuring proper billing. Providers may use the Child Care Assistance Program Financial Tracking Form DHS-5318-ENG (PDF) to record third party payments.

If a provider receives payment from other sources for the family's copay, the provider should indicate on the billing form that the copay was paid or that there was a payment agreement.

Providers can refer to Information for child care providers: How Early Learning Scholarships work with the Child Care Assistance Program DHS-7056 (PDF) for more information about layering funding sources.

Post-Secondary Child Care Grant

The Post-Secondary Child Care Grant is available to students not receiving MFIP who attend eligible post-secondary institutions and are enrolled at least half-time. If eligible, a student can be awarded a grant for each academic term per eligible child. The grant may be paid to the family or to the family's child care provider. More information on the grant can be found on the Minnesota Office of Higher Education's website.

Families can receive both CCAP and a Post-Secondary Child Care Grant. When the family receives a Post-Secondary Child Care Grant:

- Do not suspend the CCAP case
- Do not reduce the amount of care authorized
- Do not count the Post-Secondary Child Care Grant as income.

Early Learning Scholarships

Early Learning Scholarships increase access to high-quality early childhood programs for three- and four-year-old children with the highest needs. Children birth to two years old are eligible if they meet certain criteria. Early Learning Scholarships are paid directly to the child care provider. More information on Early Learning Scholarships can be found on the Minnesota Department of Education's website.

Child care expenses paid by other sources 9.9.3

Families can receive both CCAP and an Early Learning Scholarship. When a family receives an Early Learning Scholarship:

- Do not suspend the CCAP case
- Do not reduce the amount of care authorized
- Do not count the Early Learning Scholarship as income.

Head Start

See Chapter 9.15.24 (Head Start Full Day Integrated Child Care) for information about when CCAP payments can and cannot be made for a child attending a Head Start program.

Child care support order

A family may have a Child Care Support Order stating the noncustodial parent pay a percentage or a set amount of the child care expenses.

If the noncustodial parent is making payments directly to the provider:

- Do not suspend the CCAP case
- Do not reduce the amount of care authorized
- Do not count the child care support as income to the custodial parent.

If the noncustodial parent is making the payment to the custodial parent, the payment is counted as income to the custodial parent.

Legal authority

Minnesota Statutes 119B.09, Subd. 11
Minnesota Statutes 119B.12, Subd. 2

Provider charges 9.9.6

Child care providers cannot charge families receiving child care assistance more than their private, full-paying client rate.

A provider does not need to charge the private, full-paying client rate to all families. A provider may use other funding sources to cover some or all costs for some families. CCAP cannot pay for costs that are already paid by another source.

A child care provider can offer discounts as long as families receiving child care assistance are not charged more than the private, full-paying rate and as long as families receiving child care assistance are offered the same discount if they meet the discount criteria for the costs the families pay directly to the provider (such as the copay or the tuition amount above what CCAP can pay).

Contact your policy specialist if you have questions about a provider waiving fees or offering discounts.

Examples

Examples include:

- A provider could charge their full-paying rate to CCAP while offering a discount to families who pay before service is provided. Because CCAP pays after the service is provided, CCAP families would not meet the criteria for that discount.
- A provider could charge their full-paying rate to CCAP while offering a discount to families with multiple children. The provider should apply the discount to any fees or charges the family is responsible to pay.
- A provider could charge their full-paying rate to CCAP while offering a discount to employees. If an employee is also receiving CCAP, the provider should also offer the discount to the employee for any fees or charges the employee is responsible to pay.
- A provider may use other funding sources to fully cover their fee for some families. For example, Head Start providers may be able to receive CCAP payments if certain criteria is met even though they do not typically charge families a fee. See Chapter 9.15.24 (Head Start Full Day Integrated Child care Programs).

Legal authority

Minnesota Statutes 119B.13, subd. 4

Authorization changes during the 12-month eligibility period 9.12

Whether a change in activity will impact a family's case depends on their reporting type. See Chapter 8.3.6 (Reporting types) for information on how to determine a family's reporting type.

12-Month Reporters

For 12-Month Reporters, authorization must continue at the same number of hours or more hours until redetermination. Overpayments are not assessed if the parent chose to use their hours during times when they were not scheduled to be in their authorized activity.

Maintain steady authorizations for 12-Month Reporters

Authorization continues at the same number of hours or more hours, including when:

- The other parent moves in and is working, in school or has an approved Employment Plan.
- The other parent moves in and is not in an activity. See Chapter 9.15.6 (Extended Eligibility).
- A parent no longer meets minimum activity requirements but is still working.
- Employment Plan activity hours decrease.
- The three month period ends for a family experiencing homelessness.
- A parent temporarily stops working or attending an approved education program. Temporary changes include circumstances such as medical leave, inpatient or outpatient treatment, maternity or paternity leave, seasonal employment fluctuations, or a school break between semesters. See Chapter 9.15.3 (Care during temporary leaves of absence).

Increasing authorized hours for 12-Month Reporters

Increase the amount of child care authorized at any time if the participant verifies the need for increased hours.

If Employment Plan activity hours increase, increase authorized hours when:

- The job counselor informs the CCAP worker that additional days and times of child care are needed; **OR**
- The family submits verification of their activity schedule showing a need for more hours than currently authorized.

Reducing authorized hours for 12-Month Reporters

The CCAP agency may reduce the amount of child care authorized only when:

- A parent requests a reduction
- The child's school schedule changes, including when a child starts school
- The provider cannot provide the amount of care authorized
- The custody schedule changes
- The child's secondary provider is authorized for more than 20 hours per biweekly period
- The incorrect number of hours were authorized at application or redetermination in error
- The child is temporary absent.

Note: If a 12-Month Reporter requests a reduction in authorized hours and then at a future date during the same 12-month eligibility period requests hours to increase, authorize up to the amount the family qualified for at application, redetermination, or last verified activity schedule, whichever is later. During the 12-month eligibility period re-verifying, the activity schedule is not required to increase authorized hours back up to the amount the family previously qualified for. See Chapter 7.4 (Verification - 12-Month Eligibility Period).

Authorizing care for new children of 12-Month Reporters

If new children join the CCAP household during the 12-month eligibility period and the family provides verification of the child's identity, birthdate, relationship, and citizenship or immigration status, care should be authorized at the same level as other children in the household even if changes have occurred since the family's initial authorization. The family's work schedule does not need to be re-verified to authorize care for additional children during the 12-month eligibility period.

Child of a 12-Month Reporter turns 13 or a child with a documented disability turns 15

When a child currently authorized for CCAP turns age 13 or when a child currently authorized for CCAP with a documented disability turns age 15, end the child's Service Authorization on the child's birthdate. The child remains eligible for CCAP until the family's next redetermination. Because of how age is calculated in MEC^2, the system may not recognize that a child has turned age 13 or 15 until the next biweekly period. If care is still needed after the child turns age 13 or 15, see Chapter 8.1.21 (Other changes).

Eligibility and verification impacts

See Chapter 7.4 (Verification – 12-month eligibility period) for verification requirements and Chapter 8.1.9 (Changes in activity) for eligibility impacts.

Schedule Reporters

Authorization changes for Schedule Reporters

The amount of child care authorized must change when a parent's activity schedule changes if the family is a Schedule Reporter. Care must be authorized and paid based on their verified activity schedule.

Follow instructions in Chapter 9.1 (Authorizing child care) and sub-chapters to adjust the authorized hours based on verified activity schedules.

Increasing authorized hours for Schedule Reporters

The CCAP agency may increase the amount of child care authorized at any time if the participant verifies the need for increased hours.

If Employment Plan activity hours increase, increase authorized hours when:

- The job counselor informs the CCAP worker that additional days and times of child care are needed; **OR**
- The family submits verification of their activity schedule showing a need for more hours than currently authorized.

Authorization changes during the 12 month eligibility period 9.12

Reducing authorized hours for Schedule Reporters

Authorized hours can decrease for Schedule Reporters during the 12-Month Eligibility Period. It is recommended that a comment is included on the Service Authorization to communicate scheduled and authorized hours to families and providers.

Examples of when authorized hours for Schedule Reporters can be reduced include:

- A parent's participation in employment or education activities change or end and fewer hours of care are needed
- A job counselor or parent reports a parent's participation in Employment Plan activities changes or ends and fewer hours of care are needed.
- The three month period ends for a family experiencing homelessness and the child qualifies for less than 30 hours per week.
- A parent requests a reduction
- The child's school schedule changes, including when a child starts school
- The provider cannot provide the amount of care authorized
- The custody schedule changes
- The child's secondary provider is authorized for more than 20 hours per biweekly period
- The incorrect number of hours were authorized at application or redetermination in error
- The child is temporary absent.

Note: If a Schedule Reporter requests a reduction in authorized hours and then at a future date during the same 12-month eligibility period requests hours to increase, authorize up to the hours based on the last activity schedule. Only request new verification of the activity schedule if there has been a change in the activity schedule. See Chapter 7.4 (Verification - 12-Month Eligibility Period).

Reporting and timely action when decreasing hours for Schedule Reporters

Schedule Reporters must report changes in their activity schedule within 10 days. Agencies must take action to change Service Authorizations timely and families must be given a 15-day adverse action notice before child care hours are decreased. See Chapter 12.3 (Notices to Families). If all actions are taken timely, care paid through the adverse action period is not considered an overpayment.

Child of a Schedule Reporter turns 13 or a child with a documented disability turns 15

When a child who is currently authorized for CCAP turns age 13 or when a child who is currently authorized for CCAP with a documented disability turns age 15, the child's Service Authorization must end on the child's birthdate, but the child remains eligible for CCAP until the family's next redetermination. Because of how age is calculated in MEC^2, the system may not recognize that a child has turned age 13 or 15 until the next biweekly period. If care is still needed after the child turns age 13 or 15, see Chapter 8.1.21 (Other changes).

Schedule Reporters with multiple providers

One of the criteria for being a Schedule Reporter is when at least one child in the family is authorized for care with more than one provider. See Chapter 8.3.6 (Reporting types) for scenarios that do not meet this criteria.

- CCAP limits care when a child has multiple providers, and the amount of care authorized with a secondary provider is limited to 20 hours in a biweekly period.
- If a child's secondary provider is authorized for more than 20 hours per biweekly period, reduce authorized hours to 20 hours or less with 15-day notice. Legal nonlicensed (LNL) providers do not count toward the two provider limit and if a child uses an LNL and one other type of provider, authorization is not reduced for either provider. See Chapter 9.1.9 (Authorizing care – Multiple providers).

Eligibility and verification impacts

See Chapter 7.4 (Verification – 12-month eligibility period) for verification requirements and Chapter 8.1.9 (Changes in activity) for eligibility impacts.

Legal authority

Minnesota Statutes 119B.09, subd. 1(e)
Minnesota Statutes 119B.095
Minnesota 119B.097

Care and payments for special circumstances 9.15

Agencies may need to consider special circumstances when authorizing and paying for child care:

- For information about how to authorize and pay for care when a parent is temporarily not participating in their activity, see Chapter 9.15.3 (Care during temporary breaks from authorized activities).
- For information about how to authorize and pay for care when a parent has permanently ended their activity, see Chapter 9.15.6 (Extended Eligibility).
- For information about how to authorize and pay for care when a child is absent, see Chapter 9.15.9 (Care during child absences).
- For information about how to authorize and pay for care during provider holidays, see Chapter 9.15.12 (Holidays).
- For information about how to authorize and pay for care for children with Special Needs, see Chapter 9.15.15 (Special needs).
- For information about how to authorize and pay for care when a child uses a backup provider when sick, see Chapter 9.15.18 (Sick children).
- For information about how to authorize and pay for child care for children of child care providers, see Chapter 9.15.21 (Children of child care providers).
- For information about how to authorize and pay for child care for children attending Head Start full day integrated child care programs, see Chapter 9.15.24 (Head Start full day intergrated child care programs).

Legal authority

Minnesota Statutes 119B.13
Minnesota Statutes 645.44, subd. 5
Minnesota Rules 3400.0110
Minnesota Rules 3400.0130
Minnesota Rules 3400.0020

Care during temporary breaks from authorized activities 9.15.3

During their 12-month eligibility period, parents may take a temporary break, or a temporary leave of absence, from their activity. A temporary break will not impact a family's eligibility for child care assistance but may impact their child care authorization depending on their reporting type.

At application and redetermination, when a parent is on a temporary break from their activity, whether they are considered to be in an authorized activity at redetermination depends on whether their return to the activity is verified and if they meet all other eligibility requirements. See Chapters 3.7 (Processing Applications) and 10.6.3 (Redetermination Processing - Standards) for more information.

12-Month Reporters – Temporary breaks from activities

For 12-Month Reporters within their 12-month eligibility period, authorize child care assistance during a participant's temporary break from authorized employment, education or Employment Plan activities if the participant is expected to return to the authorized employment, education or Employment Plan activities. The expectation to return to the parent's activity does not need to be verified.

Care should be authorized at the same level as authorized during the parent's activity. Do not reduce the authorized hours unless:

- The parent requests a reduction **OR**
- The child's school schedule changes **OR**

The provider cannot provide the amount of care authorized.
Note: If a 12-Month Reporter requests a reduction in authorized hours and then at a future date during the same 12 month eligibility period requests hours to increase, authorize up to the original hours determined at application, redetermination or last verified activity schedule. See Chapter 9.12 (Authorization Changes During the 12-Month Eligibility Period).

Schedule Reporters – Temporary breaks from activities

For Schedule Reporters within their 12-month eligibility period who are on a temporary break from their authorized employment, education, or Employment Plan activity:

- Reduce the family's Service Authorization if they are participating in other authorized activity(ies)
  OR
- Continue authorizing care for up to 215 hours per child if they meet the medical leave policy requirements
  OR
- Suspend their case if they are on a temporary break from all authorized activities and do not meet the medical leave policy requirements below.

Request verification of the temporary break from employment or education. Do not take action to reduce or suspend the Service Authorization until verification is received or until after the 15-day period the family has to return the verification. See Chapter 7.4 (Verification – 12-month eligibility period).

Do not reopen a Service Authorization or increase authorized hours unless the parent verifies that they have resumed an authorized activity. See Chapter 7.4 (Verification – 12-month eligibility period).

Medical leave policy

A medical leave may include maternity or paternity leave, inpatient or outpatient treatment, surgery, and other types of medical leave.

12-Month Reporters and Schedule Reporters on medical leave whose employment, education or Employment Plan activities have ended permanently are eligible for Extended Eligibility. See Chapter 9.15.6 (Extended Eligibility).

12-Month Reporters on a temporary medical leave from authorized employment, education or Employment Plan activities are eligible for continued authorization. Follow the policies above for 12-Month Reporters on temporary breaks from their authorized employment, education or Employment Plan activities.

During their 12 month eligibility period, Schedule Reporters on a temporary medical leave who meet certain conditions are eligible for continued authorization of up to 215 hours per child.

The conditions for authorizing care for a temporary medical leave for Schedule Reporters are:

- The participant is unable to provide child care due to the medical condition
  AND
- The participant is expected to return to authorized employment, education or Employment Plan activities within 90 calendar days after leaving the activity
  AND
- The inability of the participant to provide child care and the necessity of the medical leave is documented by a licensed physician, licensed psychologist, licensed psychiatrist, or licensed social worker
  AND
- The total amount of child care during the medical leave does not exceed 215 hours per child.

If a Schedule Reporter meets these conditions, track when the 215 hours would expire and approve the Service Authorization to end allowing for a 15-day notice. The end date for the Service Authorization should be equal to or greater than the date the 215 hours is used up, allowing for the 15-day notice. The 15-day adverse action period is not an overpayment if the end date falls after the 215 hours have been used. See Chapter 12.1 (15-Day Notice Requirement).

The Child Care Assistance Program Parent Medical Condition Form DHS-6305 (PDF) can be used to verify that a parent or other parentally responsible individual (PRI) in the household has a medical condition and is unable to provide care for their child(ren).

Care during temporary breaks from authorized activities 9.15.3

Legal authority

Minnesota Statutes 119B.095
Minnesota Rules 3400.0110, subp. 10

Extended Eligibility 9.15.6

Permanent end to activity

When a parent has a permanent end to their only authorized activity (for all activities besides job search outside of an Employment Plan), the family continues to be eligible for up to three months or until their next redetermination, whichever occurs first.

Extended Eligibility applies in all of these situations:

- A parent's employment or education activity ends permanently.
- An MFIP or DWP participant has a permanent end to employment, education or other activity in an Employment Plan, and, after consulting with the job counselor, it is determined the parent is not participating in another activity.
- An MFIP or DWP participant is sanctioned for not participating in all Employment Plan activities and is not participating in authorized activities outside of an Employment Plan.
- An MFIP or DWP participant moves to a new county and by the end of the Unitary Residency period a new Employment Plan has not been approved and the participant does not have authorized activities outside of an Employment Plan.
- A parent's MFIP or DWP ends and the parent is not in an employment, education or training activity outside of an Employment Plan.
- A parent's MFIP or DWP ends and the parent's participation in an activity is unknown.
- A parent receiving assistance under MFIP/DWP Child Care for Student Parents stops attending school.
- A parent receiving Basic Sliding Fee, Transition Year or Transition Year Extension child care applies for MFIP and is not in an authorized activity or their participation in an activity is unknown.
- Another parent moves into the household and is not in an authorized activity.
- A parent's unable to care status has expired in a two-parent household.

During the Extended Eligibility period, the family does not lose eligibility or have Service Authorizations suspended because the parent is not participating in authorized activities. Note: other reasons a family's case may be suspended or terminated continue to apply. See Chapter 8.9 (Suspending) and Chapter 8.15 (Termination).

Requirements at the end of a family's Extended Eligibility

At the end of the Extended Eligibility period, the parent must be participating in an authorized activity for eligibility to continue:

- If the activity is employment, the parent does not have to meet minimum work requirements until redetermination.
- If the activity is education outside of an Employment Plan, the parent must meet the education the criteria in the agency's county and tribal child care fund plan.
- If the parent is receiving MFIP/DWP child care, the parent must be participating in an authorized activity within an Employment Plan (see Chapter 4.6.3 (Authorized Activities Within An Employment Plan)) or an authorized activity outside an Employment Plan (see Chapter 4.6.6 (Authorized Activities Outside An Employment Plan)).

- If the parent is not participating in an authorized activity at the end of Extended Eligibility, the agency can approve the case to close or place the case on Temporary Ineligible (TI) status. See Chapter 8.6 (Temporary Ineligibility).
- A parent in a two-parent household on Extended Eligibility due to unable to care status that expired either needs to re-verify unable to care status or be in an authorized activity by the end of Extended Eligibility period.

Extended Eligibility at application or redetermination

A parent that met eligibility requirements at application or redetermination and had a permanent activity end after the application or redetermination date is eligible for Extended Eligibility when their authorized activity ended.

Workers must take the following steps in MEC^2 to put the parent into Extended Eligibility at application or redetermination:

- Approve the application or redetermination with the activity/activities without an end date
- Once the case is approved eligible, go back into the earliest period that you want to end the activity
- Go into the Activity (Employment, Education, or Support Activity) that you want to end
- Click Edit to put into edit mode and enter an end date
- Click save. Extended Eligibility will populate with begin date and expires date three months out.

An MFIP or Transition Year family requesting retroactive care would not be eligible for Extended Eligibility if the parent's activity ended before the child care assistance application date.

Authorization and payments during Extended Eligibility

During the Extended Eligibility period, do not reduce the number of hours authorized unless the family asks for a reduction. Do not increase the number of hours authorized. Continue to pay for child care during the Extended Eligibility period. Give a 15-day adverse action notice before terminating care at the end of the Extended Eligibility period.

New activity reported

If a parent reports that they have started a new activity prior to the end of their Extended Eligibility period, the family continues to be eligible (under the 12-month eligibility policies) and the case moves out of Extended Eligibility.

- Verification of the new activity is not required to move out of Extended Eligibility. For Schedule Reporters, verification of the schedule is required to determine how many hours to authorize. Workers must request schedule verification and allow 15 days for the family to return schedule verification before taking an adverse action to reduce or end the Service Authorization. See Chapter 7.4 (Verification - 12-Month Eligibility Period).

- Employment activities that do not meet minimum work requirements are allowed through the end of the family's 12-month eligibility period. Do not close CCAP for not meeting minimum work requirements until redetermination. Do not reduce authorized hours unless the family is a Schedule Reporter.
- Education activities outside of an Employment Plan must be approved before the case moves out of Extended Eligibility. Keep the family on Extended Eligibility until their education plan is approved.

If a case closes due to Extended Eligibility ending, see Chapter 12.3.12 (Termination notices – Family). Care can be authorized and paid retroactively to the date Extended Eligibility ended if:

- The parent started a new activity before Extended Eligibility ended,
- The family reported the new activity within 90 days after the case closed, AND
- The family met all eligibility requirements for the time-period after the case closed.

Permanent versus temporary ends in activity

If a parent reports an end in their activity, consider the end permanent unless the family reports the end is temporary. For more on temporary changes in activity, see Chapter 9.12 (Authorization changes during the 12-month eligibility period) and Chapter 9.15.3 (Care during temporary leaves of absence).

If a parent experiences an end in activity that they believe is temporary and later understand to be permanent, they must report the change. Begin the family's Extended Eligibility period the date the family indicates the change became permanent.

Legal authority

Minnesota Statute 119B.025
Minnesota Statute 119B.105
Minnesota Rules 3400.0020, subp. 20a
Minnesota Rules 3400.0175

Care during child absences 9.15.9

An absent day is any day that the child is authorized and scheduled to be in care with a licensed provider or license exempt center, and the child is absent from care. Child absences may occur for a variety of reasons. The reason for the child's absence does not affect payment.

Unless a provider bills incorrectly, pay for child absences that do not exceed 10 consecutive days, up to a total of 25 absent days in a calendar year, per child, excluding holidays. If a child attends more than one licensed or certified provider, the combined total number of absent days paid must not exceed 25. If the child is absent from care with both providers on the same day and both providers charge and are paid for an absent day, count that day as one absent day. If child care absences exceed 25 days, the charges are the financial responsibility of the CCAP family.

Legal nonlicensed (LNL) providers are not eligible for absent day payments.

Exemption for documented medical conditions

For children with medical conditions (medical condition, medical reason, or illness) that cause more frequent absences, payment may be made for more than 25 absent days per calendar year and for more than 10 consecutive absent days.

The medical condition (medical condition, medical reason, or illness) may be a condition of the child, the child's parent, or the child's sibling living in the same home. The condition may be chronic or time-limited:

- Chronic medical conditions: Exemptions for chronic or ongoing medical conditions can be approved for up to 12 months.
- Time-limited medical conditions: Exemptions for time-limited medical conditions can be approved for the time-period of the medical condition, not to exceed 12 months.

The CCAP Medical Condition Documentation Form DHS-4602-ENG (PDF) must be completed and returned to the CCAP agency to exempt a child from the absent day limits. The form must be completed by:

- A physician, physician's assistant, nurse practitioner, psychiatrist, psychologist, chiropractor, public health nurse, or school nurse.
- A child care center director or assistant director, license exempt center administrator, or a lead teacher at the child care center if the child was sent home due to the medical condition or told not to return to care for a time period due to exposure to a contagious disease. Sent home includes situations where the center tells the parent not to bring the child back to care for a period of time due to exposure to a contagious disease (including telling them at the end of the day or via phone, text or email prior to the next day of care starting). The exemption is limited to 2 weeks when the form is completed by a child care center director, assistant director, certified center administrator or lead teacher.
- A person with multiple roles can also sign the form as long as they hold one of the roles in the second bullet (such as someone who is both a center manager and lead teacher).
- Licensed family child care providers cannot complete the form.

If the form is signed by the child care center, the exemption is limited to two weeks. For the exemption to go beyond two weeks, the form would need to be completed by a physician, physician's assistant, nurse practitioner, psychiatrist, psychologist, chiropractor, public health nurse, or school nurse.

Exemptions begin on the start date of the medical condition (medical condition, medical reason, or illness), but not more than 90 days prior to the date the completed form is received by the CCAP agency. To extend the exemption or grant an exemption for another medical condition (medical condition, medical reason, or illness), another form must be completed and returned to the CCAP agency.

Exemption for teen parents attending certain programs

Children may be exempt from the absent day limits upon request of the child care provider and approval of the CCAP agency if they are in a family where:

- At least one parent is under the age of 21 and does not have a high school or general equivalency diploma
  AND
- This parent is a student in a school district or another similar program that provides or arranges for ALL of the following to achieve high school graduation:
  - Child care
  - Parenting support
  - Social services support
  - Career and employment supports
  - Academic support.

If all of these criteria are met, payment may be made for more than 25 absent days per calendar year and for more than 10 consecutive absent days.

Absent day policy

Conditions for absent day payment

Pay the CCAP maximum rate, not to exceed the provider's charge for a child absence when all the following conditions are met:

- The provider has a written policy for child absences, charges all other families in care for similar absence, and is charging the family for this day.
- The payment is not more than the provider charges private pay families for the same absence period.
- The charge is not being paid by a non-CCAP source.
- The provider's service is available.
- The child is scheduled to be in child care based on hours of care you authorized.

Provider overpayments

Do not charge a provider an overpayment for an absent day unless:

- One or more of the conditions for absent day payments were not met; or

- The provider did not report a change timely that resulted in an error in the amount of care authorized; or
- The provider did not correctly bill the day as an absent day.

Family overpayments

Do not charge a family an overpayment for an absent day unless:

- The family did not report a change timely or did not provide required documentation, which resulted in an error in the amount of care authorized; or
- The child exceeded their absent day limit for the year.

Frequent absent days

If you are concerned that the amount or time of care authorized does not fit the current or future needs of the family, reassess the authorization.

12-Month Reporters

You cannot reduce a Service Authorization for a family that is a 12-Month Reporter during their 12-month eligibility period unless the family requests their authorized hours be decreased. You may contact a family using frequent absent days and ask if they would like their authorization reduced.

Schedule Reporters

You may adjust a Schedule Reporter's authorized care schedule during the 12-month eligibility period if they do not need all hours authorized to cover their verified activity schedule. You may contact a family using frequent absent days and ask if they would like their authorization reduced.

Overpayments assessed for paid absent days

If the family is found to be ineligible and an overpayment is assessed for an absent day payment, do not count the absent day(s) against the 25-day limit.

Notification of absent day use

Providers and families are notified of the number of absent days used in that calendar year upon initial authorization for a family. Providers and families receive ongoing notification of the number of absent days used as of the notice date on Service Authorizations and Remittance Advice.

Partial day absences

Only days in which a child is absent for the entire time authorized count against the child's 25 absent days per calendar year limit. If a child attends child care for any part of a day, but is absent for part of the day, the full amount of care authorized for that day can be billed and paid, and the day will not count towards the 25 absent day limit.

Absent day payment during a family's notice period

If a child does not attend child care during a notice period when care is ending and it is the provider's policy to charge for these days, the notice period can be paid using absent days. The absent day limits continue to apply during this period. If the child does not have enough absent days to cover the full notice period, payment may end before the end of the notice period.

Holidays

See Chapter 9.15.12 (Holidays) for information on payment for holidays, and the impact of holidays on absent days.

Legal authority

Minnesota Statutes 119B.13, subd. 7
Minnesota Rules 3400.0110, subp. 9

Holidays 9.15.12

CCAP cannot pay for provider vacation days, provider sick days or any other days that child care is not available, except for holidays.

Pay the CCAP maximum rate, not to exceed the provider's charge, for up to ten federal or state holidays per year if:

- The provider is closed and not providing care.
  AND
- The provider charges all families for these days.
  AND
- The holiday falls on a day when the child is authorized and scheduled to be in attendance.

Eleven recognized state and federal holidays are:

- New Year's Day (January 1).
- Martin Luther King, Jr.'s Birthday (third Monday in January).
- President's Day (third Monday in February).
- Memorial Day (last Monday in May).
- Juneteenth (June 19)
- Independence Day (July 4).
- Labor Day (first Monday in September).
- Indigenous People's Day or Columbus Day (second Monday in October).
- Veterans Day (November 11).
- Thanksgiving (fourth Thursday in November).
- Christmas Day (December 25).

If the day meets the criteria to be billed as a holiday and falls on a Saturday, the preceding Friday is used as the holiday. If the day meets the criteria to be billed as a holiday and falls on a Sunday, the following Monday is used as the holiday.

Holiday substitutions

Allow participants or providers to substitute other cultural or religious holidays for the recognized state and federal holidays when they notify the CCAP agency of the substitution before the holiday or within ten business days after the holiday.

CCAP cannot pay for more than 10 total holidays (recognized and/or substituted) per calendar year, per child. If the provider or parent requests a holiday substitution and the total number of holidays charged by the provider or combination of providers could exceed 10 or conflict with other providers payments, the CCAP agency should confirm with the parent which provider and which holidays are to be paid by CCAP.

Christmas Eve, New Year's Eve, the day after Thanksgiving and Good Friday are some of the days that may be considered cultural or religious holidays and may be substituted for a federal or state recognized holiday. These days are not the only days that may be substituted for the recognized holidays. Providers are not able to use a

holiday substitution to lengthen a holiday weekend or take additional day(s) before or after recognized state or federal holidays.

Example:

Provider is closed the day after Thanksgiving. The day after Thanksgiving is considered a cultural holiday. Therefore, the day can be paid as a holiday if the provider substitutes that day for one of the recognized state and federal holidays (such as Columbus Day or Veterans Day).

Billing and overpayments

If the day meets the criteria to be billed as a holiday, the provider must bill the day as a holiday. If care is available on the holiday and the child is scheduled and authorized to be in care, but the child is absent, the provider must bill the day as an absent day. An overpayment can be assessed for any day(s) not correctly billed as an absent day or holiday. See Chapters 9.15.9 (Care during child absences) and 14.6 (Amount of overpayment).

Using a back-up provider

If the provider's service is not available on the holiday for which payment is charged, and the family needs care from another provider on that day, only one provider is able to be paid by CCAP. The family must pay the second provider.

Consecutive absent days and holidays

If a CCAP paid holiday occurs during the midst of other child absent days, the holiday interrupts but does not stop the absent day count. The absent day following the holiday will continue the 10 consecutive day count.

Here's an example:

Absent Day #1

Absent Day #2

Absent Day #3

Holiday

Holiday

Absent Day #4

Absent Day #5

Absent Day #6

Absent Day #7

Absent Day #8

Absent Day #9

Absent Day #10

Legal authority

Minnesota Statutes 119B.13, subd. 7
Minnesota Statutes 645.44, subd. 5
Minnesota Rules, 3400.0110, subp. 9

Special needs 9.15.15

Children over age 12

Children who are ages 13 through age 14 who have special needs may receive child care assistance. Children with special needs who turn 15 while receiving child care assistance continue to be eligible for CCAP until the family's next redetermination. Documentation of the special needs such as an IEP or medical/psychological evaluation must be submitted and kept in the county/tribal CCAP case file in order for CCAP to be approved. Refer to the MEC² User Manual for instructions on approving CCAP eligibility for children over the age of 12.

If a payment rate that exceeds the county or city maximum school age rate is requested by the parent or provider, follow instructions in this section to request special needs rates. Department of Human Services (DHS) approval is not required if the family and provider do not request a payment rate that exceeds the county or city maximum school age rate.

Special needs rates

Pay a special needs rate to a provider for the care of a child who has special needs due to a disability requiring specialized training, services or environmental adaptations. The parent and the provider must request a special needs rate and the rate must be approved by DHS. The county or tribe may pay special needs rates for a child with a documented special need through the child's 14th year of age. The county or tribe may continue to pay special needs rates for a child with a documented special need after the child turns 15, up until the family's next redetermination, if the child had an open Service Authorization when they turned 15. See Chapter 8.1.21 (Other changes).

A disability is a functional limitation or health condition that interferes with a child's ability to walk, talk, see, hear, breathe or learn. A special need may be any special medical, developmental and/or atypical behavior or condition that requires additional support to help the child successfully grow and develop to his or her full potential.

Special needs payments may exceed the county's or city's maximum rate but must never be greater than what the provider charges the private sector for the same services. It is the provider's responsibility to assure compliance with the Americans with Disabilities Act (ADA).

A special needs rate may be requested/approved when:

- The provider charges more for a child with special needs.
  OR
- The provider spreads the cost of caring for a child with special needs across all children in care. You may only pay the higher rate for the child with special needs. Do not exceed your county's or city's maximum rate for all other CCAP children in care.

Explore other funding sources within your region for specialized services or environmental adaptations to ensure parents are linked to important community services, and that child care funds do not supplant other resources. CCAP eligibility for a child with special needs is not contingent upon parental participation or eligibility in other support programs (for example, SSI).

Special needs 9.15.15

For an individual child with special needs

Take the following steps to establish or request renewal of a special needs rate:

1. Ask the parent and provider to complete the CCAP Special Needs Rate Variance Request – Parent and Provider Request DHS-4194 (PDF) together and to include documentation of the child's special needs.
2. Complete the Special Needs Rate Variance Request – Agency Recommendation Form DHS-4195 (PDF) recommending approval or denial of the request. When determining whether to recommend approval or denial of the request, review the Parent and Provider Request to determine if the provider is providing additional services to meet the needs of the child. Remember each child's special needs may have variations of what may be defined in a diagnosis, and various degrees of severity in a diagnosis. The adaptations and services provided must reflect the personalized needs of the child.
3. Submit the Parent and Provider Request form, documentation of the child's special needs, and Agency Recommendation form by mail to DHS, Child Care Assistance Program, PO Box 64962, St. Paul, MN 55164-0962 or via SIR email to DHS.CCAP@state.mn.us.

The CCAP agency will receive a letter indicating whether the request was approved or denied. If approved, DHS will determine the rate(s) to approve. The rate(s) approved may be lower than the rate(s) requested. Pay the approved special needs rate retroactive to the effective date of approval on the official letter from DHS. If the child is over 12 and attending a licensed center, DHS will verify that the provider has a DHS licensing variance allowing the provider to care for a child over age 12.

When the CCAP agency receives the approval or denial letter from DHS, a resource and referral document may also be included. Based on the information submitted, DHS is suggesting that the child could benefit from one or more of the services or resources checked on the document. When notifying the parent and provider of the approval or denial, CCAP agencies should also send a copy of the resource and referral document.

The CCAP agency must notify the provider and the parent of the decision in writing and keep a copy of the official letter from DHS and the letter(s) sent to the provider and parent in the CCAP file. If approved, include the reasons for approval and any requirement or suggestions listed on the official letter sent by DHS in the CCAP agency letter sent to the provider and parent. If denied, include the reasons for denial listed on the official letter from DHS and notify the parent of the right to appeal.

Resources

For additional information and resources for children with special needs contact:

Center for Inclusive Child Care
http://www.inclusivechildcare.org

National Information Center for Children and Youth with Disabilities
(651) 603-6265
P.O. Box 1492
Washington, DC 20013-1492
1-800-695-0285 (Voice/TTY)
E-mail: nichcy@aed.org

U.S. Department of Justice, Civil Rights Division, Disability Rights Section
Americans with Disabilities Act (ADA) Information
1-800-514-0301 (Voice)
1-800-514-0383 (TDD)

For examples of ADA Information Available see:
http://www.usdoj.gov/crt/ada/chcaflyr.htm

Legal authority

Minnesota Statutes, 119B.09, subd. 1(e)
Minnesota Statutes 119B.13
Minnesota Rules 3400.0130, subp 3 and 3a
Minnesota Rules 3400.0020

Higher rates for providers serving certain populations

9.15.16

Higher rates for providers caring for children in at-risk populations

Your agency may choose to pay higher rates for certain populations defined as at-risk in your County and Tribal Child Care Fund Plan. The CCAP agency must have DHS approval for these rates to be paid. At-risk means environmental or familial factors exist that create barriers to a child's optimal achievement. This could include, but is not limited to:

- A federal or state disaster.
- Limited English proficiency in a family.
- History of abuse or neglect.
- A determination that the children are at risk of abuse or neglect.
- Family Violence.
- Homelessness.
- Age of the mother.
- Level of maternal education.
- Mental illness.
- Development disability.
- Parental chemical dependency or history of other substance use.

If your agency has chosen to pay higher rates to certain populations defined as at-risk in your County and Tribal Child Care Fund Plan:

- If there are four or more providers offering child care for children in a specific at-risk category, pay the lesser of the 75% rate, the rate negotiated with the provider by the county or tribe, or the provider's rate.
- If there are fewer than four such providers, pay the lesser of the rate negotiated with the provider or the provider's rate.

Higher rates for care of sick children

Your agency may choose to pay higher rates for sick child care that exceed the county maximum rate. The CCAP agency must have DHS approval for these rates to be paid.

If your agency has chosen to pay higher rates that exceed the county maximum rate for sick child care in your County and Tribal Child Care Fund Plan, sick child care payments must be a rate comparable to like care arrangements in your county. Your agency may complete a survey of all providers who care for sick children in the county to determine the appropriate rate.

Legal authority

Minnesota Rules 3400.0130, Subpart 3

Higher rates for providers serving certain population 9.15.16

Minnesota Rules 3400.0110, Subpart 8

Caring for sick children 9.15.18

Sick child care is a child care service provided to children who cannot attend the family's regular child care provider as a result of illness. The agency may make payments for sick child care, in addition to making payments to the regular child care provider during illness if identified in the County and Tribal Child Care Fund Plan. Limiting Service Authorizations to 120 hours per biweekly period still apply. See Chapter 9.1 (Child care authorization).

Your agency has the option of assisting participants with sick child care. If your agency makes payments for sick child care that exceed the county maximum rate, sick child care payments must be at a rate comparable to like care arrangements in your county. Your agency may complete a survey of all providers who care for sick children in the county to determine the appropriate rate.

Your agency's County and Tribal Child Care Fund Plan will indicate if this option is available in your agency. The agency's sick child care policy and rate must be included in the County and Tribal Child Care Fund Plan.

Legal authority

Minnesota Rules 3400.0110, subp. 8

Children of child care providers 9.15.21

Non-center providers

The following providers are NOT eligible to receive child care assistance for their own children or children in their family during the hours they are providing child care or being paid to provide child care:

- Licensed family child care providers and their employees,
- Legal nonlicensed child care providers and their employees, and;
- Any person providing child care in a setting other than a child care center, such as a babysitter or nanny.

These providers are eligible to receive child care assistance for their children when they are engaged in other authorized activities, as long as the hours do not overlap with the hours they provide care or with the hours they are being paid to provide care. This includes the full 10 hours counted when care is provided by a licensed family child care provider for more than five hours.

If a parent with no other authorized activity is employed at a licensed family home, as a legal nonlicensed (LNL) provider, or is providing child care in any setting other than a child care center, the employment may be an authorized activity for purposes of determining CCAP eligibility but care cannot be authorized. The family's case is suspended if there is no other authorized activity.

Note: For families eligible for the Expedited Child Care for Families Experiencing Homeless policy and with a parent providing child care or being paid to provide child care as identified above, the family can be authorized up to 30 hours per week outside of the hours the parent is providing care. If the family does not request care outside of the parent's work hours as a provider, suspend the case. See Chapter 8.9 (Suspending) and 9.1.15 (Authorizing care – Expedited Child Care).

This does not apply to licensed or license exempt child care centers and their employees.

Licensed and license exempt centers

No more than 25 center employees' children or dependents can be authorized for child care assistance per child care center.

For the purposes of this policy, "child or dependent" means the center employee is the child's birth or adoptive parent, stepparent, legal guardian, or Minnesota Family Investment Program (MFIP) or Diversionary Work Program (DWP) caregiver. "Center employee" means a person who is:

- employed by a licensed or certified license-exempt child care center;
- not employed by a licensed or certified-license exempt child care center, but:
    - has direct contact with children that the center serves; and
    - is required to have a background study under Minnesota law;
- a contractor, specifically any individual, regardless of employer, who is providing program services for hire under the control of the provider; or
- a child care staff member as defined by federal law, which means an individual:

- who is employed by a child care provider for compensation, including contract employees or self-employed individuals; or
- whose activities involve the care or supervision of children for a child care provider or unsupervised access to children who are cared for or supervised by a child care provider.

Denying Service Authorizations

Before authorizing care for any center employees' children, generate the MEC² report PV107, CCAP Center Employee Report, to determine how many children of center employees are currently authorized. If the number of employees' children authorized is over 25, deny the family's authorization using the "Authorization Denied" reason code. Include the following text in the Worker Comment section of the Service Authorization Denial:

> *This provider cannot be authorized to care for additional children of employees at the center (MN Stat 119B.09, Subd. 9a). You are still eligible for the Child Care Assistance Program. You may choose another child care provider. If you need help finding a new child care provider, contact Parent Aware at 1-888-291-9811 or http://parentaware.org/. Once you choose a new child care provider, call your worker to let them know the new provider's name, address and phone number. The new provider you choose must be registered with your county before payments can be made.*

Do not open new authorizations for additional employees' children until the number of employees' children authorized falls below 25.

Closing Service Authorizations

If additional Service Authorizations are approved in error when a center already has 25 or more employees' children authorized, close the Service Authorization of any child over the limit with a 15-day notice. Terminate the authorization of the child or the children most recently authorized until the center is within the limit of 25 center employees' children.

> *Example*: According to the PV107 Report, a center has 25 children of center employees authorized. On Monday, County A incorrectly authorizes three children of center employees at the center, putting the provider at 28 children of center employees. On Wednesday, County B incorrectly authorizes one child of a center employee, putting the provider at 29 children. County A must close the authorization of these three children as they were most recently authorized and County B must close the authorization of this one child who was most recently authorized. Closing these Service Authorizations with 15-day notice will bring the center back within the 25 child limit.

In instances where multiple children from the same family are authorized at the same time and results in the center being over the 25 child limit, consult with the family on which child(ren)'s authorization to close to bring the center within the limit.

> *Example*: According to the PV107 Report, a center has 23 children of center employees authorized. Care was incorrectly authorized for four children from the same family at the same time, and the provider now has 27 children of center employees authorized. Two of the authorizations must be terminated to bring the center back within the 25 child limit. Because the four children from the same family were authorized at the same time, consult with the family on which two children's authorizations they wish to remain open, and close the other two authorizations with a 15-day notice. The family may also choose to have all four of the children's Service Authorizations closed. Allow the family 15 days to respond to the request. If the family does not respond, care must end for all children with a 15-day notice.

If a child is authorized at a child care center where their parent does not work, but the parent later becomes employed at the center, review the PV107 report. This includes situations where the parent was authorized using job search, education, another employment activity, or the expedited child care activity exemption. If the center is authorized for 25 or more center employees' children, close the child's Service Authorization with a 15-day notice.

Families can choose another eligible provider for a child whose authorization closes.

Center employee leaves of absence

If at least one parent works at a DHS licensed child care center, CCAP considers the family a Schedule Reporter. If taking a leave of absence, parents who are center employees must:

- Report changes in employment, education or training status (starting, ending, or temporary breaks) within 10 calendar days after the change occurs.
- Have their case suspended during the leave, unless the parent:
  - Has another job or authorized activity; **OR**
  - Qualifies for the medical leave policy. See Chapter 9.15.3 (Care during temporary breaks from authorized activities) for more information on continuing authorizations for up to 215 hours during a participant's medical leave of absence.

Parent's only activity is center employment

If the parent's only activity is employment at a child care center:

- Suspend the case, and
- Close Service Authorizations for all children in the family with 15-day notice when the parent reports their leave from their job or determine if the parent meets the criteria for up to 215 hours of medical leave.

If the parent requests care for their children at the end of the leave when they return to their job at the child care center, generate the PV107 report to determine how many children of center employees are currently authorized. If the number of employees' children authorized is over 25, deny the family's authorization using the "Authorized Denied" reason code.

Parent has multiple activities

If the parent has an activity in addition to center employment, keep the Service Authorization open when the parent reports their leave.

- If the parent uses the same provider for all their activities, reduce the Service Authorization with a 15-day notice (unless the parent meets the criteria for up to 215 hours of medical leave) and only authorize enough hours for the activity in which the parent is currently participating.
- If the parent uses a different provider for their other activity, keep that Service Authorization open at the same level.

If the parent requests care for their children when they return to their job at the child care center after the leave, generate the PV107 report to determine how many children of center employees are currently authorized. If the number of employees' children authorized is over 25, deny the family's authorization.

Appeals

Child care centers do not have a statutory right to appeal an adverse action taken as a result of the center employee law. A family may file an appeal if they disagree with an agency's action to enforce the center employee law.

Legal authority

Minnesota Statutes 119B.09, subds. 9 and 9a
Minnesota Statutes 119B.095, subd. 3
Minnesota Statutes 119B.16, subd. 1a
Minnesota Statutes 245C.02, subd. 9
Minnesota Statutes 245C.03, subd. 1(a)(3)
Minnesota Rules 3400.0020, subp. 12c
Minnesota Rules 3400.0110, subp. 3c
45 C.F.R. § 98.43(a)(2)(ii)

Head start services 9.15.24

Whether child care can be authorized during the time that a child is receiving Head Start services depends on the type of Head Start services provided. The information in this chapter applies to Head Start and Early Head Start.

Standard Head Start services

Standard Head Start services are typically three to five hours per day. Children are eligible for CCAP payments for child care hours outside of the Head Start hours. Do not authorize care during the hours that the child attends Head Start.

Full-day Head Start services

CCAP defines full-day Head Start services as:

- Services provided in one location for at least eight hours per day.
- Head Start Performance Standards are met throughout the day.
- Services are provided at a Head Start facility or through a partnership with a child care center or licensed family child care provider.

Whether CCAP can pay or authorize services for the full day depends on the Head Start operating model.

Model A – Head Start funds pay for cost of meeting performance standards

In Model A, Head Start funds are used to pay for the cost of meeting Head Start performance standards such as the cost of training, curriculum, child assessment and comprehensive support services. CCAP funds are used to pay for core services such as space, utilities, supplies and staff.

When a child attends a program providing full-day Head Start services under Model A, a full-day authorization can be authorized based on standard authorization requirements. See Chapter 9.1 (Child Care Authorization).

Do not reduce the number of hours authorized based on the time the child participates in the Head Start program.

List of approved programs

There is an optional process for full-day Head Start Programs to have their model reviewed by Department of Human Services and Department of Education staff. Programs can submit the CCAP Integrated Full-Day Head Start Services Payment Application DHS-5776 (PDF) to determine if they meet Model A criteria.

Programs approved as Model A by the Departments are on a list on CountyLink under the heading “Guidance available for CCAP Children enrolled in Head Start.”

The list is not comprehensive since it is an optional process. If a program is not on the list, evaluate whether the program meets all criteria for Model A:

- Services are in one location for at least eight hours per day (services do not need to be provided every day, transportation time counts toward the eight hours),
- Head Start Performance Standards are met throughout the day,
- Head Start funds are NOT used to pay for a specific number of hours but are instead used to pay for the cost of meeting performance standards.

Contact your Policy Specialist if you are unsure if the program meets the criteria.

Model B – Head Start funds pay for specific hours of care

In Model B, Head Start funds are used to pay for specific hours of care. CCAP cannot be authorized for the hours of care that are already paid for with Head Start funds. CCAP can be authorized for hours that are not paid for with Head Start funds such as hours of care needed before and/or after the Head Start program.

When a child attends a program providing full-day Head Start services under Model B, authorize care for hours not paid for by Head Start. Do not authorize care for hours that are paid for by Head Start.

Legal authority

Minnesota Statutes 119B.09, subd. 11
Minnesota Statutes 119B.13, subd. 4

Provider rates 9.24

The Department of Human Services conducts a statewide child care provider rate survey. All licensed family child care providers, 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.

Determining the payment rate

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, registration fees, copayments) for a link to the hourly, daily, and weekly child care maximum rates.

Authorize payment up to the county maximum rate or the maximum city rate for providers located in St. Cloud and Sartell, not to exceed the provider's charge for all hours of child care authorized.

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 or if the provider is located St. Cloud or Sartell, use the maximum rates in the **provider's** city 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 MEC^2 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 9.24.9 (Higher rates for quality – Accreditation/differential).

See Chapter 9.24.12 (Higher rates for quality – Parent Aware rated providers).

Legal authority

Minnesota Statutes 119B.13

Child care rates, registration fees, copayments 9.24.3

CCAP maximum rates

Tables listing the current maximum rates that providers without a quality designation can be paid.

- Minnesota Child Care Assistance Program Standard Maximum Rates – No Quality Differential (DHS-6441D-ENG)

Tables listing the current maximum rates that accredited, credentialed and 3-star Parent Aware Rated providers can be paid.

- Minnesota Child Care Assistance Program – 15% Quality Differential Maximum Rates (DHS-6442D-ENG)

Tables listing the current maximum rates that 4-star Parent Aware Rated providers can be paid.

- Minnesota Child Care Assistance Program – 20% Quality Differential Maximum Rates (DHS-6824B-ENG)

Registration fees

Tables listing the current maximum registration fees that licensed family child care, licensed child care center and certified center providers can be paid. Legal nonlicensed providers cannot be paid registration fees. Separate maximum registration fees are established for licensed family child care and center-based care.

- Minnesota Child Care Assistance Program Maximum Registration Fees (DHS-6443B-ENG)

Copayment schedules

Tables listing the current copayment fees based on family size and income after allowable deductions.

- Minnesota Child Care Assistance Program Copayment Schedules – Current October 3, 2022 (DHS-6413K) (PDF)

Expired CCAP maximum rates and copayment schedules

For CCAP maximum rates and copayment schedules prior to those listed below, contact your CCAP policy specialist.

Expired CCAP maximum rates

Maximum rates in place September 21, 2020 – November 14, 2021

- Expired Standard Maximum Rates – No Quality Differential DHS-6441C (PDF)
- Expired 15% Quality Differential Maximum Rates DHS-6442C (PDF)
- Expired 20% Quality Differential Maximum Rates DHS-6824A (PDF)

Maximum rates in place February 3, 2014 – September 20, 2020:

- Expired Standard Maximum Rates – No Quality Differential DHS-6441B (PDF)
- Expired 15% Quality Differential Maximum Rates DHS-6442B (PDF)
- Expired 20% Quality Differential Maximum Rates DHS-6824 (PDF)

Expired copayment schedules

- Expired Copayment Schedules effective October 4, 2021 - October 2, 2022 (DHS-6413J) (PDF)
- Expired Copayment Schedules effective October 5, 2020 – October 3, 2021 (DHS-6413I) (PDF)
- Expired Copayment Schedules effective October 7, 2019 – October 4, 2020 (DHS-6413H) (PDF)
- Expired Copayment Schedules effective October 8, 2018 – October 6, 2019 (DHS-6413G) (PDF)
- Expired Copayment Schedules effective October 9, 2017 – October 7, 2018 (DHS-6413F) (PDF)

Legal authority

Minnesota Statutes 119B.13
Minnesota Rules 3400.0100
Minnesota Rules 3400.0130

Age category exceptions 9.24.6

Maximum rates that can be paid vary by age of the child and type of provider. The age category of a child receiving CCAP is typically determined by the standard age categories for children in family child care (includes licensed family and legal nonlicensed providers) and child care centers (includes licensed and certified license exempt centers). See Chapter 2 (Glossary) under infant, toddler, preschool and school age for definitions of each age category.

Center licensing provision for age flexibility

Age categories for licensed child care centers fall into the following categories:

- "Infant" is a child who is at least six weeks old but less than 16 months old.
- "Toddler" is a child who is at least 16 months old but less than 33 months old.
- "Preschooler" is a child who is at least 33 months old but has not yet attended the first day of kindergarten.
- "School-age" is a child who is at least old enough to attend their first day of kindergarten within the next four months but is less than age 12 (or age 14 if the child has a documented disability). A child is school age when they are currently authorized to receive CCAP and turn age 13, up until the family's next redetermination. A child with a documented disability is school age when they are currently authorized to receive CCAP and turn age 15, up until the family's next redetermination.

Licensing does allow for exceptions to these age categories. The licensing provision for age flexibility allows children attending licensed child care centers to receive care in a different age-category classroom for a short period of time without a licensing variance. A child may be in a different age-category classroom for the purposes of staff ratios, group size and programming when the decision is in the best interest of the child and with the agreement of parent, teacher and center director.

The following exemptions are allowed without a licensing variance:

- A child may be designated as an "infant" up to the age of 18 months.
- A child may be designated as a "toddler" up to the age of 35 months.
- A child may be designated as a "preschooler" at the age of 31 months.

When the county or tribe is notified by the parent or the provider that the child meets the age criteria to qualify for the licensing provision for age flexibility, payment should be made at the rate associated with the age-rate category of the classroom that the child attends.

When changing the age category in MEC², override the Service Authorization using the "Provision for Age Rate Flexibility" override reason, select the appropriate Age Rate Category and enter a case note explaining why the override was done. See "Edit Service Authorization" in the MEC² User Manual. When the age category of the child is changed, review the Service Authorization to ensure the appropriate maximum rate is paid.

Age category flexibility related to kindergarten start dates

CCAP recommends that agencies consider a child to be preschool age for payment purposes until September 1st following the child's 5th birthday. When September 1st falls in the middle of the week, the school-age category and rate change is effective the following Monday (see Chapter 9.24, Provider Rates).

CCAP allows for the following exceptions:

- **Child 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, override the Service Authorization using the "Provision for Age Rate Flexibility" override reason, select the appropriate Age Rate Category and enter a case note explaining why the override was done. See "Edit Service Authorization" in the MEC² User Manual. When the age category of the child is changed, review the Service Authorization to ensure the appropriate maximum rate is paid.
- **Child starts kindergarten after 6th birthday**
  - CCAP recommends that agencies consider a child to be school age for payment purposes on September 1st following the child's 5th birthday unless the parent informs the agency 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. Update the school window with the future kindergarten start date reported by the parent to continue paying the preschool rate.
- **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 the school start date falls in the middle of the week, the school-age category and rate change is effective the following Monday (see Chapter 9.24, Provider Rates). When changing the age category, override the Service Authorization using the "Provision for Age Rate Flexibility" override reason, select the appropriate Age Rate Category and enter a case note explaining why the override was done. See "Edit Service Authorization" in the MEC² User Manual. When the age category of the child is changed, review the Service Authorization to ensure the appropriate maximum rate is paid.

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 in MEC², override the Service Authorization using the "Provision for Age Rate Flexibility" override reason, select the appropriate Age Rate Category and enter a case note explaining why the

override was done. See "Edit Service Authorization" in the MEC² User Manual. When the age category of the child is changed, review the Service Authorization to ensure the appropriate maximum rate is paid.

Licensing variance

A licensing variance can be granted for children attending licensed child care. The variance allows a child to receive care in an age-based setting that does not correspond with the child's birthday for a specified period of time. Note that licensing variances are required when children receive care in different age-categories for longer periods of time and outside of the definitions listed above.

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. When documentation of the DHS licensing variance is provided, payment should be made at the age-rate category indicated on the licensing variance for the duration of the variance.

When changing the age category in MEC², override the Service Authorization using the "DHS Variance Granted" override reason, select the appropriate Age Rate Category and enter a case note explaining why the override was done. See "Edit Service Authorization" in the MEC² User Manual. When the age category of the child is changed, review the Service Authorization to ensure the appropriate maximum rate is paid.

Licensed child care centers

Licensing may grant a variance to a licensed child care center allowing the center to care for a child within a different age-category classroom. When documentation of the DHS 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 variance.

When changing the age category in MEC², override the Service Authorization using the "DHS Variance Granted" override reason, select the appropriate Age Rate Category and enter a case note explaining why the override was done. See "Edit Service Authorization" in the MEC² User Manual. When the age category of the child is changed, review the Service Authorization to ensure the appropriate maximum rate is paid.

Legal authority

Minnesota Statutes 245A.02, subd. 19
Minnesota Statutes 119B.011
Minnesota Statutes, 119B.09, subd. 1(e)
Minnesota Rules 9503.0005

Higher rates for quality-accreditation/credential 9.24.9

Child care assistance can pay up to 15% above the standard maximum rate, not to exceed the provider charge, if a provider submits verification showing they hold a certain current early childhood development credential or is accredited by certain organizations.

The Department of Human Services (DHS) recommends that agencies contact their policy specialist to determine whether the verification submitted is an exact match which makes the provider eligible for the higher rate. The department will review the actual documents and assist agencies to help prevent incorrect payments.

Providers may use the Quality Differential Rate Request Form DHS-4795 (PDF) when requesting the higher rate.

Approved credentials and accreditations for family child care providers

A licensed family child care provider or legal nonlicensed provider is eligible for the 15% 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. (This certificate has not been offered in Minnesota since 1997. If you get a copy of this certificate, contact DHS staff).

Multiple license holders

Each adult on a licensed family child care license must have one of the credentials listed above to get the 15% higher rate for quality.

Other credentials

Licensed family child care providers and legal nonlicensed providers that do not hold one of the above credentials are **NOT** eligible for the higher rate. Licensed family child care providers and legal nonlicensed providers that hold a credential other than the ones listed above are **NOT** eligible for the higher rate.

Approved accreditations for center-based providers

Child care centers that hold one of the accreditations below are eligible for the 15% higher rate for quality. Make sure the name of the accreditation and the listed organization match exactly as listed below before approving the higher rate:

- Accredited Professional Preschool Learning Environment (APPLE) for Early Childhood Education or School Age Programs
- American Montessori Society (AMS) School Accreditation

- Association of Christian Schools International (ACSI) Accreditation
- Association of Montessori International – USA (AMI) Montessori School Recognition
- Cognia (formerly called AdvancED) – Early Learning Accreditation
- Council on Accreditation (COA) - Child and Youth Development – Early Childhood Education (CYD-ECE) Accreditation
- Council on Accreditation (COA) - Child and Youth Development - Out-of-School Time (CYD-OST) Accreditation
- Council on Accreditation (COA) - Private Early Childhood or Youth Development
- Green Apple Accreditation of Children's Services (GAACS) - Early Education Center (EEC) Accreditation
- Green Apple Enrichment Program Accreditation (GAEPA)
- Head Start Performance Excellence and Quality Recognition Program
- Ignite SAC Interim Accreditation Program*
- Minnesota Afterschool Accreditation Program (MAAP)
- Minnesota Nonpublic School Accrediting Association (MNSAA)
- National Accreditation Commission for Early Care and Education Programs (NAC) Accreditation
- National Association for the Education of Young Children (NAEYC) Accreditation
- National Early Childhood Program Accreditation Commission Inc. (NECPA) Accreditation
- National Lutheran School Accreditation (NLSA)

*The Ignite SAC Interim Accreditation Program is an interim accreditation that is approved while a permanent accreditation is developed. Use the Minnesota Afterschool Accreditation Program (MAAP) option in MEC^2 and enter a provider note.

Expired accreditations

MEC^2 will automatically send new notices to providers and families when a Higher Rate for Quality is expiring.

Accrediting organizations may issue an extension of a current accreditation. Require a letter from the qualifying accrediting organization that states that the timeframe has been extended. This letter must include the extension end date.

Other accreditations

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.

Providers eligible for more than one higher rate for quality

The 15% 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. Providers with a Four-Star Parent Aware rating qualify for the 20% higher rate for quality.

Providers who hold a credential/accreditation and a Three-Star Parent Aware Rating qualify for the 15% higher rate for quality.

See Chapter 9.24.3 (Child Care Rates, Registration Fees, Copayments) for links to the maximum rates tables.

Higher rates for quality-accreditation/credential 9.24.9

Effective date of higher rates

Providers are eligible for the higher rate the first Monday following the date the verification is received by the CCAP agency.

Higher rates for quality entered in error

If an agency discovers that a provider was incorrectly entered into MEC^2 as being eligible for the 15% higher rate for quality, the information must be corrected in MEC^2 and the agency who discovered the error should contact all other counties or tribes where the provider is registered.

If a Parent Aware Rating is not displaying correctly in MEC^2, contact your DHS policy specialist.

Legal authority

Minnesota Statutes 119B.13, subd. 3a & 3b

Higher rates for quality – Parent Aware Rated providers 9.24.12

Highly-rated child care and early education programs participating in Parent Aware Ratings are eligible for higher rates for quality:

- Providers with a Three-Star Parent Aware Rating are eligible for up to 15 percent above the standard maximum rate, not to exceed the provider charge.
- Providers with a Four-Star Parent Aware Rating are eligible for up to 20 percent above the standard maximum rate, not to exceed the provider charge.

Providers may be accredited by an approved organization or hold an approved credential and have a Three- or Four-Star Parent Aware Rating. See Chapter 9.24.9 (Higher rates for quality – Accreditation/Credential).

- Three-Star Parent Aware Rated providers that hold an approved accreditation/credential are eligible for up to 15 percent above the standard maximum rate, not to exceed the provider charge.
- Four-Star Parent Aware Rated providers that hold an approved accreditation/credential are eligible for up to 20 percent above the standard maximum rate, not to exceed the provider charge.

See Chapter 9.24.3 (Child Care Rates, Registration Fees, Copayments) for links to the maximum rates tables.

Parent Aware is Minnesota's Child Care Quality Rating and Improvement System. For more information about Parent Aware, visit www.parentaware.org or call (888) 291-9811.

Effective date of higher rates for quality

CCAP agencies cannot enter or update Parent Aware Ratings. CCAP agencies do not need to obtain verification of a provider's Parent Aware Rating. If a provider reports that they have a Parent Aware Rating that is not reflected in MEC², contact your policy specialist for assistance.

For providers that obtain a Three- or Four-Star Parent Aware Rating, the effective date of the higher rate is the Monday following the week that the Parent Aware Rating is awarded. When a rating is changed through reconsideration, the effective date of the higher rate is the Monday following the week that the Parent Aware Rating reconsideration is approved.

Legal authority

Minnesota Statutes 119B.13, subd. 3b

Correcting underpayments 9.57

Families are underpaid if they do not receive the benefits for which they are eligible. Providers are underpaid if they do not receive the payment for which they are eligible.

The county or tribe corrects underpayments based on criteria included in their county or tribal fund plan. If the county or tribe decides to correct an underpayment, the county or tribe must do so for all cases with similar circumstances.

For corrective payment on appeal decisions, see Chapter 15.18 (Effect of Appeal Decision).

Amount of underpayment

The amount of the underpayment 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.

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

- Eligibility
- Copayment amount in billing
- Authorized hours
- Payment amount.

Policies change over time. Consider the policies in place at the time an action took place when determining whether an underpayment occurred and the amount of an underpayment. In some instances, changes to a family's case that occurred before a policy changed but were processed after a policy changed may be subject to new policies. This may be appropriate and is not an underpayment.

When calculating an underpayment, use the maximum rates and copays in effect at the time care was provided. See Chapter 9.24.3 (Child Care Rates, Registration Fees, Copayments) for links to current and expired maximum rates and copayment schedules.

Legal authority

Minnesota Statutes 119B.08, subd. 3

Redetermination of eligibility 10

This chapter has information about:

- When to redetermine eligibility
- The redetermination process
- Redetermination processing standards
- Approving eligibility at redetermination
- Case actions around redetermination
- Reinstatement of redetermination

Redetermine eligibility no more often than every 12 months.

The Minnesota Child Care Assistance Program Redetermination Form DHS-5274 (PDF) is used to redetermine eligibility. You may also treat a Minnesota Child Care Assistance Program application DHS-3550 (PDF) as a redetermination form. Do NOT treat a redetermination form as a new application.

All families must complete a redetermination form and provide required verifications for continued benefits.

Legal authority

Minnesota Statues 119B.025
Minnesota Rules 3400.0180

When to re-determine eligibility 10.3

Policy overview

Re-determine eligibility for families who are eligible for ongoing assistance no more often than every 12 months. The time between initial eligibility and the date an agency must review the case, or the time between required reviews, is the 12-month eligibility period.

CCAP agencies may also adjust the redetermination due date to coincide with expected changes or another program's review date. The adjusted date must not be less than the minimum 12-month time requirement between redeterminations.

Extending redetermination dates beyond 12 months

Caregiver under the age of twenty-one attending certain education programs

Re-determinations may be deferred beyond 12 months for a family that has a caregiver under the age of twenty-one, who does not have a high school or general equivalency diploma (GED), and is a student in a school district or another similar program that provides or arranges child care, parenting, social services, career and employment supports and academic support to achieve high school graduation.

To qualify for this policy:

- At least one parent is under the age of 21 and does not have a high school or general equivalency diploma (GED)

AND

- This parent is a student in a school district or another similar program that provides or arranges for ALL of the following to achieve high school graduation:
  - Child care
  - Parenting support
  - Social services support
  - Career and employment supports
  - Academic support.

For families who meet this criteria, workers may extend the redetermination due date beyond 12 months to the end of the parent's school year.

Workers must either:

- Keep the family's redetermination at 12 months.

OR

- Extend beyond 12 months to the end of the school year. CCAP defines the end of the school year as August 31. Workers should not use the last day of classes that parents are scheduled to attend, graduation day, or another date as a placeholder for the end of the school year.

Other reasons to extend redetermination dates beyond 12 months

A CCAP agency may identify other reasons to extend redetermination dates beyond 12 months as an optional policy in the agency's county and tribal child care fund plan. For example, an agency may extend redetermination dates to balance out a workload. If this policy is not already identified in the agency's county and tribal child care fund plan, a plan amendment must be approved before extending redetermination dates beyond 12 months (except if for caregivers under the age of twenty-one attending certain education programs as identified above). Contact your policy specialist if your agency's county and tribal child care fund plan requires an amendment.

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.025, subd. 3
Minnesota Statutes 119B.09
Minnesota Statutes 119B.09, subd. 4
Minnesota Statutes 256P.07
Minnesota Rules 3400.0180
Minnesota Rules 3400.0040
Minnesota Rules 3400.0040, subp. 4

Redetermination process 10.6

The redetermination period begins 45 days before the redetermination due date and ends on the redetermination due date identified in MEC^2.

What is the redetermination process?

Redetermination packet is sent to the family

MEC^2 generates a cover letter and mails the following forms 45 days prior to the end of the 12-month eligibility period:

- Minnesota Child Care Assistance Program Redetermination Form DHS-5274-ENG (PDF)
- Notice of Privacy Practices DHS-3979 (PDF) (printed on redetermination form).
- Client Responsibilities and Rights DHS-4163 (PDF) (printed on redetermination form).
- The Child Care Assistance Program and fraud: Questions and answers for families DHS-3943B (PDF) (printed on redetermination form).
- CCAP Change Report Form DHS-4794-ENG (PDF)

When a participant requires a redetermination form in another language the CCAP worker will need to print the form from eDocs and mail it directly to the participant.

- DHS-5274-HMN Hmong language version
- DHS-5274-RUS Russian language version
- DHS-5274-SOM Somali language version
- DHS-5274-SPA Spanish language version
- DHS-5274-VIE Vietnamese language version

Redetermination notice is sent to the provider

MEC^2 generates a provider notice identifying the family's redetermination due date. It is mailed to all providers with active Service Authorizations for a child in the family. This notice is mailed at the same time the redetermination cover letter and forms are mailed to the family.

Review case to identify if additional verifications required

MEC^2 issues an alert when the redetermination packet is sent to the family. Upon receiving the alert, review the case to determine if information known during the 12 month eligibility period requires additional verification at redetermination.

Examples include:

- Determine if the family needs to cooperate with Child Support for each minor child in the CCAP family. See Chapter 4.9.12 (Child Support Cooperation at Redetermination).
- Determine if a parent needs an education plan approved at redetermination. See Chapter 4.6.6.9 (Education Outside of an Employment Plan).

Send an information request for specific verifications to the family. This allows the family time to gather and submit verifications that are required at redetermination.

Complete the redetermination process

A CCAP agency must begin processing a family's redetermination within ten calendar days from the date the CCAP agency receives the family's redetermination form.

The following must occur to complete the redetermination process:

- Review the completed redetermination form.
- Obtain required verifications. Eligibility verifications are required to determine eligibility, while the family's schedule verifications are required to authorize care. See Chapter 7.6 (Verification – Eligibility Redetermination).
- Determine the family's eligibility for CCAP. See Chapter 4 (Eligibility Requirements).
- Notify the family of the eligibility determination. See Chapter 12.3 (Notices to Families).
- Notify the family and the provider(s) of the hours of care authorized if the number of hours changes and the copay if the copay changes. See Chapter 12.3 (Notices to Families) and Chapter 12.6 (Notices to Providers).

Refer to the MEC² User Manual Redetermination Process in the Case Management and Eligibility section for MEC² procedures. A redetermination processing workflow and flowchart are available to workers on SIR > MEC² > Worker Resources. See Chapter 10.6.3 (Redetermination processing standards) for information about processing the redetermination and Chapter 10.6.8 (Case actions around redetermination) for information about processing other types of case actions around the redetermination.

See Chapter 10.6.10 (Redetermination – Reinstatement) for information about processing redeterminations that are completed within 30 calendar days after the case closed for not completing the redetermination.

Example – Redetermination period

February 28: MEC² nightly batch job identifies families whose redetermination due date on the Redetermination Window is in 45 days, on April 15. MEC² sends the Redetermination Cover Letter and Redetermination Packet. MEC² sends a notice to each provider a family uses that the family's redetermination is due.

March 31: Due date listed on the Redetermination Cover Letter for the family to return their completed redetermination form and required verifications.

April 15: MEC² identifies families whose Redetermination Window is not in Approved Status or "Updates Required" status. For identified cases, MEC² sends the 15 calendar day notices to terminate benefits to the family and their providers.

April 30: For any families not in Approved Status or "Updates Required" status, the family's case is terminated.

May 30: Last day the family can turn in a complete redetermination form and all required eligibility verifications to have their case reinstated.

Legal authority

Minnesota Statutes 119B.025, subd. 3
Minnesota Rules 3400.0180, subps. 2 - 4

Redetermination processing standards 10.6.3

See Chapter 10.6 (Redetermination process) for general information about the redetermination process.

See Chapter 7.1 (Verification due dates) for information about due dates when additional verifications are requested at redetermination.

See Chapter 10.6.10 (Redetermination processing – Reinstatement) for information about reinstating cases when the redetermination is received after the case closes.

Review returned redetermination form and required eligibility verifications

- Review the returned redetermination form and required eligibility verifications to determine if the redetermination is complete or incomplete. A CCAP agency must begin processing a family's redetermination within ten calendar days from the date the CCAP agency receives the family's redetermination form.
- The CCAP redetermination form requires all questions be completed and most of the form has yes/no check boxes to indicate a response. Without the question answered, you would not know if the question pertains to the family and/or if the response would affect the family's eligibility. When all questions are not completed, make a copy of the pages that contain unanswered questions and return them to the family for completion. The redetermination must be signed and dated by at least one parent, step-parent, legal guardian, or eligible relative caregiver who resides in the household. If you are unsure whether a submitted redetermination is complete, contact your policy specialist.
- If the redetermination is incomplete, send the family an MEC^2 Special Letter: Verification Request requesting missing information and/or verifications. See Chapter 7.1 (Verification due dates) for information on determining the due date of the Special Letter.
- If the redetermination is complete, use the information provided on the redetermination form and verifications submitted to determine the current:
  - Family composition and household size
  - Family status and reporting type
  - Annualized income and allowed deductions
  - Authorized activity for any parent in the family
  - Child care needs.
- If schedule verifications are missing but all other required information has been returned and the family remains eligible, the redetermination should be processed but care should not be authorized. See Chapter 10.6.6 (Approving eligibility at redetermination).
- If an in-home child care request is pending but all other required information has been returned and the family remains eligible, the redetermination should be processed but care should not be authorized. See Chapter 10.6.6 (Approving eligibility at redetermination).
- If the family is eligible, see Chapter 10.6.6 (Approving eligibility at redetermination).
- If the family is ineligible, see "Termination of eligibility" below.

Authorized activity at redetermination

The family must meet authorized activity requirements at redetermination. See Chapter 4.6 (CCAP authorized activities).

When a parent is on a temporary break from their activity at redetermination, whether they are considered to be in an authorized activity at redetermination depends on whether their return to the activity is verified and if they meet all other eligibility requirements:

- If the parent expects to return to their activity, provides verification that they are expected to return and they meet all other eligibility requirements, suspend the case after a 15-day notice. To get eligible results when a parent is on a verified temporary break at redetermination, see Chapter 10.6.8 (Case actions around redetermination).
- If the parent expects to return to their activity, does not provide verification that they are expected to return and they meet all other eligibility requirements, place the case in Temporary Ineligible status after a 15-day notice. In this situation, the case **MUST** be put in Temporary Ineligibility.
- If the parent is not expected to return to their activity or does not meet all other eligibility requirements, eligibility ends after a 15-day notice. The case can be put in Temporary Ineligibility.

Note: Medical leave policy allowing care to continue for up to 215 hours during the 12-month eligibility period is not considered an authorized activity at redetermination, but the family may qualify for their case to be suspended or put in Temporary Ineligible status based on the above criteria. See Chapter 9.15.3 (Care during temporary breaks from authorized activities) for more information about the medical leave policy.

Updating MEC² with redetermination information provided

In MEC², update Case Data windows in the redetermination biweekly period even if changes happened earlier in the 12-month eligibility period. For end dates not previous entered that occurred during the 12-month eligibility period, enter the end date as the day before the redetermination due date. For start dates not previously entered that occurred during the 12-month eligibility period, enter the start date as the redetermination due date.

In most cases, do not reconcile what happened in the past 12 months. Changes that were not required to be reported until redetermination are considered timely if reported at redetermination. See Chapter 8.3 (Reporting requirements) for information about the reporting types and requirements.

If you have information that indicates a family did not report a required change timely and the change was required to be verified during the 12-month eligibility period, verification is required at redetermination See Chapter 7.6 (Verification – Eligibility Redetermination). Process the redetermination when all required verifications are submitted to complete the redetermination. Reconcile the previous 12-month eligibility as a separate process to determine if an overpayment needs to be established. See Chapter 14 (Overpayments).

Termination of eligibility

Failure to complete redetermination – termination of eligibility

Do not take action to close a case for missing verifications. This includes all verification requirements including verification of satisfactory progress and verification of child support cooperation. Allow MEC² to auto-close the case at the end of the family's redetermination period for failure to complete the redetermination.

MEC² will send a 15-day notice before terminating benefits if the family fails to comply with the redetermination process by the redetermination due date in MEC². Eligibility continues through the 15-day notice period. See Chapter 12.3.12 (Termination notices – Family) and Chapter 12.6.9 (Termination notices – Provider).

The case can be reinstated if a completed redetermination form and all verifications are received within 30 days. See Chapter 10.6.10 (Redetermination processing – Reinstatement).

Ineligible at redetermination – termination of eligibility

If the family is not eligible, send the family and provider a 15-calendar day notice before terminating benefits. The adverse action notice may need to be sent more than 15 calendar days before terminating benefits to ensure the family receives at least 12 months of CCAP. See Chapter 12.3.12 (Termination notices – Family) and Chapter 12.6.9 (Termination notices – Provider).

Legal authority

Minnesota Statutes 119B.025
Minnesota Rules 3400.0180
Minnesota Rules 3400.0040, subp. 5

Approving eligibility at redetermination 10.6.6

Approving eligibility

If the family is eligible, notify the family and provider of any changes to the number of hours of care authorized or changes to the copayment amount. See Chapter 12.3 (Notices to families) and Chapter 12.6 (Notice to providers).

- If notices do not generate after processing a redetermination, workers must send a memo to the family informing the family that the redetermination has been processed and identifying changes, including copay changes.
- If the family is a Schedule Reporter inform the family of their reporting type. See Chapter 8.3.6 (Reporting Types).

Schedule verification missing

If schedule verification is missing but all other required information has been returned and the family remains eligible, process the redetermination but do not authorize care until schedule verification is received:

- If the Service Authorization(s) is not already closed, end the Service Authorization using the reason code "Care is No Longer Authorized" using the last day of the redetermination period as the end date and approve Service Authorization to end allowing for a 15-day notice. Suspend the family's case for a period up to one year. See Chapter 8.9 (Suspending a case).
- If the Service Authorization(s) were closed due to incomplete redetermination and the case is being reinstated, end the Service Authorization using the reason code "Care is No Longer Authorized" using the date the redetermination is processed as the end date and approve Service Authorization to end allowing for a 15-day notice. Suspend the family's case for a period up to one year. See Chapter 8.9 (Suspending a case).
- When the schedule verifications are received, reauthorize child care. Child care can be authorized retroactively back to the date care was ended or three 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).

Pending in-home care requests

If an in-home child care request is needed but has not been submitted or is not yet approved by DHS but the family remains eligible, process the redetermination but do not authorize care until an in-home request is approved by DHS.

- If the Service Authorization(s) is not already closed, end the Service Authorization using the reason code "Care is No Longer Authorized" using the last day of the redetermination period as the end date and approve Service Authorization to end allowing for a 15-day notice. Suspend the family's case for a period up to one year. See Chapter 8.9 (Suspending a case).
- If the Service Authorization(s) were closed due to incomplete redetermination and the case is being reinstated, end the Service Authorization using the reason code "Care is No Longer Authorized" using the date the redetermination is processed as the end date and approve Service Authorization to end

allowing for a 15-day notice. Suspend the family's case for a period up to one year. See Chapter 8.9 (Suspending a case).

- Authorize child care when the in-home child care request is approved by DHS or the family chooses an out-of-home provider. Child care can be authorized retroactively back to the date care was ended or three months prior to the date the Service Authorization is issued, whichever is later. See Chapter 9.3 (Payments to providers).

Copay changes

Information verified at 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. You must ensure the family's copay does not increase during the 12-month eligibility period. 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.
  - When a closed case is reinstated and the redetermination is processed resulting in a copay increase, a 15-day adverse action notice is required. See Chapter 10.6.10 (Redetermination processing - reinstatement).

Authorized hours changes

Information verified at 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. Caseworkers should reference the MEC² User Manual (go to ***Service Authorizations > Reduction of Hrs to a Provider Requiring a 15-Day Notice Workaround***) to correctly reduce authorized hours with a 15-day notice.
  - When a closed case is reinstated and the redetermination is processed resulting in a decrease in the number of hours authorized, a 15-day adverse action notice is required. See Chapter 10.6.10 (Redetermination processing - reinstatement).

Legal authority

Minnesota Statutes 119B.025
Minnesota Statutes 119B.13, subd. 6
Minnesota Rules 3400.0180

Case actions around redetermination 10.6.8

Processing changes around the redetermination

In general, if a redetermination has been processed and a change becomes known, treat that change as occurring during the 12-month eligibility period. If the change occurred after the redetermination due date, the change typically is not used to process the redetermination; however, verified future income known at redetermination may be used to process the redetermination. See Chapter 6.15 (Annualizing income).

When processing a redetermination with changes that occur after the redetermination due date, the redetermination must first be processed based on the family's situation as of the redetermination due date to ensure that polices that apply at redetermination are met.

Changes that occur after the redetermination due date must be processed after the redetermination has been approved in order to apply 12-month eligibility policies.

Examples of processing changes around the redetermination

Example 1:
A one-parent family has a redetermination due date of March 1. A completed redetermination and all verifications were received on March 15 and processed on March 20. The redetermination and verification indicate that employment ended March 10.

- Date of redetermination: March 1
- Date redetermination processed: March 20
- Date of change: March 10
- Type of change: Permanent end to employment

Process the redetermination based on the employment activity because the parent was participating in an authorized activity on the redetermination due date. After the redetermination is processed and approved, enter the employment end date and start Extended Eligibility. See Chapter 9.15.6 (Extended Eligibility).

Example 2:
A two-parent family has a redetermination due date of October 15. A completed redetermination and all verifications were received on September 28 and processed on October 1. Family remained eligible. On October 13, the family reports that one PRI moved out of the household on October 12.

- Date of redetermination: October 15
- Date redetermination processed: October 1
- Date of change: October 13
- Type of change: PRI moved out of the home - Change in household size

Since the redetermination was completed and processed before the change became known, treat the change as occurring during the 12-month eligibility period. Take actions to remove the PRI from the household. Child support cooperation is not required until the next redetermination.

Case actions around redetermination 10.6.8

Contact your policy specialist if you have questions about how a change that occurs around the redetermination period impacts eligibility around redetermination processing.

When a parent is on a verified temporary break at redetermination

When a parent is on a temporary break at redetermination, the expected return to the activity is verified and all other eligibility requirements are met, the case must be suspended. See Chapter 10.6.3 (Redetermination processing standards). However, MEC^2 fails the activity test at redetermination when the parent is coded in MEC^2 as on a Temporary Leave. Follow the guidance in the MEC^2 User Manual > System Limitations > Temporary Leave at Redetermination for system guidance to get eligible results in MEC^2.

Example: Parent is on parental leave and has verification of an anticipated return to work in October. The worker is processing the redetermination in September. Because the worker has the verification of the return to work and the work meets the minimum activity requirements at redetermination, the family continues to be eligible, but the case will be suspended until the parent returns to work. Follow the guidance in the MEC^2 User Manual > System Limitations > Temporary Leave at Redetermination for system guidance to get eligible results in MEC^2.

Closing a case around the redetermination

There are situations in which it is appropriate to close a family's eligibility during the 12-month eligibility period. See Chapter 8.15 (Termination). If one of these changes occurs when the redetermination biweekly period is available in the approval package, MEC^2 will prevent termination before the family's redetermination date. To close the case before the redetermination date, follow guidance in the MEC^2 User Manual > System Limitations > Close Case When the Redetermination Biweekly Period is Available for system guidance.

Approving eligibility results at redetermination

MEC^2 passes or fails required eligibility tests during the redetermination biweekly period, regardless of whether the Redetermination window has the "Updates Required" status selected, but MEC^2 will not allow approval of the ineligible results while the redetermination status is blank, "Incomplete," or "Not Received." This ensures the case does not close during the 12-month eligibility period. When the Redetermination window is updated to "Updates Required," the eligibility tests will apply and results can be approved.

Eligible results approved incorrectly at redetermination

If the redetermination was processed without all information about the family's eligibility at redetermination; the redetermination process in MEC^2 is complete. If the family is actually ineligible at redetermination, the system will not generate ineligible results in the redetermination biweekly period, even if changes are entered in the redetermination biweekly period. Contact your policy specialist if the family is ineligible at redetermination but the redetermination has already been processed and approved as eligible.

Subprogram switches around the redetermination

If results for a new subprogram have generated and the family has a redetermination due in an available biweekly period, review the MEC² User Manual > Case Management and Eligibility > Subprogram Switch for guidance and notice requirements needed for subprogram switches around a redetermination.

Extended Eligibility ending at redetermination

When a family has a permanent end to their only authorized activity (for all activities besides job search outside of an employment plan), they continue to be eligible for up to three months or until their next redetermination, whichever occurs first. See Chapter 9.15.6 (Extended Eligibility).

Workers will receive an alert when Extended Eligibility is expiring. If Extended Eligibility is ending at redetermination, do not approve CCAP to close for Extended Eligibility ending. Allow the case to follow the redetermination processing timeline.

- If the family does not return a complete redetermination, the case will close 15 days after the redetermination due date identified in MEC². The 15 day adverse action period is not an overpayment.
- If a complete redetermination is returned, determine if the family is meeting the activity requirements at redetermination. If they are not meeting the requirements, close the case no earlier than the redetermination due date allowing for a 15-day notice of adverse action. The 15-day adverse action period is not an overpayment. Agencies could place the case on Temporary Ineligible status.

Legal authority

Minnesota Rules 3400.0175, subp. 4
Minnesota Rules 3400.0180

Redetermination processing - Reinstatement 10.6.10

Families have 30 calendar days after their case closes to submit the redetermination form and all required eligibility verifications. When the 30th calendar day falls on a Saturday, Sunday, or legal holiday, the 30-day time period is extended to the next day that is not a Saturday, Sunday or legal holiday. If the family meets all eligibility requirements, approve child care assistance 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 must remain closed. If the Minnesota Child Care Assistance Program Redetermination Form (DHS-5274-ENG) (PDF) is submitted after the 30-day reinstatement period, it cannot be used as a new application for child care assistance. The family must submit the Minnesota Child Care Assistance Program Application (DHS-3550), the Combined Application – Child Care Addendum DHS-5223D (PDF) (if applicable) or an online application through MNbenefits (mnbenefits.mn.gov) to reapply for child care assistance. See Chapter 3.6 (Accepting and processing applications) for policies on processing a new application.

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 at or below the exit level of 67 percent of State Median Income. See Chapter 6.3 (Income limits).
- Family's income does not need to meet the 47 percent of State Median Income applicant income level. See Chapter 6.3 (Income limits).

Copay changes

Information verified at redetermination received within 30 calendar days after case closes 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 from the day the redetermination is processed. You must ensure the family's copay does not increase during the 12-month eligibility period. 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 verified at redetermination received within 30 calendar days after case closes 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. Caseworkers should reference the MEC² User Manual > ***Service Authorizations > Reduction of Hrs to a Provider Requiring a 15-Day Notice Workaround*** to correctly reduce authorized hours with a 15-day notice.

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. 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 must 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, reinstate the case.
- If all eligibility requirements are not met for the time period directly after the case closed, the case remains 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, reinstate the case 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, reinstate the case back to the date the case closed, as long as the family has not exceeded the time limit for temporary ineligibility.

Schedule verification or in-home child care request

If schedule verifications or an in-home child care request are missing but all other required information has been returned within 30 calendar days after the case closes, reinstate the case. If the Service Authorization(s) were closed due to incomplete redetermination and the case is being reinstated, end the Service Authorization using the reason code "care no longer authorized" using the date the redetermination is processed as the end date and approve the Service Authorization to end allowing for a new 15-day notice.

Suspend the family's case 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 or the in-home child care request is approved by DHS. Child care can be authorized retroactively back to the date care ended or three 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 ended). If a provider provided care for a time period without receiving a Service Authorization and a billing form for an eligible family, care can be authorized retroactively for a maximum of three months from the date the provider is issued a Service Authorization and billing form. See Chapter 9.1 (Child care authorization).

Child Support cooperation

Families who are not cooperating with Child Support enforcement at the time of their redetermination will have their case closed for failure to complete redetermination. See Chapter 4.9.12 (Child Support Cooperation at Redetermination). If a family begins cooperating with Child Support enforcement within the 30-day reinstatement period, reinstate the case back to the date the case closed if all other redetermination eligibility factors are met.

Inappropriate reinstatement

Do not reinstate eligibility if the redetermination form and/or required verifications are received after the last day of the 30-calendar-day reinstatement period. Require the family to complete a new application.

An inappropriate reinstatement occurs if:

- Eligibility is reinstated when the completed redetermination form and/or required eligibility verifications were received after the last day of the 30-calendar day reinstatement period.
- Eligibility is reinstated but the family did not meet eligibility requirements at redetermination.

If it is discovered that an inappropriate reinstatement occurred at the time eligibility is reinstated and the family is actually ineligible at redetermination, the system will not generate ineligible results in the redetermination biweekly period, even if changes are entered in the redetermination biweekly period. Contact your policy specialist if an inappropriate reinstatement occurred and the family is actually ineligible but the redetermination was reinstated and approved as eligible.

If a case was inappropriately reinstated, determine if an overpayment occurred. See Chapter 14.1 (Assessing overpayments) to determine when to assess an overpayment and Chapter 14.6 (Amount of overpayment) to determine the amount of the overpayment.

Legal authority

Minnesota Statutes 119B.025, subd. 3
Minnesota Statutes 119B.09, subd. 1 & 7
Minnesota Statutes 119B.13, subd. 6
Minnesota Rules 3400.0170
Minnesota Rules 3400.0180

Providers 11

A child care provider is defined as individuals or centers licensed by a state or tribe, individuals or centers under the jurisdiction of the federal government, certified license exempt centers, and legal nonlicensed individuals providing legal child care services.

CCAP will not pay a provider who lives in the same home as the child.

A licensed individual or a licensed center must have a valid child care license issued by a state or a tribe and provide child care services in the licensing state or in the area under the tribe's jurisdiction. Individuals or centers licensed by a state or tribe outside of Minnesota or under the jurisdiction of the federal government must meet federal health and safety requirements.

A legal nonlicensed child care provider must meet requirements as outlined in Chapter 11.9 (Legal non-licensed (LNL) providers).

CCAP parents have a right to choose their child care provider. Each family can use up to two providers that can be paid by CCAP, one primary provider and one secondary provider. Parents choose their children's primary and secondary provider, and they may choose a different primary and secondary provider for each child in the family. See Chapter 9.1.9 (Authorizing care – Multiple providers).

There are four different types of providers:

- Licensed family child care providers. See Chapter 11.3 (Licensed child care providers)
- Licensed centers. See Chapter 11.3 (Licensed child care providers)
- Certified license exempt centers. See Chapter 11.6 (Certified license exempt centers)
- Legal nonlicensed providers. See Chapter 11.9 (Legal nonlicensed (LNL) providers)

The Minnesota Child Care Assistance Program (CCAP) Provider Guide DHS-5260-ENG (PDF) is a resource available to child care providers who care for children receiving CCAP. The booklet may be referenced by CCAP workers if needed during discussions with CCAP providers or for informational purposes.

Legal authority

Minnesota Statutes 119B.09
Minnesota Statutes 119B.097
Minnesota Statutes 119B.011, subd. 19
Minnesota Statutes 119B.125
Minnesota Rules 3400.0035, subp. 7 & 8

Licensed child care providers 11.3

Licensed child care providers are licensed by either:

- the State of Minnesota or
- another state, or
- a tribe.

Individuals, centers or facilities operated under the jurisdication of the federal government are considered out-of-state licensed child care providers for the Child Care Assistance Program. For example, an Air Force Base child care center under the jurisdiction of the federal government would be registered as an out-of-state licensed center.

These providers must be providing child care services in the licensing state, in the area under the licensing tribe's jurisdiction, or in the area under federal jurisdiction.

They include:

- Licensed family child care providers.
- Licensed group family child care providers.
- Licensed centers.
- Centers or facilities under the jurisdiction of the federal government.

Require a licensed provider to register with your county. See Chapter 11.12 (Provider Registration).

Legal authority

Minnesota Statutes 119B.011, Subd. 19
Minnesota Statutes 119B.125
Minnesota Rules 3400.0035, Subp. 7

Licensed child care provider – License closes 11.3.3

A child care provider's license may close due to:

- Temporary immediate suspension
- License expiration

A provider whose registration closes because their license closes must complete a new registration to receive CCAP again if their license re-opens.

Temporary immediate suspension

When a provider's license ends due to temporary immediate suspension, do not issue child care assistance payments for care provided after the date of the temporary immediate suspension. When a provider's license has been temporarily immediately suspended, a 15-day notice of adverse action is not needed to end care. Providers receive notice that care is ending immediately.

Continue to make child care assistance payments for care provided prior to the date of the temporary immediate suspension if care was authorized with the provider.

License expiration

A licensed provider's CCAP registration does not end on the date that their license expires.

If 30 days has passed without the license renewal completed, DHS licensing will close the license the day following 30 days. Continue to authorize care and make CCAP payments at the licensed provider rate for care provided during the 30 days following the license expiration date.

A 15-day notice of adverse action to close the provider's CCAP registration is sent the next business day following the date that the license is closed. Continue to authorize care and make CCAP payments at the licensed provider rate for care provided during the 15-day notice of adverse action.

Do not assess overpayments for the 30-day period following the license expiration date and the 15-day notice of adverse action period, unless there is an overpayment due to a reason unrelated to the provider's license status.

Example:

Provider's license has an expiration date of 4/1. If 30 days passes without the license renewal completed, DHS Licensing will close the license the day following 30 days. In this example, 30 days is 5/1. 5/2 is the first available working day to close the license. MEC^2 will automatically send a 15-day notice of adverse action on 5/2 to end the provider's registration on 5/18. CCAP will continue to be authorized and paid at the licensed provider rate through 5/18. An overpayment is not assessed for the time period of 4/1 to 5/18.

Provider receives new license or certification number because of an

ownership or tax ID change

When a licensed or certified provider receives a new license or certification number because of an ownership or tax ID change, they must complete a new registration and get a new MEC² ID. See Chapter 11.12 (Provider registration). For more information on when a new registration is required, see MEC² User Manual instructions for when a Licensed/Certified Provider Receives New License/Certification.

Legal authority

Minnesota Statutes 119B.011, subds. 19 & 19a
Minnesota Statutes 119B.125, subd. 2
Minnesota Rules 3400.0120, subps. 1 & 1a
Minnesota Rules 3400.0185, subp. 13

Certified license exempt centers 11.6

Certified license exempt centers

The Minnesota Department of Human Services has the authority to certify license exempt centers. When a license exempt center is certified, it means that the center meets the federal requirements for receiving child care assistance.

Registering a license exempt center

To be registered for CCAP, a license exempt center must be certified.

For certified license exempt centers actively registered with at least one CCAP agency, agencies confirm the program's certification status on the License/Certification window in MEC^2. For certified license exempt centers not actively registered with at least one CCAP agency, agencies confirm the program's certification status by validating the certification number in MEC^2.

More information about a provider's certification can be found by searching the certification number on DHS Licensing Information Lookup.

Registration process

Require a certified license exempt center to register with your agency. Register each certified license exempt program separately. A site may operate programs that fall under different license exemptions, and each needs to be certified. Register each of these certified programs separately. See Chapter 11.12 (Provider Registration).

License exempt centers that can be registered as CCAP providers include certified providers that provide programming under one of the following license exemptions:

- Recreation programs for children operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities
- Programs operated by a school, YMCA, YWCA or Jewish Community Center (JCC) whose primary purpose is to provide child care or services to school age children
- Programs operated by a public school for children 33 months or older
- Camps licensed by the Department of Health under Minnesota Rules, chapter 4630
- Head Start and nonresidential programs that operate for less than 45 days in a calendar year
- Programs for children such as scouting, boys and girls clubs, sports and art programs and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period
- A program serving only children who are age 33 months or older, that is operated by a nonpublic school, for no more than four hours per day per child, with no more than 20 children at any one time, and that is accredited by:
    I. an accrediting agency that is formally recognized by the commissioner of education as a nonpublic school accrediting organization **OR**
    II. an accrediting agency that requires background studies and that receives and investigates complaints about the services provided.

Payments to license exempt centers

Pay license exempt centers at the same rate as licensed centers in the same age category.

License exempt centers must be certified in order to be registered with CCAP and can be paid retroactive to the later of the date that:

- Child care was authorized to begin **OR**
- The family became eligible **OR**
- The date of certification.

See Chapter 9.3 (Payments to providers) for more information on first payment date.

Certified license exempt center information updates

Certified license exempt center names and site addresses are updated to the name and site address the provider has for certification. If a name or site address changes and the provider indicates the change is incorrect, the provider must update the information with DHS Licensing.

Provider workers **must not** change certified license exempt center names or site addresses in MEC^2. Provider workers may add and change mailing addresses if the provider requests a mailing address or change to their mailing address.

Certified license exempt center receives a new certification number

When a certified license exempt center receives a new certification number, they must re-register and receive a new MEC^2 ID. See Chapter 11.12 (Provider registration).

Centers not licensed by the state of Minnesota Department of Human Services

Programs licensed by another agency such as a tribal nation or another state should be registered as a licensed program. See Chapter 11.3 (Licensed Child Care Providers).

License exempt centers that cannot be registered as CCAP providers

All license exempt centers must be certified to register for CCAP. Some programs may attempt to register for CCAP that are not eligible for certification as a CCAP provider. If a license exempt center is not certified when they attempt to register, the license exempt center should be directed to DHS Licensing. DHS Licensing will determine if the license exempt center is able to be certified and/or if they may pursue another option, such as licensing, to be an eligible CCAP provider.

License exempt centers 11.6

Legal authority

Minnesota Statutes 245A.03, Subd. 2
Minnesota Statutes 245H
Minnesota Statutes 119B.011, Subd. 19

Short-term alternative locations 11.6.3

What is a short-term alternative location?

A short-term alternative location is a certified license exempt center where care is provided for 21 consecutive calendar days or less when another certified license exempt center controlled by the same entity is not available.

Example

A certified license exempt center, Washington Elementary Kids, operated by the school district is closed during spring break. The school district offers care for children who typically attend Washington Elementary Kids at another certified license exempt center, Lincoln Elementary Kids, also operated by the school district. Lincoln Elementary Kids is considered the short-term alternative location to Washington Elementary Kids.

When can a provider bill for care provided at a short-term alternative location under a child's typical Service Authorization?

In order for a program to bill for care under a child's typical Service Authorization when the child attends a short-term alternative location, the following conditions must be met:

- The alternative location must be a certified license exempt center.
- The alternative location must be actively registered with the CCAP agency.
- The alternative location must be controlled by the same entity as the typical certified license exempt center. The alternative location and the typical certified license exempt center must have the same tax ID in MEC^2.
- The alternative location must be documented on the certified license exempt center's Certified license exempt center short-term alternative locations (DHS-5191A) form.
  - A certified license exempt center may identify multiple short-term alternative locations.
  - This documentation may be submitted at registration, renewal or when there are changes to short-term alternative locations.
  - The documentation must be submitted prior to payment being issued for care provided at a short-term alternative location.
  - CCAP agencies must keep any forms submitted in the typical certified license exempt center's provider file. It is recommended that the provider worker enters a case note on the Provider Note window in the provider's registration for communication to case and billing workers.
- Care must not be available for the child at the certified license exempt center the child typically attends.
- Care must be provided for no more than 21 consecutive calendar days at the alternative location.

How should care be authorized and billed for short-term alternative locations?

Alternative location is used for 21 consecutive calendar days or less

If the conditions above are met, care can continue to be authorized under the original provider. Certified license exempt centers may bill care provided at a short-term alternative location under the child's typical authorization.

If any of the above conditions are not met or the provider chooses not to bill care under the child's typical authorization, the alternative location must be added as a child's secondary provider (see chapter 9.1.9 (Authorizing Care – Multiple Providers)) or a provider switch must be completed (see chapter 9.1.10 (Authorizing Care – Switching providers)).

Example
Washington Elementary Kids submitted the Certified license exempt center short-term alternative locations (DHS-5191A) form identifying that Lincoln Elementary Kids is a short-term alternative location to Washington Elementary Kids. Lincoln Elementary Kids is actively registered with CCAP and has the same tax ID as Washington Elementary Kids.

A child is authorized for care at Washington Elementary Kids. During winter break, care is not available at Washington Elementary Kids, but families are given the option for children to attend Lincoln Elementary Kids December 23rd to January 3rd. This child will attend Lincoln Elementary Kids during winter break.

Care continues to be authorized under Washington Elementary Kids. The provider can bill for care provided at Lincoln Elementary Kids under the child's Washington Elementary Kids Service Authorization.

Alternative location is used for more than 21 consecutive calendar days

If an alternative location is used for more than 21 consecutive calendar days, the alternative location is not considered short-term. The alternative location must be added as a child's secondary provider (see chapter 9.1.9 (Authorizing Care – Multiple Providers)) or a provider switch must be completed (see chapter 9.1.10 (Authorizing Care – Switching providers and back-up providers)).

Care must be authorized, billed and paid under the provider registration associated with the alternative location. Payment for more than 21 consecutive calendar days of care provided at an alternative location under the child's typical authorization could result in an overpayment.

Example
A child is authorized for care at Washington Elementary Kids. During the three month summer break, care is not available at Washington Elementary Kids, but families are given the option for children to attend Lincoln Elementary Kids. This child will attend Lincoln Elementary Kids during summer break.

Because care will be provided at Lincoln Elementary Kids for more than 21 consecutive calendar days, the program cannot bill for care under the child's Washington Elementary Kids' Service Authorization. A provider switch must be completed to make Lincoln Elementary Kids the child's primary provider.

What are the provider requirements when short-term alternative locations are used?

When short-term alternative locations are used, providers must follow all CCAP and certification requirements, including:

- Ensuring all certification requirements, including age groups served, maximum group size and staff-to-child ratio, are met at all times.
- Following daily attendance record requirements (see chapter 11.15 (Provider Record Keeping)) and must be able to produce documentation of site specific attendance when CCAP is billed immediately upon county or commissioner request.

Legal nonlicensed (LNL) providers 11.9

What is a legal nonlicensed provider?

Legal nonlicensed providers are typically family, friends or neighbors. Legal nonlicensed providers must meet specific requirements and register with the CCAP agency. Some requirements for legal nonlicensed providers vary depending on if they are caring for any children who are not related to them.

What does a legal nonlicensed provider need to do for their registration to be approved?

Before a legal nonlicensed provider's registration can be approved, they must:

- Be at least 18 years of age.
- Not be a member of the MFIP assistance unit or a member of the family applying for or receiving child care assistance.
- Not live in the same home as the child whose family is applying for or receiving child care assistance.
- Provide child care only to related children and/or provide child care to children from a single unrelated family at one time. Related means the provider is the child's sibling, grandparent, great-grandparent, aunt, or uncle of the child, based on blood relationship, marriage or court decree. Cultural or tribal relationships that do not meet this definition are not considered "related" for purposes of determining provider training requirements.
- Have current certification in pediatric First Aid and pediatric CPR. See Chapter 11.9.9 (Legal Nonlicensed Providers –Training Requirements).
- Not be excluded or debarred in another Department of Human Services (DHS) program.
- Not be determined (or not live with someone who has been determined) disqualified from providing direct care services through the background study process. See Chapter 11.9.12 (Legal Nonlicensed Providers – Background studies).
- Register with the agency serving the family. See Chapter 11.12 (Provider registration).

What does a legal nonlicensed provider need to do for care to be authorized?

For care to be authorized with a legal nonlicensed provider, they must:

- Meet additional training requirements. See Chapter 11.9.9 (Legal Nonlicensed Providers –Training Requirements).
- Provide child care for up to eight children age 11 and younger at one time. See Chapter 11.9.21 (Legal nonlicensed provider – group size and age limits).

Additionally, families, including families eligible for Expedited Child Care for Families Experiencing Homelessness, must sign and return the Parent Acknowledgment When Choosing a Legal Nonlicensed Provider Form (DHS-5367) (PDF) before care can be authorized with the legal nonlicensed provider. See Chapter 11.12 (Provider registration).

What else does a legal nonlicensed provider need to do to remain registered?

After the legal nonlicensed provider's initial registration is approved, to remain registered the provider must:

- Have an emergency plan. See Chapter 11.9.15 (Legal nonlicensed providers-emergency plans).
- Obtain immunization records for each child in care within 30 days of the child starting care and update the records with information from the family.
- Have an annual monitoring visit if they have an open Service Authorization for a child who is not related to them. See Chapter 11.9.18 (Legal nonlicensed providers-annual monitoring).
- Complete the registration renewal process. See Chapter 11.24 (Provider renewal).

Care location

Care is typically provided in the legal nonlicensed provider's home but could also be provided in another location or in the child's home (if in-home care is approved). See Chapter 11.27 (In-Home Child Care Requests and Provider Information).

If a legal nonlicensed provider is providing care outside of the state of Minnesota:

- The provider must be providing legal care in their state of residence.
- If caring only for related children, the provider can be registered if all legal nonlicensed provider requirements are met.
- If caring for unrelated children, the provider typically cannot be registered since an annual visit would have to be performed out-of-state.
- Contact your policy specialist if you have questions about whether a provider can be registered.

Payment information

For information on the hourly rate to pay legal nonlicensed providers, see Chapter 9.24.3 (Child Care Rates, Registration Fees, and Copayments). Do not pay registration fees to legal nonlicensed providers.

Legal authority

Minnesota Statutes 119B.011, subd. 5 and 19
Minnesota Statutes 119B.125
Minnesota Statutes 245A.03 subd. 2(a)
Minnesota Statutes 245C.03 subd. 6a
Minnesota Statutes 245C.08
Minnesota Statutes 245C.14
Minnesota Statutes 245C.15
Minnesota Rules 3400.0035 subp. 8 and 9
Minnesota Rules 3400.0120
Minnesota Rules 3400.0140 subp. 5

Legal nonlicensed provider reporting and complaints 11.9.3

Legal nonlicensed provider reporting

Legal nonlicensed providers must report certain health and safety incidents to the CCAP agency. The CCAP agency must report the incident(s) to the agency's policy specialist at the Department of Human Services.

Incidents that must be reported are:

- Serious injuries of children. A serious injury is one that requires treatment by a physician.
- Suspected maltreatment of minors. Maltreatment includes physical abuse, neglect, sexual abuse, and mental injury.
- Death of a child while in the care of the provider.

The Death, Serious Injury, Maltreatment Report Form (DHS-7583) (PDF) can be used by legal nonlicensed providers and CCAP agencies to report these incidents. This is an optional form. Reports can also be made using other methods.

In addition, require legal nonlicensed providers to report all changes identified in 11.18 (Provider Reporting).

Agency responsibilities regarding complaints and reported incidents

Within 24 hours of receiving a complaint or reported incident concerning the health or safety of children under the care of a legal nonlicensed (LNL) provider, an agency must relay the complaint or reported incident to:

- The county or tribe's child protection agency if the complaint or reported incident alleges child maltreatment as defined in Minnesota Statutes, section 260E (suspected maltreatment of a minor must also be reported to the agency's policy specialist at DHS);
- The county or tribe's public health agency if the complaint or reported incident alleges a danger to public health due to communicable disease, unsafe water supply, sewage or waste disposal, or building structures;
- Local law enforcement if the complaint or reported incident alleges criminal activity that may endanger the health or safety of children under care; or
- Other agencies with jurisdiction to investigate complaints or reported incidents relating to the health and safety of a child.

Agencies must have processes in place to ensure the investigating authority reports back to the agency if the complaint or reported incident is substantiated.

Agency responsibilities regarding substantiated complaints including reported incidents

When you are notified that a complaint or reported incident has been substantiated, determine:

- If there is an imminent risk to the health, safety or rights of a child in care with the legal nonlicensed provider as defined in your County and Tribal Child Care Fund Plan.
- If a child died or was seriously injured. A serious injury is one that requires treatment by a physician.

  - When substantiated maltreatment occurs in a legal nonlicensed care setting and a child dies or is seriously injured, the child care setting is always considered unsafe care.
- If the situation meets your agency's definition of unsafe care as defined in your County and Tribal Child Care Fund Plan.
- If the complaint meets provisions your agency enforces under provider compliance policies as defined in your County and Tribal Child Care Fund Plan.

If the substantiated situation meets one of these criteria:

- If the provider is registering to be a legal nonlicensed provider, deny the registration.
- If the provider is actively registered, close the provider's registration and all open Service Authorizations with a 15 calendar day notice. If it is determined that there is an imminent risk to the health, safety or rights of a child in care with a legal nonlicensed provider, a 15-day notice for adverse action is not required. See Chapter 12.1 (15-Day Notice Requirements).
  - The provider can be paid through the end of the 15-day adverse action period.
  - If the provider corrects the conditions underlying the complaint or reported incident during the 15-day notice period, the registration remains open.
  - If the provider does not correct the condition until after the registration closes, the provider must re-register to receive child care assistance.
  - Providers cannot be re-registered as a legal nonlicensed provider if a child has died or been seriously injured in their care as a result of a substantiated maltreatment.
- The agency must report the aggregate number of child fatalities, substantiated maltreatment and serious injury incidents that occur in legal nonlicensed care homes to DHS at least quarterly.

Agency responsibilities for keeping records of substantiated complaints including reported incidents

If a complaint or reported incident related to a legal nonlicensed provider is substantiated by the county or tribe's child protection agency, the agency must keep a record of the substantiated complaint for 10 years as provided in Minnesota Statutes, section 260E.

If a complaint or reported incident is substantiated by the county or tribe's public health agency, local law enforcement, and/or other agencies with jurisdiction to investigate the complaint, the agency must keep a record of the substantiated complaint for three years.

Upon request, information governing substantiated complaints including reported incidents shall be released to the public as authorized under Minnesota Statutes, chapter 13.

Legal authority

Minnesota Statute 260E
Minnesota Statutes 13
Minnesota Statute 119B.13, subd. 6d
Minnesota Statutes 119B.125, subd. 4
Minnesota Rules 3400.0035, subp. 5e
Minnesota Rules 3400.0140, subp. 6

Legal nonlicensed (LNL) provider data requests 11.9.6

If your agency receives requests for Child Care Assistance Program data, contact your agency's data privacy official or county or tribal attorney for how to proceed.

Information about legal nonlicensed providers

If your agency receives a request for public information about legal nonlicensed (LNL) providers, provide the requested information on all legal nonlicensed providers currently registered by your CCAP agency. Do not identify which legal nonlicensed providers are currently serving CCAP families or currently getting paid with CCAP funds.

Note: It is recommended that the provider worker document all data requests pertaining to the provider in MEC² on the Provider Notes window.

Legal authority

Minnesota Statutes 119B.02, subd. 6
Minnesota Statutes 13.46, subd. 4 (b)

Legal nonlicensed Providers – Training requirements 11.9.9

What training is required for registration approval?

Before their registration can be approved, legal nonlicensed providers must provide documentation of pediatric First Aid and Cardiopulmonary Resuscitation (CPR) training instruction that includes CPR techniques for infants and children. Online components of pediatric First Aid and pediatric CPR training may qualify, except for the practical portion of pediatric CPR, which must be taken in person.

The pediatric First Aid and pediatric CPR training must have been provided by individuals approved to provide such training. Agencies should align standards for acceptable training with standards used for approving licensed family child care providers pediatric First Aid and pediatric CPR training.

The training must be effective as of the date the provider registration is approved. See Chapter 11.12 (Provider Registration).

What training is required for care to be authorized?

Training that depends on the age of children in care

Training required to authorize care depends on the age of children in care. For children 5 years old and older, no additional training is required before care can be authorized. For children under 5 years old, additional training is required before a Service Authorization can be issued. This may mean that the authorization start date is different for different children being cared for by the provider.

Before issuing a Service Authorization for a child under 5 years old, the legal nonlicensed provider must take and verify the following training:

- For any children under five years old:
  - Preventing Abusive Head Trauma (AHT)*
    OR
  - Supervising for Safety – Legally Nonlicensed
- For any children under one year old:
  - Preventing Sudden Unexpected Infant Death Syndrome (SUIDS)** AND Preventing Abusive Head Trauma (AHT)*
    OR
  - Supervising for Safety – Legally Nonlicensed

*The Preventing Abusive Head Trauma (AHT) training must be approved by the commissioner and taken within two years prior to receiving an initial authorization to care for a child under five years of age.

**The Preventing Sudden Unexpected Infant Death Syndrome (SUIDS) training must be approved by the commissioner and taken within two years prior to receiving an initial authorization to care for a child under one year of age.

See "Entering training information in MEC²" below for guidance about tracking training completion in MEC².

Training that depends on the provider's relationship to the children in care

In addition to training requirements based on the age of children in care, legal nonlicensed providers caring for at least one child receiving child care assistance who is not related to them must complete Supervising for Safety – Legally Nonlicensed (health and safety training) **within 90 days of the Service Authorization start date for an unrelated child**. See "Determining the provider's relationship" below for the definition of related.

The **Supervising for Safety – Legally Nonlicensed** course (8 hours) is offered through Child Care Aware. Providers search for the training using key words "Supervising for Safety Legally Nonlicensed" and register online at Develop. The web-based course is completed through the partner website Eager-to-Learn. This course includes the Sudden Unexpected Infant Death Syndrome (SUIDS) and Abusive Head Trauma (AHT) training requirements.

Agencies must track the 90-day deadline. It is recommended the provider worker and case worker coordinate and set alerts to track this information.

See "Entering training information in MEC²" below for guidance about tracking training completion in MEC².

What happens if Supervising for Safety – Legally Nonlicensed is not completed within 90 days of the authorization start date?
If Supervising for Safety – Legally Nonlicensed is not completed within 90 days of issuing a Service Authorization for an unrelated child, care for any unrelated children must end. Agencies must track the end of the 90-day period and end Service Authorizations for unrelated children. Once the course is completed, Service Authorizations can be approved back to the course completion date. Service Authorizations for related children are not impacted by the Supervising for Safety – Legally Nonlicensed (health and safety) training requirement.

What training is required at registration renewal?

Training requirements at a provider's registration renewal vary depending on if the provider is serving children who are not related to them. See "Determining the provider's relationship" below for the definition of related.

Training requirements at renewal for related providers

At each registration renewal, the provider must provide proof of an additional eight hours of training in topics approved by the Achieve: Minnesota Center for Professional Development Registry. All courses offered by the Child Care Aware agencies listed on Develop qualify toward the eight hours. Child Care Aware agencies coordinate and offer training approved by the Registry. Their staff can help providers find training. Pediatric First Aid and pediatric CPR courses count in the additional eight hours of training but are not required.

See "Entering training information in MEC²" below for guidance about tracking training completion in MEC².

Training for unrelated providers

At each registration renewal, if a provider still provides care for unrelated children receiving CCAP they must provide proof of training in:

- **Supervising for Safety – Legally Nonlicensed** (8 hours)
  - If the provider has cared for unrelated children for more than 90 days, the training is required within the last 12 months.
  - If the provider has cared for unrelated children for less than 90 days, Supervising for Safety training is required within 90 days of the Service Authorization being issued. If the provider has not taken Supervisor for Safety at renewal, the provider must provide proof of an additional eight hours of training.
- **Pediatric First Aid** must be current at time of renewal. Providers are not required to maintain current certification throughout their registration period.
- **Pediatric cardiopulmonary resuscitation (CPR)** must be current at time of renewal. Providers are not required to maintain current certification throughout their registration period.

See "Entering training information in MEC²" below for guidance about tracking training completion in MEC².

Determining the provider's relationship

Related means the provider is the child's sibling, grandparent, great-grandparent, aunt, or uncle of the child, based on blood relationship, marriage or court decree.

Families report on the child care application or redetermination form if the provider is related or not related. Agencies should assume the provider is not related unless the family informs the agency that they are related.

Code the "Related to" field on the Child's Provider window in MEC² as "Yes" if the provider is the child's sibling, grandparent, great-grandparent, aunt, or uncle, based on blood relationship, marriage or court decree.

Training verification

Legal nonlicensed providers must verify all required training.

Legal nonlicensed providers can include training information on their CCAP Legal Nonlicensed Provider Registration and Acknowledgement DHS 5192 (PDF).

Legal nonlicensed providers can submit proof of training or the provider or CCAP agency can contact the department if they have taken training through Develop but do not have proof.

Entering training information in MEC²

Once training is verified, the provider worker must update the provider's Training window in MEC² to include the date training was completed.

Enter:

- Pediatric CPR in the "Cardiopulmonary Resuscitation (CPR)" field.
- Pediatric First Aid in the "First Aid" field.
- Preventing Abusive Head Trauma (AHT) in the "Abusive Head Trauma" field.

- Preventing Sudden Unexpected Infant Death Syndrome (SUIDS) in the "Sudden Unexpected Infant Death Syndrome" field.
- Supervising for Safety – Legally Nonlicensed in the "Health & Safety" field.
- Training hours required at renewal (except pediatric CPR and First Aid and Supervising for Safety Legally Nonlicensed which are tracked as identified above) in the "Ongoing Training" field.

It is also recommended that the provider worker document the completion of all training on the Provider Notes window in MEC².

How do training completion dates impact first date of payment?

Chapter 9.3 (Payments to Providers) provides information about the earliest date payment can be made to providers. Review the chapter for the full policy about first payment date. For legal nonlicensed providers, payment cannot be made before:

- Pediatric First Aid and CPR training is completed for any children
- Preventing Abusive Head Trauma (AHT) training is completed for any children under 5
- Preventing Sudden Unexpected Infant Death Syndrome (SUIDS) AND Preventing Abusive Head Trauma (AHT) is completed for any children under 1.

Legal authority

Minnesota Statutes 119B.125
Minnesota Rules 3400.0120, subp. 6

Legal nonlicensed providers – Background studies 11.9.12

Background study requirements

Background study requirements for legal nonlicensed (LNL) providers are aligned with the background study requirements for licensed family child care providers. All background study requests for legal nonlicensed providers and their household members must be submitted through NETStudy 2.0.

NETStudy 2.0 users are encouraged to regularly review resources provided within NETStudy 2.0, particularly under the Help and Application > Application Forms sections, for updates to NETStudy 2.0-related processes, procedures and forms.

Who is required to have a background study?

Background studies are required for:

- The provider and each household member age 13 and older
- Each household member age 10-12 living in the household where the provider services will be provided when the commissioner has reasonable cause as defined under MN Statutes 245C.02 subd. 15
- An individual who, without providing direct contact services in the legal nonlicensed program, may have unsupervised access to children receiving services from the program, when the commissioner has reasonable cause.

Who is required to have a background study when in-home care is approved and will be provided in the child's home?
If care is provided in the child's home, a background study is not required for members of the child's household. A background study must be completed for the provider. A background study must also be completed for any members of the provider's household who will have access to children receiving services who are age 13 and older or age 10-12 when the commissioner has reasonable cause as defined under MN Statutes 245C.02, subd. 15.

In addition, a background study is required for an individual who is not part of the child's household, who, without providing direct contact services in the legal nonlicensed program, may have unsupervised access to children receiving services from the program, when the commissioner has reasonable cause.

When does a CCAP agency need to complete a background study?

A CCAP agency must complete a background study for the legal nonlicensed provider and all other required individuals prior to provider registration and at provider renewal. In some situations, a background study may be due at times other than provider renewal if a background study was completed at a time other than the provider's initial registration.

Background studies must also be completed when:

- Another person over the age of 13 joins the household
- A current household member turns 13 years old
- A 10-12 year old joins the household where the services will be provided and the commissioner has reasonable cause as defined under MN Statutes 245C.02 subd. 15

- There is a new individual present who, without providing direct contact services in the legal nonlicensed program, may have unsupervised access to children receiving services from the program, when the commissioner has reasonable cause.

Note: NETStudy 2.0 indicates background studies expire after five years. However, statute requires background studies for legal nonlicensed providers and their household members be completed at renewal, which is at least every two years. The CCAP agency must complete a study at renewal, even if NETStudy 2.0 indicates the study is not yet expired.

How much do background studies cost?

The Department of Human Services will pay the background study and fingerprinting fees associated with background studies for all legal nonlicensed providers and affiliated individuals until further notice.

CCAP agencies cannot charge additional fees to legal nonlicensed providers for background studies or registering the provider.

How do CCAP agencies collect data to initiate a background study?

CCAP agencies determine how they will gather information from legal nonlicensed providers to initiate background studies. They may use the Background Study Data Collection Form or the NETStudy 2.0 applicant portal. CCAP agencies are still required to verify the subject's identity by reviewing an acceptable form of identification. The Background Study Data Collection Form can be obtained from the department's Background Studies Division within NETStudy 2.0 under Application > Application Forms or by emailing dhs.netstudy2@state.mn.us. Include the acronym "ESVM" in the subject line for questions about legal nonlicensed provider background studies.

- If your agency uses the NETStudy 2.0 applicant portal, study subjects do not need to complete the Background Study Data Collection Form. The subjects will be sent an instruction form with a link which can be used by the provider and their household members to create accounts to initiate studies.
- If your agency does not use the applicant portal, the provider and their household members each need to complete and submit a Background Study Data Collection Form.

What if background study results indicate an individual is disqualified?

If the legal nonlicensed provider is disqualified, the provider cannot register to be a CCAP provider.

Request for reconsideration

A study subject can request reconsideration of their disqualification. The study subject will receive information about their right to request reconsideration in their disqualification letter, including contact information to send their reconsideration request to the CCAP agency. The CCAP agency reviews the request and makes a recommendation in NETStudy 2.0. Review the "NETStudy 2.0 Protocol for Logging in Requests for Reconsideration and Recommendations" under the Help section of NETStudy 2.0 for detailed instructions. DHS Background Studies division processes the reconsideration.

What if the provider is not disqualified but a household member is disqualified?

If the legal nonlicensed provider is not able to be authorized to provide care in the provider's home because a household member of the provider has a factor that prohibits authorization, the family can request in-home

care. For in-home care to be authorized, the family must request that the care be provided in the child's home. The family's request for in-home care must be approved by the department before the provider can be authorized to provide care in the child's home. See Chapter 11.27 (In-Home Child Care Requests and Provider Information). If the child and the provider live in the same home, the provider does not meet legal nonlicensed criteria and cannot be paid by CCAP. See Chapter 11 (Providers) and Chapter 11.9 (Legal nonlicensed (LNL) providers).

Can previously denied legal nonlicensed applicants be authorized at a later date?

You may later authorize a previously denied legal nonlicensed applicant if the person:

- Applies for and obtains a valid Minnesota child care license, a license issued by a tribe or another state
  AND
- Maintains the valid child care license
  AND
- Provides child care in the area under the jurisdiction of the licensing tribe or in the state of licensure.

Do agencies need to perform a background study on legal nonlicensed providers registered by other CCAP agencies?

Agencies registering a legal nonlicensed provider who is already registered with another CCAP agency must initiate a new study on the provider and their household members. NETStudy 2.0 will determine if the individuals meet transferability requirements.

- If the individual meets transferability requirements (provides their Social Security number at every enhanced child care study initiation), new fingerprints are not needed and NETStudy 2.0 will connect the individual's study results from the previous CCAP agency with the new CCAP agency.
- If the individual does not meet transferability requirements, a new study is required.

If the legal nonlicensed provider is not available within NETStudy 2.0 within two business days of your agency entering them in MEC^2 as pending, email dhs.netstudy2@state.mn.us to request that the provider be "mapped" to your agency because they are registering with another CCAP agency. Include the acronym "ESVM" in the subject line and the following in the body: provider name, CCAP provider ID, provider date of birth, provider address and description of the issue. NETStudy 2.0 staff will complete work in NETStudy 2.0 to "map" the provider to your agency.

Where can I find more general information about legal nonlicensed background study requirements?

Each agency's legal nonlicensed NETStudy 2.0 user is the agency's first point-of-contact for background study questions related to legal nonlicensed providers. For more general information about child care provider background studies, see the department's Minnesota child care provider background studies webpage or contact the department's Background Studies Division at dhs.netstudy2@state.mn.us. Include the acronym "ESVM" in the subject line for questions about legal nonlicensed provider background studies. For questions about specific legal nonlicensed provider background studies, include: the provider's name, CCAP provider ID, provider date of birth, provider address and description of the issue.

Initiating background studies

Before a study can be initiated, the legal nonlicensed provider must be entered in MEC^2 in order for information to be transmitted to NETStudy 2.0. There is certain minimum information that must be entered in MEC^2 to complete the legal nonlicensed provider's pending registration in order for the provider to transfer to NETStudy 2.0, including 1) provider address and 2) Registration & Renewal window fields.

Note: Only the provider's data is transferred to NETStudy 2.0 from MEC^2. Information about other household members who are required to have background studies completed must be obtained through the NETStudy 2.0 applicant portal or Background Study Data Collection Form.

If you have questions about NETStudy 2.0, visit the Department of Human Services background studies page or contact DHS Background Studies at dhs.netstudy2@state.mn.us. Include the acronym "ESVM" in the subject line for questions about legal nonlicensed provider background studies. For questions about specific legal nonlicensed provider background studies, include: the provider's name, CCAP provider ID, provider date of birth, provider address and description of the issue.

New legal nonlicensed providers registering with CCAP for the first time

- For new legal nonlicensed providers registering with CCAP for the first time, enter preliminary information into MEC^2 and set the provider's registration to status to "pending." The data will transfer to NETStudy 2.0 overnight, and a study can be initiated by the CCAP agency's NETStudy 2.0 user within two business days.
  - It is recommended that agencies use a later date in the "Mailed date" field, such as the date the provider registration is being entered in MEC^2, on the Registration & Renewal window to prevent or delay auto-denials to allow time for information to transfer to NETStudy 2.0.

Previously registered legal nonlicensed providers with a closed registration status

- For previously registered legal nonlicensed providers with a closed registration status, set the provider's registration status to "pending." The data will transfer to NETStudy 2.0 overnight, and a study can be initiated by the CCAP agency's NETStudy 2.0 user within two business days.
  - It is recommended that agencies use a later date in the "Mailed date" field, such as the date the provider registration is being entered in MEC^2, on the Registration & Renewal window to prevent or delay auto-denials to allow time for information to transfer to NETStudy 2.0.

Currently registered legal nonlicensed providers at renewal

- For currently registered legal nonlicensed providers renewing their background study, information should already be available in NETStudy 2.0 for the CCAP agency's NETStudy 2.0 user to submit a new study. To complete a background study for these providers and other required household members:
  - If the CCAP agency completes the data entry:
    - In NETStudy 2.0, select the legal nonlicensed provider from the Provider dropdown in which the background study subject is to be affiliated.
    - Complete the data entry using the subject's data collection form. An email address is required to be entered for the background study subject.
  - If the CCAP agency has the provider complete data entry via the Applicant Portal:

- The NETStudy 2.0 user will generate the Applicant Initiated Instruction Form in NETStudy 2.0 and send the form to the legal nonlicensed provider. For instructions on generating the Applicant Initiated Instruction Form, refer to the NETStudy 2.0 LNL and FCC User Manual. When generated, the title at the top of the document is "Applicant Background Study."
- The legal nonlicensed provider will follow instructions on the Applicant Initiated Instruction Form/Applicant Background Study. The form includes a unique provider number.
- After the provider has followed the steps in the instruction form, the NETStudy 2.0 user will see the provider in their Not Yet Submitted queue and will be able to resume and submit the study.

Consent and disclosure and fingerprint pre-enrollment

Study subjects must complete a consent and disclosure and fingerprint pre-enrollment within 14 days of the CCAP agency submitting the study:

- If the CCAP agency completes the data entry, upon submission of the background study the study subject will receive two emails. One email will be from DHS to complete the consent and disclosure. The second email will be from the fingerprint and photo vendor to complete the fingerprint pre-enrollment.
- If the CCAP agency has the provider complete data entry via the Applicant Portal, the subject will complete their consent and disclosure at the time of initiating their background study. The subject will receive one email from the fingerprint and photo vendor to complete the fingerprint pre-enrollment.

There are several resources related to the consent and disclosure and fingerprinting available in NETStudy 2.0 under the Help section. For additional questions, contact DHS Background Studies at dhs.netstudy2@state.mn.us. Include the acronym "ESVM" in the subject line for questions about legal nonlicensed provider background studies. For questions about specific legal nonlicensed provider background studies, include: the provider's name, CCAP provider ID, provider date of birth, provider address and description of the issue.

Entering background studies results in MEC² and registering the provider

NETStudy 2.0 background studies results do not transmit to MEC^2. CCAP agencies determine how background studies results will be shared between NETStudy 2.0 users and MEC^2 provider workers. Provider workers must update the Background Study Window in MEC^2 once results are obtained from NETStudy 2.0.

A provider registration will auto-deny in MEC^2 after pending for 30 days after the "mail date." The legal nonlicensed provider registration may be approved after the auto-denial if background study results are obtained or other registration requirements are met after the auto-denial. Providers can be registered retroactively from when background study results are received to the date the provider can first be paid for child care services. See Chapter 9.3 (Payments to Providers).

Note: It is recommended that the provider worker document all information about background studies in MEC² on the Provider Notes window.

Legal authority

Minnesota Statutes 119B.125 subds. 1a, 2, and 3
Minnesota Statutes 245A.10 subd. 2 (a-d)
Minnesota Statutes 245C.03 subd. 6a
Minnesota Statutes 245C.05
Minnesota Statutes 245C.08
Minnesota Statutes 245C.14
Minnesota Statutes 245C.15

Legal nonlicensed providers – emergency plans 11.9.15

All child care providers must document their emergency procedures. Providers must use a department-approved template to document their emergency plan. The department developed the Legal Nonlicensed (LNL) Child Care Emergency Plan (DHS-7414B) (PDF) for legal nonlicensed (LNL) providers to document emergency procedures.

Include the Legal Nonlicensed (LNL) Child Care Emergency Plan (DHS-7414B) (PDF) in all new provider registration packets for legal nonlicensed providers.

Providers must attest that they will complete and maintain the plan on their provider registration form.

Providers are not required to submit their plans to CCAP agencies as part of the registration process. Emergency plans will be reviewed during monitoring visits. See Chapter 11.9.18 (Legal nonlicensed providers – Annual monitoring).

Legal authority

Federal Child Care and Development Fund, 45 C.F.R. Part 98
Minnesota Statutes 119B.125

Legal nonlicensed providers – Annual monitoring 11.9.18

What is an annual monitoring visit?

An annual monitoring visit is when CCAP agency staff visit a legal nonlicensed (LNL) provider's child care site to monitor that the provider is complying with specific health and safety requirements.

What health and safety requirements are monitored?

Health and safety requirements are identified in and monitored using the Child Care Assistance Program Legal Nonlicensed Provider Monitoring Checklist (DHS-7867).

Who must be monitored?

Any legal nonlicensed provider with an open Service Authorization for a child who is not related to them must have an annual monitoring visit. Related means the provider is the child's sibling, grandparent, great-grandparent, aunt, or uncle of the child, based on blood relationship, marriage or court decree.

Who is responsible for monitoring legal nonlicensed providers?

The agency issuing payments to the legal nonlicensed provider is responsible for ensuring the monitoring visit is completed. Agencies determine who will complete visits and the internal procedures for scheduling and performing the visit.

What if the provider provides care outside of the registering agency's service area?

The CCAP agency issuing payments to the provider is responsible for ensuring monitoring visits are completed, but another agency can complete the monitoring visit.

The department encourages agencies to partner with each other. Agencies can establish formal written agreements or informal arrangements to share or transfer monitoring duties for providers living in other service areas.

What if the provider is registered with multiple CCAP agencies?

If more than one CCAP agency is issuing payments to the provider for unrelated children, only one CCAP agency must monitor the provider. Results can be shared between CCAP agencies.

NOTE: Agencies should work together to ensure that the provider is not caring for children from more than one unrelated family at the same time.

What care site is monitored if the provider is approved to provide care in the child's home?

When legal nonlicensed care is provided in the child's home, the child's home must be monitored. Both the parent and provider should be notified of the monitoring requirements when providers are not related to all the children they are authorized to care for.

When does an initial monitoring visit need to occur?

When a legal nonlicensed provider is issued a Service Authorization for an unrelated child for the first time, they must be monitored within 12 months of when care was authorized to start. Agencies are not required to conduct a monitoring visit before issuing a Service Authorization or registering the provider. Visits must be announced. The agency schedules the visit with the legal nonlicensed provider.

What if a provider's Service Authorization for all unrelated children ends before their visit is completed?

If the Service Authorization for all unrelated children ends before the monitoring visit is due, no annual monitoring visit is required. If authorization with all unrelated children ends and then a new Service Authorization for an unrelated child is issued, the agency must complete an initial monitoring visit within 12 months of when care with any unrelated child was authorized to start or within 90 days from when the subsequent Service Authorization is issued, whichever is later.

Examples

1. Care was authorized to start with unrelated children on 7/1/2019. Care with all unrelated children ended on 10/15/2019. Care was authorized to start again with unrelated children on 2/15/2020. The annual monitoring visit is due by 7/1/2020 because that date (12 months from the initial authorization with unrelated children) is later than 90 days from when the subsequent Service Authorization was issued.

2. Care was authorized to start with unrelated children on 9/20/2019. Care with all unrelated children end 3/9/2020. Care was authorized to start again with unrelated children on 8/30/2020. The annual monitoring visit is due by 11/30/2020 because that date (90 days from the subsequent authorization with unrelated children) is later than 12 months from when care with any unrelated children was authorized to start.

How are subsequent monitoring visits handled?

After a provider's initial monitoring visit, the agency must perform a subsequent annual monitoring visit within 12 months of the initial visit if care for an unrelated child continues.

If authorization with all unrelated children ends and then a new Service Authorization is issued for an unrelated child for a subsequent period, the annual monitoring visit must be completed within 12 months of the previous visit or 90 days from the day the Service Authorization is issued, whichever is later.

What if the provider is not available the day of the visit?

If the provider is not available at the time the agency has scheduled for the monitoring visit:

- If it is the first missed visit, the CCAP agency should allow the provider 15 days to reschedule the visit.
- If the provider is available for the rescheduled visit, the CCAP agency should complete the visit that day.
- If the provider is not available for the rescheduled time, end the Service Authorizations for any unrelated children with a 15-day adverse action notice.
  - Service Authorizations cannot be reopened until a visit is completed. Service Authorizations can be retroactive to the date the visit is completed.

What if the provider has not had a monitoring visit by the required date?

If a provider has not had an annual monitoring visit completed by the date the provider is required to have a visit completed, the agency must:

- End the Service Authorizations for any unrelated children with a 15-day adverse action notice.
  - Service Authorizations cannot be reopened until a visit is completed. Service Authorizations can be retroactive to the date the visit is completed.

What are the consequences for not demonstrating full compliance?

If a legal nonlicensed provider does not demonstrate full compliance with health and safety policies identified in the Child Care Assistance Program Legal Nonlicensed Provider Monitoring Checklist (DHS-7867) at the monitoring visit, the agency must:

- If all out-of-compliance factors can be demonstrated by submitting additional written information, send a notice to the provider informing them of what information must be submitted.
  - If all information is not submitted within 15 days, close the provider's registration with a 15-day notice.
- If at least one out-of-compliance factor cannot be demonstrated by submitting additional written documentation, close the provider's registration with a 15-day notice.
- If the person performing the annual monitoring visit observed issues that meet unsafe care critieria defined in your County and Tribal Child Care Fund Plan, the agency may close the provider's registration with a 15-day notice.
- If the person performing the annual monitoring visit observed issues that meet imminent risk critieria defined in your County and Tribal Child Care Fund Plan, close the provider's registration immediately. A 15-day notice is not required if a registration is closed for imminent risk. See Chapter 12.1 (15 day notice requirements).

When can a provider who did not demonstrate full compliance re-register?

Agencies define the conditions under which a legal nonlicensed provider who did not show compliance with an annual monitoring visit can receive CCAP payments in the future in their County and Tribal Child Care Fund Plan.

What other responsibilities do agencies have after a visit is complete?

Record completed visits in MEC²

If the provider demonstrates full compliance with the monitoring visit, the CCAP agency must record the date the monitoring visit was completed in the "Annual Inspection" field in the Provider Training window in MEC².

Even if the provider submitted documentation after the visit to show they corrected issues to meet requirements, enter the date the monitoring visit was completed for this date. It is recommended that the provider worker document all monitoring visit information and communication with providers in MEC² on the Provider Notes window.

Submit visit summary to Department of Human Services

After an annual monitoring visit is performed and any necessary follow up is complete with the provider, the agency must complete the Child Care Assistance Program – Monitoring visit summary (DHS-7867A) and submit to the department at dhs.ccap@state.mn.us. This form must be submitted for all monitoring visits.

Review monitoring visit dispute requests

If the provider believes a monitoring report is inaccurate, the provider must contact the agency that conducted the monitoring visit to request a review. The agency must review the request. If an inaccuracy is found, the agency must correct the monitoring report and submit the corrected report to the Department of Human Services. The department must correct the posted monitoring report within 30 days of receipt.

How is annual monitoring information posted?

The department posts monitoring visit results using the Child Care Assistance Program – Monitoring visit summary (DHS-7867A) form publicly for three years. The results are posted by the provider identification number and date of visit on the department's Legal nonlicensed provider annual monitoring webpage.

When are monitoring results posted?

The department will post monitoring reports within 30 days after they are received by the county or tribal agency.

Legal authority

Federal Child Care and Development Fund, 45 C.F.R. Part 98
Minnesota Statutes 119B.125

Legal nonlicensed providers – group size and age limits

11.9.21

Legal nonlicensed (LNL) child care providers may care for up to eight children at one time who are:

- age 12 and younger AND
- ages 13-14 with special needs due to a disability and authorized to receive child care assistance

There are additional limitations within certain ages.

The limit of eight children includes all children age 12 and younger present while care is provided to children paid by CCAP. This includes the provider's own children and children who do not receive child care assistance. Children over age 12 not receiving CCAP do not count towards the limit.

The Child Care Assistance Program Group Size and Age Limits for Legal Nonlicensed (LNL) Child Care Providers (DHS-5192F) (PDF) form is available to help agencies determine if a legal nonlicensed provider meets the requirements.

Group sizes

Authorization of care must be within group size and age limits and include all children present while care is provided.

At any one time, a legal nonlicensed provider may care for a maximum of eight children, age 12 and younger and ages 13 or 14 with special needs due to a disability and authorized to receive child care assistance. Of those eight children:

- Up to six children can be age 5 and younger.
- Up to three children can be infants and toddlers, with a maximum of two infants.

Age categories

When determining age limits, use the following age categories:

School-age child

School-age child is a child 6 years old to 12 years old or age 13 to 14 years old with special needs and authorized to receive CCAP.

Preschooler

Preschooler is a child 24 months old to 5 years.

Legal nonlicensed providers –group size and age limit 11.9.21

Toddler

Toddler is a child 12 months old but less than 24 months old.

Infant

Infant is a child at least 6 weeks old but less than 12 month old.

Determining group size and age limits

Prior to authorizing care with a legal nonlicensed provider, the CCAP agency must determine the total number of children in the provider's care during the times care is provided to a family receiving CCAP.

The group size and age limits apply at any one time.

If the provider is caring for more total children than allowed or for children outside of the allowed age category limits at any one time, care must end for all children. Service Authorizations must not be approved and/or open Service Authorizations must close with a 15 day notice. If the provider stops caring for some children and comes into compliance with group size and age limits, Service Authorizations can be approved as of the date the provider is in compliance.

Note: DHS recommends entering a provider note about the number of children and age categories in MEC² on the Provider Notes window.

Example of all children within age limits and group size

Provider cares for a total of five children receiving CCAP while three of the provider's own children are in the home.

The five children receiving CCAP are all from one family. The ages of the children are:

- 6 months (infant)
- 20 months (toddler)
- 3 years (preschooler)
- 4 years (preschooler)
- 7 years (school-age)

The ages of provider's own children are:

- 10 months (infant)
- 5 years (preschooler)
- 9 years (school-age)
- 13 years

Legal nonlicensed providers –group size and age limit 11.9.21

Legal nonlicensed age categories		CCAP age limits	Number of children in provider's care
School-age child with special needs authorized for CCAP	13 years to 14 years	Total of 8 children: • age 12 and younger • age 13-14 with special needs and authorized for CCAP	2
School-age child	6 years to 12 years		
Preschooler	24 months to 5 years	Up to 6 children age 5 and younger	3
Toddler	12 months but less than 24 months	Up to 3 children, with a maximum or 2 infants	1
Infant	At least 6 weeks but less than 12 months		2
		Total	8

Outcome: the provider is within the age limits and group size at all times while providing care. All Service Authorizations remain open.

Notes: the provider has one child of their own who is 13 who is present while care is being provided. The 13 year old child does not count towards the eight child limit; any child over the age of 12 not receiving CCAP does not count towards the limit.

Example of children over age limits

Provider cares for a total of four children receiving CCAP while four of the provider's own children are in the home.

The four children receiving CCAP are all from one family. The ages of the children are:

- 7 months (infant)
- 2 years (preschooler)
- 4 years (preschooler)
- 8 years (school age)

The ages of provider's own children are:

- 9 months (infant)
- 9 months (infant)

- 5 years (preschooler)
- 7 years (school-age)

Legal nonlicensed age categories		CCAP age limits	Number of children in provider's care
School-age child with special needs authorized for CCAP	13 years to 14 years	Total of 8 children: • age 12 and younger • age 13-14 with special needs and authorized for CCAP	2
School-age child	6 years to 12 years		
Preschooler	24 months to 5 years	Up to 6 children age 5 and younger	3
Toddler	12 months but less than 24 months	Up to 3 children, with a maximum or 2 infants	0
Infant	At least 6 weeks but less than 12 months		3
		Total	8

Outcome: While the provider is within the limit of 8 children under the age of 12, the provider is only able to care for a maximum of two infants. Care must end and the Service Authorization must close for all children with a 15-day notice.

Notes:

- If the parent found another provider for the 7 month old infant and the legal nonlicensed provider was no longer caring for the infant, the legal nonlicensed provider would be in compliance with group size and age limit requirements. Care could be authorized for the other children.

- Once the provider's own infant 9 month old children turn 12 months and are considered toddlers, the provider will then be within the allowable group size and age limits. Care could then be authorized with the legal nonlicensed provider for all of the parent's children.

Example of two shifts of care

On Monday – Friday, provider cares for five children from one family receiving CCAP.

On Saturday and Sunday, provider cares for two other children from another family receiving CCAP.

Legal nonlicensed providers –group size and age limit 11.9.21

Provider has three children who are present in the home while providing care to both families.

Monday - Friday

On Monday – Friday, the ages of the five children receiving CCAP are:

- 2 years (preschooler)
- 3 years (preschooler)
- 6 years (school-age)
- 8 years (school-age)
- 13 years (school-age with special needs authorized to receive CCAP)

The ages of provider's own children are:

- 6 months (infant)
- 19 months (toddler)
- 4 year (preschooler)

<table>
<tr><th colspan="2">Legal nonlicensed age categories</th><th>CCAP age limits</th><th>Number of children in provider's care</th></tr>
<tr><td>School-age child with special needs authorized for CCAP</td><td>13 years to 14 years</td><td rowspan="2">Total of 8 children:
age 12 and younger
age 13-14 with special needs and authorized for CCAP</td><td>3</td></tr>
<tr><td>School-age child</td><td>6 years to 12 years</td></tr>
<tr><td>Preschooler</td><td>24 months to 5 years</td><td>Up to 6 children age 5 and younger</td><td>3</td></tr>
<tr><td>Toddler</td><td>12 months but less than 24 months</td><td rowspan="2">Up to 3 children, with a maximum or 2 infants</td><td>1</td></tr>
<tr><td>Infant</td><td>At least 6 weeks but less than 12 months</td><td>1</td></tr>
<tr><td></td><td></td><td>Total</td><td>8</td></tr>
</table>

Outcome: The provider is within the age limits and group size while providing care Monday - Friday. All Service Authorizations remain open.

Saturday - Sunday

On Saturday - Sunday, the ages of the two children receiving CCAP are:

- 17 months (toddler)
- 5 years (preschooler)

The ages of provider's own children are:

- 6 months (infant)
- 19 months (toddler)
- 4 year (preschooler)

Legal nonlicensed age categories		**CCAP age limits**	**Number of children in provider's care**
School-age child with special needs authorized for CCAP	13 years to 14 years	Total of 8 children: • age 12 and younger • ages 13-14 with special needs and authorized for CCAP	0
School-age child	6 years to 12 years		
Preschooler	24 months to 5 years	Up to 6 children age 5 and younger	2
Toddler	12 months but less than 24 months	Up to 3 children, with a maximum or 2 infants	2
Infant	At least 6 weeks but less than 12 months		1
		Total	5

Outcome: The provider is within the age limits and group size while providing care Saturday - Sunday. All Service Authorizations remain open.

Legal authority

Minnesota Rules 3400.0120, subp. 7

Provider registration 11.12

Registration process

Before you can authorize payment to any provider, that provider must register with your CCAP agency. Providers must register with the CCAP agency that serves the family. Registration is the process used to determine whether the provider chosen by a family meets the requirements to receive payment from the Child Care Assistance Program.

Register and authorize care with the provider chosen by the family before making payment. See Chapter 9.3 (Payments to Providers).

Register any provider that asks to serve children receiving child care assistance and documents their eligibility using the appropriate Department of Human Services (DHS) registration forms. Providers may register even if they are not currently caring for children receiving child care assistance.

Registration processing timeframe

Process all registrations within 30 calendar days from the later of the date the agency receives:

- The provider's registration
  OR
- The background study determination(s) required for a legal nonlicensed child care provider or members of the legal nonlicensed provider's household. See Chapter 11.9.12 (Legal nonlicensed providers-background studies).

Registration begin date

A provider's registration begin date may be retroactive. Begin a registration the date the provider meets all registration requirements. For example, a provider's registration can begin:

- The effective date of the provider's license or certification.
- The date a legal nonlicensed provider meets all health, safety, and training requirements. See Chapter 11.9 (Legal Nonlicensed (LNL) Providers).
- The day after a provider:
  - Finishes serving a disqualification. See Chapter 13.9 (Disqualification for Wrongfully Obtaining Child Care Assistance-Providers).
  - Corrects or resolves a provider compliance condition. See Chapter 9.3 (Payments to Providers).

If the date a provider meets all registration requirements is more than six months in the past, consider setting the registration begin date six months prior to the date you approve the registration to accommodate retroactive authorization policies for families in Chapter 9.1 (Child Care Authorization).

When does a provider need to complete a new registration?

Sometimes a provider may need to complete a new registration and/or get a new MEC² ID. Some examples appear below.

Registration closures

Except when reinstatement is allowed at registration renewal, a provider whose registration closes must complete a new registration to receive CCAP again. See Chapter 11.24 (Provider Renewal). A provider's new registration begin date may be retroactive. See information above under Registration begin date.

Refer to MEC² User Manual instructions to Reactivate a Provider that was registered with your agency previously. Instructions differ depending on whether the provider has:

- An overall MEC² status of active or inactive (registration is currently approved in any agency) **AND/OR**
- A lapse in their registration.

Changes in provider type

Any time a provider changes type, the provider must complete a new registration and get a new provider ID.

Examples a provider changing type include when:

- A legal nonlicensed (LNL) provider becomes licensed
- A licensed family child care provider allows their license to close, and they register as an LNL provider
- A certified center becomes licensed
- A licensed program becomes a certified center.

NOTE: A person who has had a child care license denial, revocation, suspension, fine, or sanction that has not been reversed or set aside cannot be registered and paid as a legal nonlicensed provider.

Licensed provider receives new license number or certified license exempt center receives a new certification number because of an ownership or tax ID change

When a licensed or certified provider receives a new license or certification number because of an ownership or tax ID change, they must complete a new registration and get a new MEC² ID. For more information on when a new registration is required, see MEC² User Manual instructions for when a Licensed/Certified Provider Receives New License/Certification.

Renewing a provider's registration

Agencies must reauthorize providers by renewing their registration at least every two years. See Chapter 11.24 (Provider renewal).

NOTE: It is recommended that the provider worker document all information and communication with providers in MEC² on the Provider Notes window.

Registration materials

The agency will send a provider registration and acknowledgement packet explaining the registration process, including a request for basic information regarding the provider, the provider's payment policies, and the

provider acknowledgment to all providers. The provider must complete and sign the registration and acknowledgment form, agreeing they have read and understand the statements on the form.

Providers licensed by a state other than Minnesota or licensed by a Tribe must provide verification of their license as part of the registration process and must provide child care services in the licensing state or in the area under the Tribe's jurisdiction. Providers under the jurisdiction of the federal government must submit verification of their ability to legally operate and must provide child care services as allowed by the federal government.

Use the following letters/notices for all provider types listed below. The templates of letters/notices are on eDocs.

Materials for ALL provider types

Include the following attachments with all provider registration packets:

- Child Care Provider's Responsibilities and Rights (DHS-4079) (PDF)
- Tennessen warning for Child Care Assistance Program providers (DHS-3985) (PDF)
- Direct Deposit Form for the Minnesota Child Care Assistance Program (DHS-3552) (PDF)
- Child Care Assistance Program Financial Tracking Form (DHS-5318) (PDF)
- Minnesota Child Care Assistance Program Change Report Form (DHS-7196) (PDF)
- Request for Taxpayer Identification Number (TIN) and Certification (IRS W-9). The Internal Revenue Service (IRS) W-9 needs to be sent to providers when they are being authorized for the first time on MEC^2 or when being reactivated in the system. If the provider is currently authorized and active on MEC^2, an IRS W-9 form does not need to be included with the packet.
- Any additional health and safety information your CCAP agency would like to include.

The department recommends making a copy of the Minnesota Child Care Assistance Program (CCAP) Child Care Provider Guide (DHS-5260) (PDF) available to all providers.

Materials for specific provider types

Send the appropriate Provider Registration and Acknowledgement form based on the provider type:

Licensed centers
Child care centers licensed by Minnesota, another state or a Tribal licensing agency.

- CCAP Licensed Center Provider Registration and Acknowledgement (DHS-5190) (PDF)

Licensed family child care
Family child care providers licensed by Minnesota, another state or a Tribal licensing agency.

- CCAP Licensed Family Child Care Provider Registration and Acknowledgement (DHS-7195) (PDF)

Certified license exempt centers
Centers exempt from licensing that have been certified by the Minnesota Department of Human Services.

- CCAP License Exempt Provider Registration and Acknowledgement (DHS-5191) (PDF)

- Certified license exempt center – Short-term alternative location(s) (DHS-5191A) (PDF)

Legal nonlicensed providers

- CCAP Legal Nonlicensed Provider Registration and Acknowledgement (DHS 5192) (PDF)
- Health and safety resource list for parents and legal nonlicensed providers (DHS-5192A) (PDF)
- Keeping children safe in your home (DHS-5192B) (PDF)
- Legal nonlicensed (LNL) child care emergency plan (DHS-7414B) (PDF)
- What are the training requirements for legal nonlicensed providers? (DHS-6419) (PDF)
- Death, Serious Injury, Maltreatment Report Form (DHS-7583) (PDF) (optional)
- Health and safety best practices - Resources for Child Care Assistance Program legal nonlicensed (LNL) providers (DHS-5192C) (PDF) (optional)
- Child Emergency Contact Information (DHS-5192E) (PDF) (optional)
- Local Emergency Contacts (DHS-5192D) (PDF) (optional)
- Keeping Kids Safe: Child Care Provider Emergency Planning Guide (DHS-7414) (PDF) (optional)
- Child Care Assistance Program Group Size and Age Limits for Legal Nonlicensed (LNL) Child Care Providers (DHS-5192F) (PDF) (optional)
- Background Study Data Collection Form (optional, if agency is not using NETStudy 2.0 applicant portal); obtain from the Department of Human Services' background studies division by emailing dhs.netstudy2@state.mn.us or within NETStudy 2.0 under Application > Application Forms.

Legal nonlicensed providers – parent forms

When a parent chooses a legal nonlicensed provider, send the parent:

- Parent Acknowledgment When Choosing a Legal Nonlicensed Provider Form (DHS-5367) (PDF). This form must be signed when a family chooses a legal nonlicensed provider. Require a separate form for each legal nonlicensed provider the family chooses.
- Health and Safety Resource List for Parents and Legal Nonlicensed Providers (DHS-5192A) (PDF)
- Keeping children safe in your home (DHS-5192B) (PDF).

Special family child care licenses

Licensing can issue up to four licenses for family child care at the same location or under the same roof. DHS Licensing reviews all special family child care licenses prior to approval.

- Each license must operate as a distinct and separate program, and be in compliance with all applicable laws and regulations.
- Separate licenses in these circumstance can only be issued to not-for-profits, churches or religious organizations, and employer programs that meet specific criteria in statue. An individual person cannot hold more than one license.
- An organization could hold up to four licenses. However, each program must have its own "primary provider of care."
- Multiple special family child care licenses cannot be issued for a single residential property.

When multiple licensed family child care providers operate at the same location or under the same roof:

- Each licensed provider must:
  - Register for CCAP separately and have their own MEC² provider ID

    - Bill and have care authorized separately
    - Keep separate attendance records at each site where care is provided.
- Each licensed provider might not have its own unique site address. If you have problems registering a provider because their address, contact your DHS CCAP policy specialist. The only way to update a DHS Licensed or Certified provider's address in MEC² is for the provider to update their address with Licensing, so the provider's address carries over through the DHS Licensing Interface.

Legal authority

Minnesota Statutes 119B.011, subds. 19 & 19a
Minnesota Statutes 119B.125
Minnesota Statutes 245A.14, subd. 4
Minnesota Rules 3400.0120, subps. 1 – 2a

Provider record keeping 11.15

Child care providers are required to maintain the following records:

- Daily attendance records for children receiving child care assistance.
- Documentation of payment of a family's copayment by a source other than the family.
- Documentation of child care expenses paid by other sources.

Details about each of these requirements are included below.

Daily attendance records for children receiving child care assistance

Attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times the child dropped off to and picked up from the child care provider must be entered by the person dropping or picking up the child. CCAP does not require providers to keep attendance records in a specific format as long as they contain the required information. Providers are able to use the CCAP Monthly Child Care Attendance Record form DHS-6584A (PDF) or the CCAP Daily Attendance Record form DHS-6584B (PDF) to meet the attendance record keeping requirement.

- The daily attendance records must be kept at the site where services are delivered for 6 years after the date the care was provided.
- Daily attendance records must be accurate and legible.
- Daily attendance records must include an "A" for any day a child is absent for all scheduled hours or an "H" for any day the provider was closed for a holiday if the child was scheduled to be in care.
- Attendance records must be immediately available upon request of the CCAP agency or the Department of Human Services (DHS). Records not produced immediately cannot be submitted later to challenge an overpayment or disqualification.
- An electronic sign in and out system meets this requirement if the person doing drop off and pick up is the person who actively participates in signing in or out, using a method such as a pin number or card that is assigned to the parent. Providers that use this method must be able to provide printouts of each child's attendance records when requested by the CCAP agency or DHS.
- The CCAP agency is not required to monitor that all providers are meeting attendance record requirements but may request attendance records at any time. This may include but is not limited to conducting provider reviews or if an agency has concerns about a provider's record keeping practices.
- The CCAP agency or DHS may end a provider's authorization, stop payment issued to a provider, or refuse to pay a bill submitted by a provider when the provider submits false attendance records or refuses to provide attendance records upon request for children receiving CCAP. Agencies must include this policy in their County and Tribal Child Care Fund Plan prior to implementation. See Chapter 9.3 (Payment to Providers).

Documentation of payment of a family's copayment by a source other than the family

Documentation must include:

- Payment source
- Amount received
- Time period covered

Documentation of child care expenses paid by other sources

Examples of other sources include Post-Secondary Child Care Grant, Early Learning Scholarships, child care support and other types of scholarships or financial aid. Documentation must include:

- Payment source
- Amount received
- Type of expenses
- Time period covered.

A provider may use the Child Care Assistance Program Financial Tracking Form DHS-5318-ENG (PDF) to document child care expenses paid by other sources, including payment of a family's copayment.

Legal authority

Minnesota Statutes 119B.125 subd. 6
Minnesota Statutes 119B.12 subd. 2
Minnesota Statutes 119B.13 subd. 6(d)

Provider reporting 11.18

Require all providers to report to the CCAP agency:

- When the child has been absent more than seven consecutive days*.
- When a child attends less than half of their authorized hours or days for a four-week period*.
- End of care for a child receiving child care assistance.
- Any changes in initial information in the provider registration and acknowledgment including the provider's rate, charges for absences and holidays, any notice days required before a child discontinues care, and any required registration or activity fees.
- Suspected maltreatment of minors, to the appropriate authority.
- Death or serious injury of a child while in the care of the provider, to the appropriate authority.

Legal nonlicensed providers are also required to report to the CCAP agency:

- Changes to household composition that would require a new background study, including if a person over the age of 13 joins the household or if a current household member turns 13 years old. See Chapter 11.9.12 (Legal Nonlicensed Providers – Background studies).
- If they begin caring for more total children than allowed or for children outside of the allowed age category limits at any one time. See Chapter 11.9.21 (Legal nonlicensed provider – group size and age limits).

*When a child's attendance drops to less than half of their authorized hours or days for a four-week period because a child misses a portion of their scheduled and authorized hours, and not only because of absent days, providers must report this in the Comments section of the Billing Form. Other attendance information may be reported on the Billing Form or by notifying the family's CCAP worker.

Note: It is recommended that the provider worker document all information and communication with providers in MEC² on the Provider Notes window.

Provider health and safety reporting and complaints

Legal nonlicensed providers must report certain health and safety incidents to the CCAP agency. For more information about legal nonlicensed provider reporting responsibilities and CCAP agency responsibilities regarding complaints including reported incidents, see Chapter 11.9.3 (Legal nonlicensed provider reporting and complaints).

Licensed and certified license exempt providers must report these health and safety incidents to their licensor or other regulating authority.

Legal authority

Federal Child Care and Development Fund, 45 C.F.R. Part 98
Minnesota Statutes 119B.125

Provider renewal 11.24

CCAP agencies must complete the registration process described in Chapter 11.12 (Provider Registration) at each renewal. Renewing a provider's registration is how CCAP agencies reauthorize a child care provider for CCAP payments.

Renew all providers at least every two years.

Processing timelines

Process all registration renewals within 30 calendar days from the later of the date the agency receives:

- The provider's registration renewal
  OR
- Any background study determination(s) required for a legal nonlicensed child care provider or members of the legal nonlicensed provider's household. See Chapter 11.9.12 (Legal nonlicensed providers-background studies).

Registration renewal processing – reinstatement

Reinstate a provider's registration without a gap when:

- A provider's registration closes for failure to complete the renewal process
  AND
- The provider met all registration requirements, and the agency received all required renewal documents before the registration closed.

Inappropriate registration reinstatement

Do not reinstate a provider's registration if the agency receives required renewal documents after a registration closes for failure to complete the renewal process. Require the provider to complete a new registration. See Chapter 11.12 (Provider Registration).

An inappropriate reinstatement occurs if:

- Registration is reinstated when the completed renewal and/or required documents were received after the registration closes.
- Registration is reinstated, but the provider did not meet registration requirements at renewal.

Legal nonlicensed (LNL) providers

Before their registration is renewed, legal nonlicensed providers must also:

- Meet training requirements that apply at renewal and submit documentation of training completion. See Chapter 11.9.9 (Legal Nonlicensed Providers – Training Requirements).
- Complete and pass a background study. See Chapter 11.9.12 (Legal Nonlicensed Providers—Background Studies).

Note: If the provider's registration closes because training requirements are not met at renewal, authorize care back to date all training was completed (not date registration closed). It is recommended that the provider worker document all completed training in MEC² on the Provider Notes window.

Legal authority

Minnesota Statutes 119B.125, Subd. 1, 1a, 1b & 2
Minnesota Rules 3400.0120, subps. 1a - 2 & 6

In-home child care requests and provider information 11.27

CCAP will only allow child care assistance for care authorized in the child's home if the child's parent has an authorized activity 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:

- The parent's authorized activity is during times when out of-home care is not available or when out-of-home care would result in disruption of the child's nighttime sleep schedule. If 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.

OR

- The family lives in an area where out-of-home care is not available.

OR

- A child has a verified illness or disability that would place the child or other children in an out-of-home provider or center at risk or create a hardship for the child and the family to take the child out of the home to a child care home or center.

In-home child care requests

When requesting in-home child care, the parent must complete the Parent Request for In-Home Child Care (DHS-6475) (PDF) and submit the form with the appropriate documentation to their worker.

Out-of-home care not available

If the request is based on out-of-home care not being available:

- The parent must contact Child Care Aware to obtain either a listing of licensed programs in their area or a written statement if there are no licensed programs available to meet the family's needs.
- The parent must contact all providers on the listing (if applicable) and document the reason(s) why those programs do not work for them.
- The parent must provide a reason(s) why care cannot be provided in the legal nonlicensed (LNL) provider's home and why care must be provided in the child's home.

Child illness or disability

If the request is based on the child's illness or disability:

- A statement from a doctor or qualified professional must be submitted, verifying and describing the child's condition and identifying that care needs to be provided in the child's home.
- The parent may also submit an explanation about why in-home care is requested (although not required). This explanation may describe how the child is at-risk to self or others or how the illness or disability creates hardship for the family and/or child.

In-home child care approvals

The CCAP agency submits completed requests, including all required documentation, to DHS for consideration. The county/tribe will receive a letter indicating whether the request was approved or denied. Only cases

approved by DHS for in-home care can be authorized. When in-home care is approved, care can be authorized for in-home child care for all children in the child care assistance household as requested by the parent.

In-home care can be authorized retroactive to the effective date of approval on the official letter from DHS, contingent on the parent(s) being in an authorized activity and the provider being approved as a CCAP provider. The in-home care approval end date will coincide with the family's redetermination due date. For approved cases, follow the MEC^2 User Guide instructions for entering the information on the "Child's Provider" window.

When the in-home care approval ends at the family's redetermination, if in-home care is still needed the parent must complete a new in-home care request and submit new documentation. The service authorization will end at redetermination until the request is reapproved by DHS or the family chooses an out of home provider. See Chapter 10.6.3 (Redetermination processing standards).

See Chapter 9.6 (Payment to Families) for further information on when a provider cares for children in the children's own home.

Employing in-home child care providers

To ensure that all persons employed as in-home child care providers receive the wages they are legally entitled to, the U.S. Department of Labor, Wage and Hour Division has information for parents or guardians receiving assistance under the Child Care Assistance Program, Foster Care Assistance, Child Welfare, or any other state funded program alerting them to their legal obligations to pay minimum wage and overtime to such care providers. Fact Sheets on minimum wage and overtime provisions of the FLSA are available from the United States Department of Labor. Provide these guides to all people who employ in-home providers.

Legal authority

Minnesota Statutes 119B.011, Subd. 19
Minnesota Statutes 119B.09, Subd. 5, 10 and 13
Minnesota Statutes 119B.125
Minnesota Rules 3400.0035, Subp. 7-9

Information sharing 11.30

Sharing information with providers

If the parent has not signed an information release, limited information can be shared. Agencies can share the following information with the family's provider:

- The family's name
- When the application is approved
- When the family's redetermination is due
- When the family's case will close if the redetermination process is not completed
- The number of authorized hours for child care
- Notification of changes to the Service Authorization, including changes in number of hours authorized, copayment changes or authorization ending
- Maximum rate that can be paid
- The amount CCAP will pay the provider
- How payments are made
- The amount the family must pay the provider
- When CCAP expects submitted Billing Forms will be paid.

Data sharing about providers

Agencies may share whether a licensed or certified provider is registered for CCAP. In most situations, information about whether a legal nonlicensed provider is registered cannot be shared.

Agencies can only share payment data about child care centers when:

- A center has been disqualified or has had their registration closed or denied for specific reasons, such as a payment stop; AND/OR
- A center receives child care assistance payments of more than $100,000 in a year.

Payment data:

- Includes information, such as:
  - Whether a provider has been paid
  - How much a provider has been paid
  - The number of families and children on whose behalf payments were made.
- Is classified as private and cannot be shared if:
  - It pertains to a licensed family child care provider or legal nonlicensed provider; OR
  - The data could identify a specific family or child (even for child care centers).

If your agency receives requests for Child Care Assistance Program data, contact your agency's data privacy official or county or tribal attorney for how to proceed.

Information sharing 11.30

Legal authority

Minnesota Statutes 13.46
Minnesota Statutes 119B.02, subd. 6

Provider Financial Information 11.33

CCAP can only pay a child care provider who:

- Meets the legal definition of a provider (see Chapter 2, Glossary)

AND

- Has completed the provider registration process (see Chapter 11.12, Provider Registration).

W-9

Providers complete a W-9 when they are registering for the first time and when they are being reactivated. See CCAP Policy Manual Chapter 11.12 (Provider Registration).

Taxpayer Identification Number

Child care programs that share a Taxpayer Identification Number must report the same W-9 business name and W-9 address for each site.

If a provider reports a different business name or a different W-9 address from what is currently associated with the Taxpayer Identification Number known to MEC^2, follow up with the provider.

Tax exempt status

The provider gives their federal tax classification on the W-9. The federal tax classification indicates whether or not the provider is tax exempt and helps determine if the provider will receive a 1099 at the end of the calendar year. The provider's tax-exempt status is captured in the Corporation/Tax Exempt Organization field on the Tax Information page in MEC^2.

A provider is tax exempt if their federal tax classification on the W-9 is:

- C Corporation
- Limited liability company with the tax classification C (C corporation)
- Limited liability company with the tax classification S (S corporation)

A provider is not tax exempt if their federal tax classification on the W-9 is:

- Individual/sole proprietor or single-member LLC
- S Corporation
- Partnership
- Trust/estate
- Limited liability company with the tax classification P (Partnership)
- Other

A provider must select only one federal tax classification on the W-9. If the provider selects more than one federal tax classification, follow up with the provider to determine the correct classification.

Provider Financial Information 11.33

See MEC² User Manual > Provider Management > New Provider Registration > Provider Tax Info Page for instructions on completing the Provider Tax Info page.

Changes to financial information

A provider may report changes in their financial information to the CCAP agency and request that updates be made in MEC². These changes include circumstances such as:

- Bank account changes
- Changes in payment method (e.g. switching from warrant to EFT)
- Changes in tax ID, which could be a Federal Employer Identification Number (FEIN).

When financial information cannot be updated

A provider's financial information in MEC² cannot be updated in the following situations:

- The CCAP agency or DHS is aware of a payment dispute amongst owners and/or it is unclear whether there has been a change in provider ownership.
- There has been a full change in provider ownership and a new license is being issued, but the new owners are temporarily operating under the existing license and CCAP registration.
- A licensed provider changes their tax ID number and a new license is being issued, but the provider is temporarily operating under the existing license and CCAP registration.

Child care license holders are required to tell Licensing before they make changes affecting their license, including changing their tax ID number. Except when care is provided in the license holder's home, Licensing must issue a new license when certain ownership changes occur, and/or the provider changes their tax ID number.

Process for updating provider financial information

When a licensed or certified provider informs your agency of a change to their financial information, do not update the information in MEC². Contact your DHS policy specialist before making any changes in MEC². DHS will confirm if any of the conditions above apply to the provider and will inform your agency of next steps.

When a legal nonlicensed provider informs your agency of a change to their financial information, update the information in MEC². Your agency does not need to contact DHS CCAP staff prior to making these changes in MEC² for legal nonlicensed providers. Note: It is recommended that the provider worker document changes to financial information and communication with providers in MEC² on the Provider Notes page.

Legal authority

Minnesota Statutes 119B.011, subd. 19 & 19a
Minnesota Statutes 245A.04, subd. 7a(b)
Minnesota Statutes 245A.043, subd. 2(a)
Minnesota Rules 3400.0120, subp. 1 & 1a

Notices 12

This chapter discusses when notices are required, what they must contain and how much advance notice must be given.

Notify families and providers of initial eligibility and changes in eligibility.

See the following sections:

12.3	Notices to Families
12.3.3	Approval Notices
12.3.6	Denial Notices – Family
12.3.9	Adverse Action Notices – Family
12.3.12	Termination Notices – Family
12.6	Notice to Providers
12.6.3	Approval Notices – Provider
12.6.6	Adverse Action Notices – Provider
12.6.9	Termination Notices – Provider
12.6.10	Correction Order Notices – Provider
12.9	Notice of Overpayment

Legal authority

Minnesota Statutes 119B.025
Minnesota Rules 3400.0185
Minnesota Rules 3400.0187, Subp. 2

15 day notice requirements 12.1

Child Care Assistance Program requires a 15 day notice for adverse actions, except when:

- A Minnesota licensed provider's license has been temporarily immediately suspended.
- 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.
- The department or a CCAP agency stops or suspends a provider's payments if the provider intentionally gave materially false information on billing forms, provided false attendance records, and/or met criteria for payment suspension under Minnesota Statutes, Chapter 245E.

MEC^2 uses the following rules to calculate the 15 day notice period:

- The first day of the 15-day notice period is the day after the day the notice leaves IOC.
- Mail is only sent on work days and will not be sent on Saturdays, Sundays or holidays.
- The 15th day cannot fall on a Saturday, Sunday or holiday. If it does, continue counting after the Saturday, Sunday or holiday. These rules are built into the 15-day notice logic on the MEC^2 system.

Examples:

- No holiday or weekend – Worker approves adverse action on the case on Monday. The notice will be printed Monday night and mailed on Tuesday. The 1st day to start the 15-day count is Wednesday. Count 15 days, beginning with Wednesday as the 1st day. The 15th day would be Wednesday.
- Holiday – Worker approves adverse action on the case on Monday. The notice will be printed Monday night. However, Tuesday is a holiday so the notice will not be mailed until Wednesday. The 1st day to start the 15-day count is Thursday. Counting 15 days from Thursday would be another Thursday. Thursday is a holiday, so the 15th day would be Friday.
- Weekend – Worker approves adverse action on the case on Friday. The notice will be printed Friday night, but the notice will not be mailed until Monday, so the 1st day to start the 15-day count would be Tuesday. Counting 15 days from Tuesday would be another Tuesday. This would be the last day of the notice period.
- MEC^2 uses the state and federal holiday schedules listed below for dates the system IS NOT available to process cases, send out notices, and determine non-mail delivery dates.

Federal Holidays:
New Year's Day
Martin Luther King Jr Day
President's Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Day

State Holidays:
New Year's Day
Martin Luther King Jr Day
President's Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday after Thanksgiving Day
Christmas Day

15 day notice requirements 12.1

Legal authority

Minnesota Statutes 119B.13, subd. 6(d)
Minnesota Statutes 245E.02
Minnesota Statutes 119B.161, subd. 2
Minnesota Statutes 645.15
Minnesota Statutes 645.44, Subd. 5
Minnesota Rules 3400.0185
Minnesota Rules 3400.0040, Subp. 4

Notices to Families 12.3

Families must receive:

- Notification of family eligibility approval. See Chapter 12 (Notices) and Chapter 12.3.3 (Approval Notices – Family).
- Notification when a family is not eligible. See Chapter 12.3.6 (Denial Notices – Family).
- Adverse Action Notices. See Chapter 12.3.9 (Adverse Action Notices – Family).
- Termination Notices. See Chapter 12.3.12 (Termination Notices – Family).
- Family Overpayment Notice. See Chapter 12.9 (Notice of Overpayment).

Legal authority

Minnesota Statutes 119B.025, subd. 1 and 4
Minnesota Rules 3400.0185
Minnesota Rules 3400.0187, Subp. 2
Minnesota Rules 3400.0040, subp. 4

Approval notices - Family 12.3.3

If you determine the applicant family is eligible for child care assistance, send a notice approving the application by the end of the application processing period. The agency must mail the notice of approval to the applicant within 30 calendar days after receiving the application. With the consent of the applicant, the agency may extend the response time by 15 days. Include the following information in the notice:

- The date eligibility begins.
- The number of hours of care authorized, the maximum rate that can be paid and how the payments will be made.
- The family's copayment amount, how and when the copayment must be made.
- The family's obligation to report the required changes within 10 calendar days from the date of the change. See Chapter 8.3 (Reporting requirements).
- The family's obligation to report a change in provider at least 15 calendar days before the change occurs, unless the case involves alleged child abuse by a provider or a complaint that the health and safety of a child in care is in imminent danger.
- The importance of prompt reporting of a move to another county.
- The overpayment implications if required reporting does not occur timely.
- The family's responsibility for paying provider charges in excess of the county's maximum payments.
- When child care assistance is terminated, the family will be informed of the reason for the termination and the family's appeal rights. The provider will be informed that child care payments will no longer be made unless the family asks to continue to receive assistance pending an appeal.

Note: If the family submitted required verifications to establish eligibility by the end of the application processing period, the agency must mail the approval notice within 10 days of receiving required verifications or the end of the processing period, whichever is later. See Chapter 3.7 (Processing Applications).

Recommended forms

The department recommends sending families these forms in an application packet or after a family is determined eligible:

- Child Care Assistance Program Family Guide DHS-3944 (PDF) (optional)
- Child Care Assistance Program (CCAP) - Change Report Form DHS-4794 (PDF) (optional)
- Reporting Responsibilities for Child Care Assistance Program Families DHS-6953 (PDF) (optional)

Legal authority

Minnesota Statutes 119B. 025, subd. 1
Minnesota Rules 3400.0035, subp. 5

Denial notices – Family 12.3.6

Document the reason(s) for ineligibility and notify the client in writing if you determine an applicant family is not eligible for child care assistance. The agency must mail a notice of denial of assistance to the applicant within 30 calendar days after receiving the application. You may extend the response time by 15 calendar days with the consent of the applicant.

Include the following in the denial notice:

- The reason for denial.
- The basis for denial in statute, rule or your County and Tribal Child Care Fund Plan.
- The applicant's right to appeal and receive a fair hearing.

If the family submitted required verifications to establish eligibility by the end of the application processing period, the denial must not take effect.

Legal authority

Minnesota Statutes, 119B.025,subd. 1

Minnesota Rules 3400.0035, Subp 4

Adverse Action Notices – Family 12.3.9

Notify applicants of approval or denial of eligibility for child care assistance. See Chapter 12.3.3 (Approval Notices - Family) and Chapter 12.3.6 (Denial Notices - Family).

Send a notice of adverse action when:

- Authorized hours are reduced.
- Copayment increases at redetermination.
- An education plan is denied.
- The family's provider loses eligibility.
- An overpayment will be recouped.
- Eligibility is terminated.

Provide the required 15-day adverse action notice for all negative actions except when adverse action notice requirements are waived. See Chapter 12.1 (15-Day Notice Requirements) for the exceptions. See Chapter 12.3.12 (Termination Notices - Family).

Notice to families of adverse action

Families must be given a 15 calendar day notice when an adverse action is taken on their case. See Chapter 12.1 (15-Day Notice Requirements) for the exceptions.

The adverse action notice includes:

- 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 and Tribal 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.

When an action is not adverse

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

Overlapping adverse action periods

Two reasons for case closure

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 case closure, the worker must give 15-day notice for each action. MEC^2 cannot process overlapping adverse action periods when a case is closing. In cases where a second adverse action is given during the first 15-day notice period of case closure, workers need to send a manual adverse action notice and should add a worker comment to the second adverse action notice with the following information:

- Explain that the case is still scheduled to close as of the date on the first notice.
- Note that if the reason for the first closure is resolved prior to the effective date, the case will remain open until the closure date on the manual notice.

See also the MEC² User Manual Overlapping Adverse Action Periods Workaround.

Copay increase followed by case close

When a copay fee is supposed to increase in the future (first adverse action) and an approval to close the case is done prior to the effective date of the copay fee increase (due to a second adverse action) and then the case is approved eligible within 15 days of the effective date of the copay fee increase or the case is reinstated, the copay effective date will be later to allow for another 15-day notice.

See the MEC² User Manual page Copay Fee Changes for more information.

Legal authority

Minnesota Statues 119B.025
Minnesota Statutes 119B.161, Subd. 2
Minnesota Rules 3400.0185, Subp. 6 – 10 & 12
Minnesota Rules 3400.0040, Subp. 4

Termination notices – Family 12.3.12

Families must be given a 15 calendar day notice when terminating their child care assistance benefits. See Chapter 12.1 (15-Day Notice Requirements) for the exceptions.

The termination notice includes:

- The effective date.
- The reason for the termination.
- The basis for your action in statute, rule or your County and Tribal Child Care Fund Plan.
- The right to appeal, receive a fair hearing and the procedure for doing so.
- 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
  - Do not receive child care assistance, and potentially receive reimbursement for child care expenses incurred while the appeal is pending, if the family wins the appeal.

Do not terminate the case if the family appeals and chooses to continue to receive child care assistance.

If the family's case is being terminated because the family is no longer eligible for child care assistance and the family re-establishes eligibility before the effective date of the termination, the termination must not take effect. If the family's case has already closed, care can be authorized and paid retroactively to the date of closure if:

- The family re-established eligibility before the effective date of the termination,
- The family reported the information within 90 days after the case closed, AND
- The family met all eligibility requirements for the time-period after the case closed.

Legal authority

Minnesota Rules 3400.0185, Subp 1
Minnesota Rules 3400.0040, Subp. 4

Notices to Providers 12.6

Providers must receive:

- Notification of the amount of authorized hours. See Chapter 12 (Notices) and 12.6.3 (Approval Notices - Provider).
- Adverse Action Notices. See Chapter 12.6.6 (Adverse Action Notices – Provider). See Chapter 12.1 (15-Day Notice Requirements).
- Notification when a family's redetermination is due. See Chapter 12.6.15 (Redetermination Due – Provider Notice).
- Termination Notices. See Chapter 12.6.9 (Termination Notices – Provider).
- Deductions Required By Law Notices. See Chapter 12.6.12 (Payment Deduction Required By Law Notices).
- Provider Overpayment Notices. See Chapter 12.9 (Notice of Overpayment).

Legal authority

Minnesota Statutes 119B.025
Minnesota Rules 3400.0185
Minnesota Rules 3400.0187, Subp. 2

Approval Notices - Providers 12.6.3

Once you approve an application for child care assistance, send a notice of approval to the provider. Include the following information:

- Family's name
- Family's request for child care assistance has been approved
- Authorized hours of care
- County maximum rate that may be paid
- Number of absent days paid for the child for the calendar year
- How payments will be made.

When processing a redetermination or a change that affects eligibility and the action is not adverse, a notice must be sent. Non-adverse actions require a notice but should be changed as soon as possible. Non-adverse actions include increased authorized hours, decreased copayment, and continuation of payment awaiting appeal decision. Include the following information:

- Family's name.
- Authorized hours of care.
- County maximum rate that may be paid.
- Number of absent days paid for the child for the calendar year.
- How payments will be made.

Legal Authority

Minnesota Rules 3400.0035, Subp. 2

Adverse action notices – Providers 12.6.6

Unless otherwise specified in law, providers must be given a 15 calendar day notice when a negative action is taken against a family or the provider. See Chapter 12.1 (15-Day Notice Requirements) for the exceptions.

Notice to providers of adverse actions against families

Providers receive notices of adverse actions for actions taken against families. Examples of adverse actions against families include:

- A reduction in the hours of authorized care.
- An increase in the family's copayment.

The adverse action notice includes:

- The family's name.
- A description of the adverse action that does NOT contain any information about why the action was taken.
- The effective date of the adverse action.
- A statement that unless the family appeals the adverse action prior to the effective date, the action will occur on the effective date.

Providers do not have appeal rights for actions taken against a family; a family is responsible for appealing action taken against them. See Chapter 15.3 (Appealable issues) and 15.6 (Family and provider appeal rights).

Notice to providers of adverse actions against the provider when a fair hearing is allowed

Providers receive notices of adverse actions for action taken against the provider. Examples of adverse actions against providers when a fair hearing is allowed include:

- Rate reductions based on a change in the provider's status, including Parent Aware rating ending or decreasing or an accreditation ending.
- Overpayments.
- Registration closure or denial. See Chapter 12.6.9 (Termination notices – Provider).

The adverse action notice includes:

- A description of the action.
- The factual basis for the CCAP agency's determination.
- The dollar amount of monetary recovery or recoupment, if known and/or applicable.
- The provider's appeal rights.

Notice to providers of adverse actions against the provider when an

administrative review is allowed

Providers receive this type of notice when there has been a payment stop or a payment suspension due to an investigation. When the agency that takes the action (the Department of Human Services or CCAP agency) issues a payment stop or a payment suspension, all payments to the provider stop, including for past services already provided but not yet been billed.

The agency that takes the action must mail written notice to the provider within five days of suspending payment or denying or revoking the provider's authorization.

The adverse action notice includes:

- The legal authority used to take the action;
- The general allegations leading up to the action;
- Explanation that the action is temporary and outlines the circumstances when the payment stop may be lifted; and
- The provider's right to request an administrative review by submitting written evidence and argument to DHS.

Prior to taking action to stop a provider's payments, the CCAP agency must contact DHS and have this policy in their County and Tribal Child Care Fund Plan.

Notice to providers of adverse actions against the provider when an administrative reconsideration is allowed

Providers receive this type of notice when DHS temporarily withholds their payments due to a credible allegation of fraud. When DHS withholds payments for this reason, all payments to the provider stop, including for past services already provided but not yet billed.

DHS must mail written notice to the provider within five days of withholding the provider's payment.

The adverse action notice must:

- State the legal authority used to withhold payments;
- Lay out the general allegations leading up to the action;
- Explain that the action is temporary and outlines the circumstances when the payment withhold may end; and
- Tell the provider of their right to contest the payment withhold by submitting written evidence to DHS.

Legal authority

Minnesota Statutes 119B.16
Minnesota Statutes 119B.161
Minnesota Statutes 245.095, subd. 5
Minnesota Rules 3400.0185, subp. 4
Minnesota Rules 3400.0040, subp. 4

Termination notices - Providers 12.6.9

Unless otherwise specified in law, providers must be given a 15-calendar-day notice when terminating a family's child care assistance benefits or terminating a provider's registration. See Chapter 12.1 (15-Day Notice Requirements) for the exceptions.

Notice to providers of family's termination

Providers receive notices of termination for actions taken against families. Examples of why a family's eligibility for child care assistance would be terminated include:

- Income exceeds 85 percent of State Median Income (SMI).
- Copayment has not been paid.
- Family has been disqualified for fraud.

The termination notice includes:

- The family's name.
- That child care assistance for the family has been terminated. Do **NOT** give any indication of the reason for termination.
- The effective date of the termination.
- That child care assistance payments will not be made for care provided after the date of termination unless the family asks to continue receiving assistance pending an appeal.

Providers do not have appeal rights for actions taken against a family; a family is responsible for appealing action taken against them. See Chapter 15.3 (Appealable issues) and 15.6 (Family and provider appeal rights).

Notice to providers of provider's termination when a fair hearing is allowed

Providers receive notices of termination for action taken against the provider. Examples of provider terminations when a fair hearing is allowed include:

- Registration incomplete or not renewed timely.
- Non-compliance with health and safety requirements.

The termination notice includes:

- A description of the action.
- The factual basis for the CCAP agency's determination.
- The dollar amount of monetary recovery or recoupment, if known and/or applicable.
- The provider's appeal rights.

Notice to providers of provider's termination when a contested case

hearing is allowed

DHS sends providers a notice informing them of their right to a contested case hearing when DHS terminates a provider under a specific law that allows DHS to take action when a provider has been excluded from any publicly funded program administered by DHS or another state or federal agency.

DHS must mail written notice to the provider within five days of terminating the provider's registration and participation from DHS programs.

The termination notice must state:

- The basis for the action;
- The effective date of the action;
- The right to appeal the action; and
- The requirements and procedures for reinstatement as a provider.

Legal authority

Minnesota Statutes 119B.13, Subd. 5
Minnesota Statutes 119B.16
Minnesota Statutes 245.095, subd. 3
Minnesota Rules 3400.0185, Subp. 2

Correction Order Notices – Provider 12.6.10

The Department of Human Services (DHS) may issue an order of corrective action informing a child care provider of child care assistance violations that must be corrected.

When DHS issues an order of corrective action, the notice:

- Typically contains the alleged violations and how the provider may show DHS that it has corrected these violations
- Informs the provider of their right to request reconsideration.

For information on:

- When a provider may request reconsideration for a correction order see Chapter 15.6 (Family and provider appeal rights)
- How a provider may request reconsideration for a correction order see Chapter 15.9 (Appeal Requests).

Legal authority

Minnesota Statutes 119B.162
Minnesota Statutes 245E.02, subd. 4
Minnesota Statutes 245E.06, subd. 3

Payment deduction required by law 12.6.12

Payment deductions occur when a child care provider owes money to certain public entities. These include:

- Internal Revenue Service (IRS).
- Minnesota Department of Revenue.
- Court ordered child support obligation.

Internal Revenue Service or Minnesota Department of Revenue obligations

Internal Revenue Services (IRS) and Minnesota Department of Revenue tax levies, including Federal and State Tax Identification Number deductions, are handled by the Department of Human Services (DHS) Financial Operations Division staff. DHS staff will enter deductions, send appropriate notices and monitor fulfillment of the amount owed. Local agency staff will be able to view information on IRS and Minnesota Department of Revenue tax levies and see that a levy has been entered and/or payments made tied to a particular provider in MEC^2.

Communication regarding levies or tax withholding will be handled by DHS. If you receive questions or communication about tax levies from a provider and/or the IRS or the Department of Revenue, please direct them to:

- DHS Financial Operations, 651-431-3756.

Child support obligations

Child Support deductions are handled by MEC^2 provider workers and supervisors and claim workers. DHS Financial Operations staff cannot enter or update Child Support deductions.

When a county or tribe receives notification from a public authority or court which requires a reduction of a payment or payments from a provider because of a child support obligation, send the Child Care Assistance Notice of Deduction for Child Support Obligation DHS-5165-ENG (PDF). See the MEC^2 User Manual for instruction on how to deduct payments.

Other public authorities

If your agency receives a request to withhold payments from a public authority not listed above, contact your policy specialist for assistance.

Legal authority

Minnesota Statutes 270C.68
Minnesota Statutes 518A.53
Minnesota Statutes 290.92, Subd. 26

Redetermination due – Provider notice 12.6.15

MEC^2 generates a provider notice identifying the family's redetermination due date. The notice has the date the family's redetermination is due and the date the case will close if the redetermination is not received. It is mailed to all providers with an active Service Authorization for a child in the family. This notice is mailed at the same time the redetermination cover letter and forms are mailed to the family. Agencies cannot tell providers if the redetermination has been received or if there is any verification missing for the family. This information can only be shared if the family has signed an information release form.

Legal authority

Minnesota Statutes 119B.025, subd. 3

Notice of Overpayment 12.9

In cases of family or provider overpayments, notify the party subject to the overpayment of the following:

- The reason for the overpayment.
- The time period in which it occurred.
- The amount overpaid.
- The right to appeal.

When notifying the family and/or provider, adhere to data privacy rules. See Chapter 14 (Overpayments) when calculating, assessing and collecting overpayments.

Legal authority

Minnesota Rules 3400.0187, subp. 2

Fraud disqualifications 13

This chapter gives information on referring cases for fraud investigation and disqualifying families and providers for Intentional Program Violation (IPV).

CCAP agencies must establish that an IPV has been committed in order to:

- Disqualify a family or provider for fraud; and/or
- Determine that an overpayment occurred due to fraud.

See Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families) and Chapter 13.9 (Disqualification for wrongfully obtaining assistance – Providers).

CCAP agencies must disqualify families and providers when:

- There has been a finding that a family member or provider wrongfully obtained assistance;
- A family member has been found to have committed an IPV through the Administrative Disqualification Hearing (ADH) process; or
- A provider has been found to have committed an IPV through a formal Notice of Disqualification.

Legal Authority

Minnesota Statutes 256.046
Minnesota Statutes 256.98

Fraud referrals 13.3

Fraud exists when:

- A family has willfully or intentionally withheld, concealed, or misrepresented information to receive or to attempt to receive more benefits than they are eligible to receive or to help another person to receive or to attempt to receive more benefits than the person is entitled to receive.
- A provider has willfully or intentionally withheld, concealed, or misrepresented information to be authorized by CCAP; to receive or to attempt to receive payments to which the provider was not entitled; or to help another person to receive child care assistance to which that person is not entitled. For administrative disqualifications against a provider, intent may be proven by showing a pattern of conduct that violates CCAP policies.

Family fraud referrals

Refer families you suspect of fraud for investigation.

For CCAP agencies participating in the Fraud Prevention Investigation (FPI) program, use the Fraud Prevention Investigation Referral form DHS-3335A (PDF) to make a referral for an FPI.

For CCAP agencies not participating in the FPI program, follow your agency's process to make a referral for possible family fraud investigation and use the Fraud Prevention Investigation Referral DHS-3335A (PDF) form to notify the DHS Office of Inspector General (OIG) of the investigation. Agency processes for making referrals may include contacting your agency's fraud investigator or investigative unit, your county or tribal attorney, and/or your local sheriff's department.

Family fraud referrals should be made whenever case file information exhibits characteristics of possible misinterpretation or omission of relevant facts or when there is inconsistent information that impacts eligibility, to determine if fraud may have occurred.

These situations may occur at the time of application, redetermination, a change report, when case file information is updated or reviewed for accuracy, or when your agency receives a report of potential fraud.

Provider fraud referrals

Refer or notify the DHS Office of Inspector General (OIG) Child Care Provider Fraud Investigations Unit of providers you have program integrity concerns about, such as concerns about record keeping practices and/or providers you suspect of fraud. Some CCAP agencies may have the resources to investigate provider fraud locally. However, CCAP agencies are encouraged to use the Child Care Provider Investigations Communications DHS-6811 (PDF) form to inform the OIG of all child care provider investigations.

Send referrals or notifications whenever it appears a provider is withholding, concealing, or misrepresenting information in order to:

- Become a registered provider;
- Receive payments for which the provider is not entitled; and/or
- Resolve current registration or payment issues, including possible fraud.

These situations could occur at registration, renewal, billing, when information is updated or reviewed for accuracy, or when the CCAP agency receives a report of potential fraud.

Continuation of benefits

During a fraud investigation:

- Continue family benefits if current eligibility exists. Do not close a case or deny benefits to a family under investigation for fraud if they are otherwise eligible, unless another reason exists to close or deny the family's benefits
- Do not close or deny a provider's registration or stop making payments to authorized providers, unless another reason exists to close or deny the provider's registration.

Disqualification process and fraud consequences

Disqualify parentally responsible individuals (PRI) and child care providers who have wrongfully obtained assistance or committed an Intentional Program Violation (IPV).

For information about the disqualification process and consequences for fraud, see:

- Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families),
- Chapter 13.9 (Disqualification for wrongfully obtaining assistance – Providers),
- Chapter 13.6.3 (Administrative disqualification - Families),
- Chapter 13.6.6 (Entering disqualification periods in MEC^2 – Families),
- Chapter 13.9.3 (Administrative disqualification – Providers), and
- Chapter 13.9.6 (Entering disqualification periods in MEC^2 – Providers).

Notification of overpayments

If the fraud investigator or county or tribal attorney believes that claims activity may hinder an investigation, CCAP workers must delay notifying the family or provider of an initial overpayment until fraud has been determined or the case has been closed.

CCAP agencies are required to start recovery or recoupment by the last day of the calendar quarter that includes the discovery date of the claim. See DISCOVERY DATE in Chapter 2 (Glossary). An investigation may identify additional information about the overpayment, so the discovery date is unknown until fraud has been determined and/or the case is closed.

Establishing overpayments for fraud

CCAP agencies cannot establish an overpayment for fraud before fraud is determined. For information about how fraud is determined, see Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families) and Chapter 13.9 (Disqualification for wrongfully obtaining assistance – Providers).

Overpayments can be established for reasons other than fraud before fraud is determined. If fraud is later determined, update the overpayment reason to fraud to ensure that the correct amount is recouped. See Chapter 14.9.6 (Recoupment - Families) and Chapter 14.9.9 (Recoupment - Providers).

Legal authority

Minnesota Statutes 119B.13
Minnesota Statutes 119B.16
Minnesota Statutes 119B.125
Minnesota Statutes 256.046
Minnesota Statutes 256.98

Minnesota Statutes 256.983, Subd. 5
Minnesota Rules 3400.0183

Disqualification for wrongfully obtaining assistance - Families 13.6

Disqualify families who have committed an Intentional Program Violation (IPV) or have been found to have wrongfully obtained child care assistance as established by any of the following:

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

Do NOT disqualify a family from CCAP unless an IPV has been established through one of these methods.

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 or to have wrongfully obtained child care assistance:

- One year for the first offense
- Two years for the second offense
- Permanently for any subsequent violation.

Two-parent families and fraud determinations

If only one parent in a two-parent family is found to have committed an Intentional Program Violation (IPV), the entire family is disqualified from receiving child care assistance. However, only create a fraud window for the parent who committed the IPV.

Assign an overpayment to both parentally responsibility individuals (PRI) if:

- An overpayment resulted from the conduct that caused the disqualification

  AND

- The Intentional Program Violation establishes that both the PRIs were considered part of the CCAP family when the overpayment occurred and both parties have responsibility to repay the overpayment.

Example

Family was receiving CCAP but never reported that dad was living in the home. Had the family reported dad in the home, they would have been ineligible for CCAP due to excess income. Mom signed an Administrative Disqualification Hearing (ADH) waiver, which disqualified the family from receiving CCAP for one year for the family's first offense. Dad did not sign an ADH waiver, so a fraud window was created for mom only. An overpayment was assessed and assigned to both mom and dad for the time when the family was ineligible because dad was living in the home.

Dad later moves out of the home. Since dad did not sign an ADH waiver, he can submit a CCAP application for his own case and receive CCAP if he meets all other eligibility criteria. Dad remains responsible for the overpayment for the time period when he was part of the original CCAP family.

Notices and termination

Once an IPV or a finding that a family has wrongfully obtained child care assistance has been established, send the Notice of Program Disqualification DHS-3134 (PDF), and if the family's case is open, send a 15-day notice to end assistance. The disqualification period must be immediately applied allowing for a 15-day notice. See Chapter 12 (Notices).

The disqualification is not appealable through an administrative hearing. The disqualification is appealable only through district or appellate court action. The disqualification remains in effect, without possibility of administrative stay, unless the findings are later reversed by a court of appropriate jurisdiction.

The effective date of the disqualification period is the later of:

- The effective date of the CCAP termination notice **OR**
- The date of the determination. Examples include:
  - Date of the signed Disqualification Consent Agreement
  - Date of the signed Administrative Disqualification Hearing Waiver
  - Date of the Administrative Disqualification Hearing decision or court decision.

When an IPV or a finding that a family has wrongfully obtained assistance is established against a family, the penalty period cannot be extended for other violations where fraud was not determined. Agencies may cite overpayments for prior time period(s), if additional violations exist.

Keep all records regarding the disqualification in the family's case file. Include this information if transferring the file to another agency.

Legal authority

Minnesota Statutes 119B.011, subds. 2 & 13
Minnesota Statutes 119B.11, subd. 2a
Minnesota Statutes 256.98, subd. 8(b)
Minnesota Rules 3400.0183
Minnesota Rules 3400.0187, subp. 4

Administrative disqualification - Families 13.6.3

Administrative Disqualification of individuals is achieved through an Administrative Disqualification Hearing (ADH). An ADH is a formal, impartial review by a Human Services Judge for the purposes of rendering a decision as to whether or not an individual committed an intentional program violation (IPV).

An IPV is any action by an individual which is a willful or intentional false statement, a concealment of a fact, or misrepresentation, whether or not it did or could have resulted in receipt of additional benefits. For more information about the methods for establishing an IPV, see Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families).

Misrepresentation or a failure to report on a timely basis does not necessarily constitute an IPV. The criteria for establishing the IPV requires an intentional act of deception, or one taken with an appreciation or understanding or its consequences or wrongfulness, and must be proven by a preponderance of evidence. To establish an IPV in an ADH, there must be a finding of intentional concealment or misrepresentation of a material fact by the legal standard of "preponderance of evidence." Preponderance of evidence requires less evidence than "clear and convincing proof" or "proof beyond a reasonable doubt." Legally, preponderance of evidence means that when the evidence is considered, it is more likely than not that fraud occurred.

An ADH must be initiated for individuals accused of committing an IPV when criminal charges are not being pursued. ADH procedures and requirements, EXCEPT for the notice of hearing as explained below, are the same as for administrative appeal hearings. See Chapter 15 (Appeals).

Referral of IPV

Resolve cases of suspected IPVs through either the criminal or ADH process, not both. Do not make concurrent referrals for prosecution and ADH. The practice of resolving an IPV first through the ADH process and then referring the same IPV for prosecution is prohibited.

If a case is dismissed in court, an ADH may be pursued because the burden of proof in establishing an IPV in an ADH action is the lower "preponderance of evidence" test as opposed to the "any reasonable doubt" standard required in a criminal prosecution.

ADH waivers and requests for ADH

Upon identifying an IPV and determining that the ADH process will be pursued, the accused individual must be offered the opportunity to waive the appearance before a Human Services Judge and simply agree to the prescribed disqualification penalties.

Initiate the ADH process by completing the Notice of Intentional Program Violation – Waiver of Administrative Disqualification Hearing DHS-3131 (PDF) for families. Prepare a narrative summary of the allegations, investigative findings, and the evidence to support the findings. Someone other than the assigned case worker must also review and sign the form and find that the case facts, if proven, would justify a finding of fraud. A CCAP agency contact person must also be listed for the accused person to contact for reviewing the agency's proof. The back page of the ADH waiver form has instructions to the accused person as to how to waive the hearing or request an ADH hearing. The waiver allows the accused person to admit to the facts or not, with the

understanding that the disqualification penalty will be imposed in either case. Present or mail the ADH Waiver to the accused person. In either case, allow the person up to 10 days to return the form.

Waivers should not be offered when there is only a suspicion of guilt but the evidence is not convincing. If a CCAP agency determines that it has sufficient evidence to hold a hearing and has offered the individual an opportunity to waive the hearing, the CCAP agency must then schedule a hearing if the individual requests a hearing or does not sign the waiver. Do not offer an ADH waiver if the case is being referred for prosecution nor should prosecution be suggested as a threat if the waiver is not signed. If an ADH waiver is offered it should be because the CCAP agency has already determined that an ADH is appropriate and is merely offering the individual the opportunity to opt out of the actual hearing

If the accused person waives their right to a hearing, disqualify the person. See Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families).

People have the right to revoke a signed waiver and to request that an ADH be held. This revocation must be in writing and be received by the CCAP agency prior to the effective date of the proposed disqualification or within 30 days of the date the waiver was signed, whichever is earlier.

If the accused person refuses to sign the waiver, requests to have a hearing, or fails to return the waiver, refer the case for an ADH. Complete the Request for Administrative Disqualification Hearing DHS-3132 (PDF) for families and send to:

Minnesota Department of Human Services
Appeals Office
P.O. Box 64941
St. Paul, MN 55164-0941

Upon receipt of the Request for Administrative Disqualification Hearing DHS-3132 (PDF), the State Appeals Office will either accept or deny the request. If denied, the CCAP agency will receive a notice indicating the reason for the denial. Denied requests may be resubmitted to the State Appeals Office for reevaluation. ADH requests may be withdrawn any time before the scheduled hearing date with written notice to both the accused person and the State Appeals Office.

If the State Appeals Office accepts a request, it will schedule a hearing date and send the accused person and CCAP agency a notice of hearing. The notice will include a copy of the summary prepared by the CCAP agency. Federal regulations require the State Appeals Office to give notice of an ADH hearing at least 30 days in advance (unless the accused person waives the hearing), rather than the 5-day notice for a regular fair hearing.

A Human Services Judge may combine a fair hearing and ADH into a single hearing if the factual issues arise out of the same or related circumstances. The accused person must receive 30 days advance notice (unless waived) that the hearings will be combined.

Within 90 days of family notification of an ADH or a combined hearing, the State Appeals Office must conduct the hearing, reach a decision, and notify the accused person and CCAP agency of the decision.

Family members found guilty of fraud by an ADH determination are subject to the disqualification procedures in Chapter 13.6 (Disqualification for wrongfully obtaining assistance - Families).

ADH investigative subpoena

Subpoena authority is available to CCAP agencies to gather information relevant to the investigation of a potential IPV that will be pursued through the ADH process. Consider using an investigative subpoena when a third party refuses to provide information. Complete the Request for Investigative Subpoena DHS-3436 (PDF) and send to the DHS Appeals and Regulations Division. Include a description of the information being requested and the relevance of the information to establishing the IPV.

These subpoenas are not self-enforcing meaning that a first refusal to obey will not result in a contempt citation. However, these subpoenas are enforceable by appealing to district court for their enforcement by issue of a district court subpoena.

Disqualification consent agreement

County and tribal attorneys can also use the Disqualification Consent Agreement (DCA) DHS-3429 (PDF) for families as an option for establishing an IPV and allowing an accused person to voluntarily agree to a disqualification and repayment of program benefits. Use of the DCA form is limited to the discretion of and execution by the county or tribal attorney's office. The DCA's intended use is for those IPV cases that the county or tribal attorney chooses to adjudicate without formal charging and prosecution outcomes.

Legal authority

Minnesota Statutes 119B
Minnesota Statutes 256.046
Minnesota Statutes 256.98
Minnesota Rules 3400.0183
Minnesota Rules 3400.0230

Entering disqualification periods in MEC² - Families 13.6.6

If the family's CCAP case is active at the time the disqualification is entered, MEC² will give a 15-day notice and calculate the disqualification period. Refer to MEC² User Manual > Case Management and Eligibility > Case Data Windows > Enter an IPV Determination.

If a family's CCAP case is closed at the time the disqualification is entered, contact the TSS Help Desk. The TSS Help Desk will enter the IPV and will result in the family serving their full disqualification period.

See the MEC² User Manual > Case Management and Eligibility > Case Data Windows > Window Summary Window > Fraud Window.

MFIP fraud disqualifications and convictions

If a family is disqualified from MFIP due to MFIP fraud, the family is no longer eligible for MFIP child care assistance but may be eligible for BSF. See Chapter 4.3.3.6 (MFIP special circumstances).

Fraud disqualifications in other states

Families serving a disqualification period for child care fraud in another state remain disqualified in Minnesota.

Legal authority

Minnesota Rules 3400.0183
Minnesota Statutes 256.98, subd. 8(b)

Disqualification for wrongfully obtaining child care assistance - Providers 13.9

Disqualify child care providers who have committed an Intentional Program Violation (IPV) or have been found to have wrongfully obtained child care assistance as established by any of the following:

- Court conviction
- Signed Disqualification Consent Agreement (DCA) DHS-3429A (PDF).
- Pre-trial diversion
- Administrative Disqualification notice (not appealed within 30 days)
- Administrative Disqualification Hearing (ADH) finding (after an appeal)
- Court-ordered stay which carries with it any other probationary terms or conditions.

Do NOT disqualify a provider from CCAP unless an IPV has been established through one of these methods.

Disqualify the provider from receiving CCAP payments for the following lengths of time when the provider is found to have committed an IPV or to have wrongfully obtained child care assistance:

- Three years for the first offense
- Permanently for any subsequent violation.

Notices and termination

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 invalidate any Administrative Disqualification. The Child Care Provider Responsibilities and Rights DHS-4079-ENG (PDF) includes the penalty warning required for the Administrative Disqualification.

Once an IPV has been established, send the Child Care Assistance Program (CCAP) Notice of Program Disqualification for CCAP Providers DHS-3134A-ENG (PDF), and if the provider's registration is open, send a 15 day notice. See Chapter 12 (Notices).

Appeals and reversals

Once an IPV has been formally established, the disqualification is not appealable through an administrative hearing. The disqualification remains in effect, without possibility of administrative stay, unless the underlying basis is later reversed by a court of appropriate jurisdiction.

Effective date of disqualification

The effective date of the disqualification period is the later of:

- The effective date of the CCAP termination notice

  OR

- The date of the Intentional Program Violation (IPV) determination. Examples include:
  - Date of the signed Disqualification Consent Agreement
  - Date of the criminal conviction, diversion, or stay
  - Date of the Notice of Administrative Disqualification or, if there is an appeal, the final appeal decision.

The disqualification period must be immediately applied. Keep all records regarding the disqualification in the provider's file.

Legal authority

Minnesota Statutes 256.98, subd. 8(c)

Administrative disqualification – Provider 13.9.3

An Administrative Disqualification is a formal determination that a provider committed an intentional program violation (IPV).

An IPV, whether or not it did or could have resulted in receipt of additional benefits, is any of the following actions by a provider:

- Willful or intentional false or misleading statement;
- Misrepresentation, concealment or withholding of a fact; and/or
- Repeated and intentional violation of program regulations.

An IPV must be proven using the legal standard or "preponderance of evidence." Preponderance of evidence requires less evidence than "clear and convincing proof" or "proof beyond a reasonable doubt." Legally, preponderance of evidence means that when the evidence is considered, it is more likely than not that fraud occurred.

An Administrative Disqualification must be initiated for individuals accused of committing an IPV when criminal charges are not being pursed. ADH procedures and requirements are the same as for administrative appeal hearings. See Chapter 15 (Appeals).

Referral of IPV

Resolve cases of suspected IPVs through either the criminal or Administrative Disqualification process, not both. Do not make concurrent referrals for prosecution and Administrative Disqualification. The practice of resolving an IPV first through the Administrative Disqualification process and then referring the same IPV for prosecution is prohibited.

If a criminal case is dismissed in court, an Administrative Disqualification may be pursued because the burden of proof in establishing an IPV in an administrative action is the lower "preponderance of evidence" test as opposed to the "any reasonable doubt" standard required in a criminal prosecution.

Administrative Disqualification process

Upon identifying an IPV and determining that an Administrative Disqualification will be pursued, contact your CCAP policy specialist for guidance on generating a Provider Notice of Intentional Program Violation.

If the accused provider does not appeal by the appeal deadline, disqualify the provider. See Chapter 13.9 (Disqualification for wrongfully obtaining assistance – Providers).

If the accused person appeals, the appeal must be sent to the Appeals Division at DHS:

Minnesota Department of Human Services
Appeals Office
PO Box 64941

St Paul, MN 55164-0941

If the provider submits their appeal to the CCAP agency, immediately forward the appeal directly to the DHS Appeals Office.

The State Appeals office will notify the CCAP agency upon receipt of the appeal. The State Appeals office will schedule a hearing date, send the accused person and CCAP agency a notice of hearing, and will request the CCAP agency submit an appeal summary. Federal regulations require the State Appeals Office to give notice of an ADH hearing at least 30 days in advance.

Within 90 days of the provider filing an appeal, the State Appeals Office must conduct the hearing, reach a decision, and notify the accused person and CCAP agency for the decision.

Investigative subpoena

Subpoena authority is available to CCAP agencies to gather information relevant to the investigation of a potential IPV that will be pursued through the administrative process. Consider using an investigative subpoena when a third party refuses to provide information. Complete the Request for Investigative Subpoena (DHS-3436), and send it to the DHS Appeals and Regulations Division. Include a description of the information being requested and the relevance of the information to establishing the IPV.

These subpoenas are not self-enforcing meaning that a first refusal to obey will not result in a contempt citation. However, these subpoenas are enforceable by appealing to district court for their enforcement by issue of a district court subpoena.

Disqualification consent agreement

County and tribal attorneys can also use the (CCAP Disqualification Consent Agreement (DCA) (DHS-3429A (PDF)) for providers as an option for establishing an IPV and allowing an accused person to voluntarily agree to disqualification and repayment of program benefits. Use of the DCA form is limited to the discretion or and execution by the county or tribal attorney's office. The DCA's intended use is for those IPV cases that the county or tribal attorney chooses to adjudicate without formal charging and prosecution outcomes.

Legal authority

Minnesota Statutes 119B
Minnesota Statutes 256.046
Minnesota Statutes 256.98
Minnesota Rules 3400.0183
Minnesota Rules 3400.0230

Entering disqualification periods in MEC² – Providers 13.9.6

If the provider is active at the time the disqualification is entered, the provider needs a 15-day notice to close the provider's registration and all Service Authorizations. The disqualification period will be calculated for the full amount of time.

If the provider is closed at the time the disqualification is entered, MEC² will calculate the disqualification period based on when the disqualification is entered. The disqualification date must align with the IPV determination date.

Before establishing provider fraud, contact your CCAP policy specialist to ensure agencies enforce proper penalty periods and providers receive proper notice.

Legal authority

Minnesota Statutes 256.98, subd. 8(c)

Overpayments 14

An overpayment is the portion of a child care payment that is greater than the amount for which a recipient is eligible or greater than the amount a provider should have received. This chapter gives information on overpayments and helps you determine how to pursue overpayment recoupment or recovery.

Sub-chapters

Follow policy in the chapters below when assessing and collecting overpayments:

14.1	Assessing overpayments
14.3	Responsibility for Overpayment
14.6	Amount of Overpayment
14.9	Recovery Methods
14.9.3	Voluntary Repayment Agreement
14.9.6	Recoupment - Families
14.9.9	Recoupment - Providers
14.9.12	Civil Recovery - Families
14.9.15	Civil Recovery - Providers
14.9.18	Claim compromise
14.9.21	Claim termination and uncollectible debts

Legal authority

Minnesota Statutes 16D.15
Minnesota Statutes 270C.68
Minnesota Statutes 256.0471
Minnesota Statutes 518A.53
Minnesota Statutes 290.92, Subd. 26
Minnesota Statutes 119B.011, Subd. 21
Minnesota Statutes 119B.11, Subd. 2a & Subd. 3
Minnesota Statutes 245E.07
Minnesota Rules 3400.0020, Subp. 33
Minnesota Rules 3400.0140, Subp.19
Minnesota Rules 3400.0187

Assessing overpayments 14.1

An overpayment occurs when a family and/or provider receives more child care assistance than they were actually eligible for. An overpayment can occur due to family and/or provider actions or errors, or a combination of agency and family and/or provider actions or errors.

Timeframe for overpayments

Do not assess overpayments that occurred more than six years before the overpayment was determined, unless fraud is established. Fraud overpayments must be assessed and collected regardless of timeframe. See Chapter 13 (Fraud disqualifications) for information about establishing fraud and Chapter 14.6 (Amount of Overpayment).

When not to assess an overpayment

Do not assess an overpayment if a family and/or provider receives more child care assistance than they were actually eligible for if the overpayment occurred solely because of agency error.

Overpayment examples due to agency error

The following are examples of overpayments that resulted solely from agency error that cannot be assessed or collected.

- Family reported a change timely, but the CCAP agency did not act timely

Family's eligibility approved with incorrect income

- Family's service authorization increased without schedule verification
- Family's copayment reduced without income verification
- CCAP agency incorrectly enters an accreditation for a provider

  Provider's county of care entered incorrectly resulting in incorrect maximum rates

When to assess an overpayment

Assess an overpayment if a family and/or provider receives more child care assistance than they were actually eligible for if the overpayment occurred:

- Solely as a result of family and/or provider actions or errors.
- Because of a combination of agency error and family or provider actions or errors.

Overpayment examples due to family error

The following are examples of overpayments that resulted solely from the family's error that can be assessed and collected.

- Family's failure to report at application and redetermination
- Family's failure to report during the 12-month eligibility period

Overpayment examples due to provider error

The following are examples of overpayments that resulted from the provider's error that can be assessed and collected.

- Provider is caring for an age outside the terms of their license.
- Provider is operating at days/times outside the terms of their license.

Overpayment example due to a combination of family error and agency error

The following is an example of an overpayment that resulted from a combination of family and agency error.

- Late reporting by family and failure to act on changes by the CCAP agency

When the agency error portion of the overpayment is able to be calculated separately, only the family portion of the overpayment can be assessed and collected. See Chapter 14.6 (Amount of Overpayment).

Overpayment due to a combination of provider error and agency error

Contact your policy specialist for guidance when you have an example of an overpayment that resulted from a combination of provider and agency error.

Legal authority

Minnesota Statutes 119B.011, Subd. 21
Minnesota Statutes 119B.11, Subd. 2a & Subd. 3
Minnesota Statutes 16D.15
Minnesota Statutes 245E.07
Minnesota Statutes 256.0471
Minnesota Statutes 270C.68
Minnesota Statutes 518A.53
Minnesota Statutes 290.92, Subd. 26
Minnesota Rules 3400.0020, Subp. 33
Minnesota Rules 3400.0140, Subp.19
Minnesota Rules 3400.0187

Responsibility for overpayment 14.3

Step one: Determine who benefited from the overpayment

Family overpayments

If CCAP paid for more care than the family was eligible to receive, the family benefited. Assign the overpayment to the family except in the situations identified below as provider overpayments.

Examples of when overpayments may be assigned to the family include when:

- A parent commits an Intentional Program Violation (IPV) and has been disqualified for fraud. See Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families).
- More hours of care were authorized and paid by CCAP than what the family was eligible for because of a family's actions or errors or a combination of agency error and the family's actions or errors. See Chapter 9.1 (Child care authorization) and Chapter 9.9 (Determination of payment amounts).
- Changes in activity for a Schedule Reporter were not reported and the amount paid by CCAP should have been less. See Chapter 8.3 (Reporting requirements).
- A family's income exceeded 85% SMI during the 12 month eligibility period, and it was not reported. The family was ineligible for CCAP for part of their 12 month eligibility period. See Chapter 8.3 (Reporting requirements).

Provider overpayments

When the family did not benefit from an overpayment but the provider received more child care assistance than was correct, assign the overpayment to the provider.

Examples of when overpayments may be assigned to the provider include when:

- A provider commits an Intentional Program Violation (IPV) and has been disqualified for fraud. See Chapter 13.9 (Disqualification for wrongfully obtaining assistance – Providers).
- The rates paid by CCAP are higher than what CCAP policy allows because of a provider's actions or errors or a combinations of agency error and the provider's actions or errors. See Chapter 9.24 (Provider rates).
- A provider does not indicate an absent day for a day when a child did not attend at all. See Chapter 9.15.9 (Care during child absences).
- A provider fails to comply with attendance record keeping requirements. See Chapter 11.15 (Provider record keeping).
- A legal nonlicensed provider cares for children from more than one unrelated family at the same time. See Chapter 11.9 (Legal nonlicensed (LNL) providers).
- A legal nonlicensed provider cares for more total children than allowed or for children outside of the allowed age category limits at any one time. See Chapter 11.9.21 (Legal Nonlicensed Providers – Group Size and Age Limits).
- A provider that is not exempt from licensing bills for care outside the terms of their license and/or during a time when they are not licensed. See Chapter 11.3 (Licensed child care providers), Chapter 11.6 (Certified license exempt centers), and Chapter 11.9 (Legal nonlicensed (LNL) providers).

Family and provider overpayments

If both the family and the provider benefited, assign an overpayment to both parties.

Overpayments can be assigned to the family and provider only when both the family and the provider acted together to intentionally cause the overpayment. This means that both parties committed an Intentional Program Violation (IPV) and have been disqualified for fraud. See Chapter 13.3 (Fraud referrals), Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families), and Chapter 13.9 (Disqualification for wrongfully obtaining assistance – Providers). Both parties are jointly liable for the overpayment, regardless of who benefited from it. Recover the overpayment as outlined in Chapter 14.9 (Recovery methods).

After the family or provider has completed their fraud disqualification period, as long as either party is in compliance with a repayment agreement, the party in compliance is eligible to receive child care assistance or to care for children receiving child care assistance, even if the other party is noncompliant with repayment arrangements. Once a family or provider becomes eligible again, the recovery method for that party switches from repayment to recoupment.

Step two: Recoup or recover from the party who benefited

See Chapter 14.9.6 (Recoupment – Families) and Chapter 14.9.9 (Recoupment – Providers).

Legal authority

Minnesota Statutes 119B.011, subds. 19 & 21
Minnesota Statutes 119B.095
Minnesota Statutes 119B.11, subd. 2a & subd. 3
Minnesota Statutes 119B.125, subd. 6 & 7
Minnesota Rules 3400.0140, subp.19
Minnesota Rules 3400.0187

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 in billing
- Authorized hours
- Payment amount.

Policies change over time. Consider the policies in place at the time an action took place when determining whether an overpayment occurred and the amount of an overpayment. In some instances, changes to a family's case that occurred before a policy changed but were processed after a policy changed may be subject to new policies. This may be appropriate and is not an overpayment.

When calculating an overpayment, use the maximum rates and copays in effect at the time care was provided. See Chapter 9.24.3 (Child Care Rates, Registration Fees, Copayments) for links to current and expired maximum rates and copayment schedules.

Determining the overpayment

Amount of overpayment

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. See Chapter 14.1 (Assessing overpayments).

When to assess an overpayment

Assess an overpayment if a family and/or provider receives more child care assistance than they were actually eligible for if the overpayment occurred:

- Solely as a result of family and/or provider actions or errors.
- Because of a combination or agency error and family or provider actions or errors.

Do not assess an overpayment if a family and/or provider receives more child care assistance than they were actually eligible for solely because of agency error.

Timeframe of overpayment

Do not assess overpayments that occurred more than six years before the overpayment was determined, unless fraud is established. See Chapter 13 (Fraud disqualifications) and Chapter 14.1 (Assessing overpayments).

An overpayment is determined on the date the agency computes the overpayment, which is also the "established date." See definitions of "determined date" and "established date" in Chapter 2 (Glossary). A non-fraud overpayment cannot start more than six years before its established date. For example, an overpayment determined on August 1, 2021 that did not result from fraud cannot go back farther than August 1, 2015.

Fraud overpayments must be assessed and collected regardless of timeframe.

Amount of overpayment 14.6

Date of overpayment

Figure out the discovery, established, and determined dates as part of the process of calculating an overpayment. See the definitions of "discovery date," "established date" and "determined date" in Chapter 2 (Glossary). Examples of documents needed to calculate an overpayment may include paystubs, W-2s or employer statements.

Reporting and processing timelines

Timely reporting
When a family reports changes within 10 calendar days of the change, there is no overpayment.

Failure to report timely
When the family does not report required changes within 10 calendar days, there may be an overpayment. The overpayment is calculated beginning on the date the change occurred. If a family experiences a change but is not required to report the change, there is not an overpayment. See Chapter 8.3 (Reporting requirements). A family's reporting type determines what they are required to report. See Chapter 8.3.6 (Reporting types).

Overpayments due to a combination of family error and agency error

When an overpayment resulted from a combination of family and agency error and the agency error portion of the overpayment is able to be calculated separately, only the family portion of the overpayment can be assessed and collected from the family.

Example:
During the 12-month eligibility period, a family had a change in income that put the family over 85% SMI. The family reported and verified the change three months after the change occurred. The family failed to report the change in income within 10 calendar days. The CCAP agency did not act on the reported and verified income change for two months after it was reported and verified.

- An overpayment for failure to report can be assessed to the family from the date of the change in income through the date the family reported and verified the change in income.
- No overpayment is assessed to the family from the date the CCAP agency knew of the change in income but failed to act through the end of the 15 day notice as a result of agency error.

Overpayments due to increased income

If an overpayment is due to increased income, the overpayment is calculated as follows:

- If an overpayment is due to unreported increased income exceeding 85% SMI that occurred during a period of ongoing eligibility, the overpayment is calculated starting with the first biweekly period after the date the increased income was first received.
- If an overpayment is due to unreported increased income that occurred at the same time as an 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 did not receive their first paycheck until after the application date and failed to report the job on the application, calculate the overpayment starting with the first biweekly period after the applicant received their first check.
- If an overpayment is due to unreported increased income that occurred at the same time as a redetermination, the overpayment is calculated starting with the first biweekly period following when the redetermination was processed.
- If a family who continuously received child care assistance exceeded the applicable income limit but later met the applicable income limit, see the "Period of ineligibility" section below.

Overpayments due to attendance record keeping

When assessing an attendance record keeping overpayment, the amount of the overpayment is the maximum daily rate for each day a record is missing, unavailable, incomplete, inaccurate, or does not include required information. See Chapter 11.15 (Provider record keeping) for attendance record keeping requirements. The overpayment is assigned to the provider and cannot exceed the total payment for the biweekly period. Attendance records not produced immediately cannot be submitted later to challenge the overpayment. To avoid duplication of effort, follow guidance in Chapter 13.3 (Fraud Referrals) to contact the Department of Human Services Office of Inspector General (OIG) Child Care Provider Fraud Investigations Unit prior to assessing an attendance record overpayment.

Overpayments due to absent day and holiday billing errors

Any day a child does not attend care that a provider fails to accurately mark as an absent day or holiday on the billing form is considered an overpayment. An overpayment can be assessed if the attendance record indicates a child did not attend, but the provider failed to accurately mark the billing form with an "A" for absent or an "H" for holiday. An overpayment can be assessed regardless of whether the child reached or is exempt from the absent day or holiday limits for the year.

Interest

The CCAP 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, 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 or the change was not required to be reported (such as the expedited child care period ending) and the agency did not act on the change, there is no overpayment.

Period of ineligibility

Sometimes it is discovered that a family who continuously received child care assistance was ineligible for a period of that time (for example, when a family did not report a permanent end to an activity and received care for longer than the allowed Extended Eligibility period after the parent's activity permanently ended).

Amount of overpayment 14.6

Sometimes the family became eligible again after the period of ineligibility. The time when the family was again eligible begins with the date they met the eligibility requirement(s) that previously made them ineligible. .

Assess an overpayment for the period of ineligibility.

Examples

Examples of ineligibility due to exceeding applicable income limits:

- 47% SMI: if a family was later found to be over 47% at application but continuously received child care assistance including a period of time the family went under 47% SMI, eligibility would begin and the overpayment would end when family income went under 47% SMI.
- 67% SMI: if a family was later found to be over 67% at redetermination but continuously received child care assistance including a period of time the family went under 67% SMI, eligibility would "resume" and the overpayment would end when family income went under 67% SMI.
- 85% SMI: if a family was later found to be over 85% SMI during 12-month eligibility period but continuously received child care assistance including a period of time the family went under 85% SMI, eligibility would "resume" and the overpayment would end when family income went under 85% SMI.

Example of ineligibility due to a requirement other than exceeding the applicable income limit:

It is discovered at redetermination that the parent did not report a permanent end in activity that occurred on June 1. The parent did not have another activity until October 1. The family was eligible for Extended Eligibility from June 1st through August 31. The family was not eligible from September 1 to September 30. The family established eligibility on October 1. An overpayment is assessed from September 1 to September 30.

Legal authority

Minnesota Statutes 119B.011
Minnesota Statutes 119B.11, subd. 2a
Minnesota Statutes 16D.13
Minnesota Statutes 549.09
Minnesota Rules 3400.0187

Recovery methods 14.9

When an overpayment has been assessed, the method of recovery varies depending on whether the family or provider is currently receiving CCAP benefits or payments or if the family or provider is no longer participating in CCAP.

The recovery method for collecting overpayments from participant families and current CCAP providers is recoupment. See Chapter 14.9.6 (Recoupment - Families) and Chapter 14.9.9 (Recoupment - Providers)

Common methods for recovering overpayments from non-participant families and former CCAP providers:

- Voluntary repayment, repayment agreements, and Confessions of Judgment. See Chapter 14.9.3 (Voluntary Repayment Agreement).
- Civil recovery. See Chapter 14.9.12 (Civil Recovery - Families), Chapter 14.9.15 (Civil Recovery - Providers).
- Criminal restitution.

Legal authority

Minnesota Statutes 119B.011, subd. 21
Minnesota Statutes 119B.11, subd. 2a
Minnesota Rules 3400.0140, subp.19
Minnesota Rules 3400.0187

Voluntary repayment agreement 14.9.3

A voluntary repayment agreement is a written agreement between the county or tribe and the family, provider, or both. All parties agree to the payment plan as a method of repaying an overpayment.

Use repayment agreements:

- When the family is no longer eligible to receive child care assistance.
- When the provider no longer cares for children receiving child care assistance.
- When participants or providers wish to make payments in excess of the required recoupment amount.

Families or providers may voluntarily repay the overpayment before the county or tribe begins other methods of recovery.

Legal authority

Minnesota Statutes 119B.11, Subd. 2a

Recoupment - Families 14.9.6

When the family remains eligible for child care assistance, recoup the overpayment by reducing the amount of assistance paid at the following rates:

- If the overpayment is due to provider error or a combination of provider and agency error, recoup the greater of one-fourth of the family's copayment, or $10.
- If the overpayment is due to the family's first failure to report changes or a combination of a family's first failure to report and agency error, recoup the greater of one half of the family's copayment, or $10.
- If the overpayment is due to the family's failure to provide accurate information at application or redetermination or the family's second or subsequent failure to report changes or a combination of these violations with agency error, recoup the greater of one half of the family's copayment, or $50**.**
- When the overpayment is due to wrongfully obtaining public assistance as established by court conviction, court-ordered stay of conviction with probationary or other terms, a disqualification agreement, a pretrial diversion, or an administrative disqualification hearing or waiver, recoup the greater of the family's copayment, 10 percent of the overpayment, or $100.

The overpayments must be calculated and collected on a service period basis. The family is responsible for the cost of care that is related to the reduction of the payment.

If an ineligible family later reapplies for child care assistance and is determined eligible, begin recouping the overpayment following the above rates, unless a different repayment schedule has been specified in a court order.

Legal authority

Minnesota Statutes 119B.011, Subd. 21
Minnesota Statutes 119B.11, Subd. 2a
Minnesota Rules 3400.0140, Subp.19
Minnesota Rules 3400.0187

Recoupment - Providers 14.9.9

If the provider continues to receive child care assistance payments, the CCAP agency must recoup the overpayment by reducing the amount of assistance paid to the provider for every payment at the rates indicated below until the overpayment debt is paid in full.

- When a provider has an overpayment due to family error or a combination of family and agency error, the recoupment amount is one-tenth the provider's payment or $20, whichever is greater.
- When a provider has an overpayment due to the provider's failure to provide accurate information or a combination of failure to report accurate information and agency error, the recoupment amount is one-fourth the provider's payment or $50, whichever is greater.
- When a provider has an overpayment due to wrongfully obtaining child care assistance as established by a court conviction, a court-ordered stay of conviction with probationary or other terms, a disqualification agreement, a pretrial diversion, or an administrative disqualification, the recoupment amount equals the greater of:
  - One-half the provider's payment.
    OR
  - 10 percent of the overpayment.
    OR
  - $100.

If the provider no longer cares for children receiving child care assistance, see Chapter 14.9.15 (Civil recovery - Providers). If the provider later resumes caring for children receiving child care assistance, begin recouping the overpayment following the above rates, unless a different repayment schedule has been specified in a court order.

Legal authority

Minnesota Statutes 119B.011, subd. 21
Minnesota Statutes 119B.11, subd. 2a
Minnesota Statutes 256.98, subd. 1
Minnesota Rules 3400.0187

Civil recovery - Families 14.9.12

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. Fraud overpayments must be recovered regardless of the amount.

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.

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. Satisfactory arrangements can include payment agreements or recoupment on a reopened CCAP case.

Your agency is entitled to keep 25 percent 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 3400.0187

Civil recovery - Providers 14.9.15

For information related to family overpayment recovery, see Chapter 14.9.12 (Civil Recovery – Families).

Use voluntary repayment or go through civil court to recover the overpayment if the provider no longer cares for children receiving child care assistance.

You may, but are not required to, recover the overpayment if the overpayment is less than $50.Fraud overpayments must be recovered regardless of the amount.

Seek voluntary repayment from the provider if the overpayment is $50 or more or resulted from fraud. Initiate civil court proceedings to recover the overpayment, if the provider does not cooperate with voluntary repayment, unless the costs of recovery exceed the amount of the overpayment or resulted from fraud.

A provider who has an overpayment is not eligible to care for children receiving child care assistance until the overpayment is paid in full, the provider is in compliance with a payment plan to repay the debt, or the debt is recouped following the rates in Chapter 14.9.9 (Recoupment – Providers).

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 119B.125, subd. 7(e)
Minnesota Rules 3400.0187

Claim compromise 14.9.18

What is a claim compromise?

Compromising a claim consists of accepting a partial payment as full satisfaction of a claim on the condition that the payment is received promptly. Provider claims may NOT be compromised.

What claims can be compromised?

This policy applies to all FAMILY claims when the overpayment did not occur due to fraud and the initial notification of overpayment was issued through MEC^2.

The text of all MEC^2 family overpayment notices include language that advises the debtor of:

- The right to have the claim compromised
  AND
- The conditions that must be met to have their claim compromised.

Timelines for compromise

The time limit for a debtor to make the compromise payment is 90 days from the initial notification of the claim. If the initial overpayment notice is sent by 1st class mail, the 90-day period begins with the date the notice is issued. If the initial notice is returned to the local agency by the postal service, the right to an overpayment notice and compromise is renewed. If the initial overpayment notice is sent by certified mail and accepted by the household, the 90-day period begins with the date a household member signs for receipt of the notice.

Fraud claims cannot be compromised

The right to compromise does NOT apply to family claims when the overpayment occurred due to fraud, which means that an Intentional Program Violation (IPV) has been established. See Chapter 13.6 (Disqualification for wrongfully obtaining assistance – Families). In fraud situations, the agency should suppress the MEC^2 overpayment notice and mail their own overpayment notice without the compromise language. If an overpayment notice precedes the determination of fraud and a timely compromise payment is received, the local agency is bound by the compromise. Consequently, a local agency that pursues criminal action would not be able to seek monetary restitution for the full amount of a previously compromised claim. This does not, however, prevent a local agency from charging the full amount of a compromised claim or from requesting additional fines, penalties, interest, or non-monetary restitution in the sentencing phase of the criminal proceeding.

Compromising after recoupment has started

If the family chooses to compromise the debt after recoupment has begun but before the 90-day time limit, the amount of the overpayment already collected through recoupment would be returned to the family through a manual payment once the compromise payment has been received. The manual payment would be issued to the provider, who would be responsible for refunding that amount to the parent, unless the child care was provided in the child's home.

Claim compromise 14.9.18

How much can claims be compromised?

Claims may be compromised by 25% if the remaining 75% is repaid within the 90-day time limit. Compromise amounts must be in the form of direct voluntary payment by a debtor. Recovery received by tax offset, recoupment, or restored benefits cannot be applied toward a compromise.

How must CCAP agencies handle funds collected through compromise?

A compromise payment is considered a collection. The CCAP agency deposits the money they collect then reports the full 75% in MEC². DHS bills the CCAP agency for 75% of the amount collected. The CCAP agency can retain 25% of the compromise payment amount.

Legal authority

Statutes 16D.15

Uncollectible Debts 14.9.21

Fraud claims cannot be determined as uncollectible debt.

A claim is considered uncollectible when any of the following occur:

- All reasonable collection efforts have been exhausted.
- The cost of further collection action will exceed the amount recoverable.
- The debt is legally without merit or cannot be substantiated by evidence.
- The debtor cannot be located.
- The available assets or income, current or anticipated, that may be available for payment of the debt are insufficient.
- The debt has been discharged in bankruptcy.
- It is not in the public interest to pursue collection of the debt.

Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt. The debt will be reduced to $0 within MEC^2. If collection occurs in the future, the debt will need to be reinstated.

Legal authority

Minnesota Statutes 16D.09

Appeals 15

Families and providers who are adversely affected by a CCAP agency or Department of Human Services (DHS) decision may be able to request a review of the matter by the Department of Human Services (DHS).

Some appeals, called fair hearings, are overseen by the DHS Appeals Division. A fair hearing is a legal process where a human services judge oversees an administrative hearing and reviews a decision made by a CCAP agency or DHS staff that supervise CCAP. In these hearings, families and providers and the CCAP agency are able to present evidence to the human service judge, including witness testimony. The human services judge then reviews the evidence and issues a recommended order for the Commissioner to accept or refuse. Families or providers may appeal a fair hearing decision by the Commissioner to district court or request a reconsideration. Most fair hearings are decided within 90 days of the date of request for a hearing.

Other types of provider due process rights are overseen by other areas of DHS or the Office of Administrative Hearings.

See the chapters below for more information:

15.3	Appealable Issues
15.6	Family and Provider Appeal Rights
15.9	Appeal Requests
15.12	Fair Hearing Process
15.15	Continuation of Benefits
15.18	Effect of Appeal Decision

Legal authority

Minnesota Statutes 119B.16
Minnesota Statutes 119B.161
Minnesota Statutes 119B.162
Minnesota Statutes 245.095
Minnesota Statutes 245E.06, subd 3
Minnesota Statutes 256.045
Minnesota Statutes 256.046
Minnesota Rules 3400.0230

Appealable issues 15.3

Forward all fair hearing requests received by your agency to the Department of Human Services (DHS) Appeals Division. The Appeals Division will decide if an issue is appealable and convene a hearing, if necessary.

Families

Families may appeal an action taken against them by the CCAP agency that adversely affects their child care assistance.

Commonly appealed actions by families include:

- Denial of child care assistance application.
- Suspension, reduction, or termination of child care assistance.
- Denial of a good cause exemption.
- The CCAP agency not acting on an application within the timeliness standards in Chapter 3.7 (Processing Applications).
- The basis for an overpayment, calculated amount of an overpayment, and the level of recoupment or recovery. See Chapter 14.9.6 (Recoupment - Families) and Chapter 14.9.12 (Civil Recovery – Families).

Families do not have appeal rights for actions taken against a provider.

Providers

Child care providers may appeal specific child care assistance actions taken against them by a CCAP agency or the Department of Human Services.

Providers do not have appeal rights for actions taken against families.

Providers have different rights depending on the type of action taken and the reason for the action. See Chapter 15.6 (Family and provider appeal rights).

Denial or dismissal of a fair hearing

For fair hearings overseen by the DHS Appeals Division, a human services judge (HSJ) may deny or dismiss a family or a provider's appeal request if:

- The appellant withdraws the appeal request.
- The appeal request is not received within the timeliness standard outlined in Chapter 15.9 (Appeal Requests).
- The family, provider, or representative fails to appear for a hearing and cannot show good cause for doing so.
- DHS has no jurisdiction to hear the appeal.

Legal authority

Minnesota Statutes 119B.16
Minnesota Statutes 119B.161
Minnesota Statutes 119B.162
Minnesota Statutes 245.095
Minnesota Statutes 245E.06, subd. 3
Minnesota Statutes 256.045
Minnesota Rules 3400.0230

Family and provider appeal rights 15.6

Family

When an action is taken against a family, provide the family with written information on:

- The right to an informal conference with the CCAP agency to attempt to resolve the dispute.
- The right to appeal to the CCAP agency or directly to the Department of Human Services (DHS) Appeals Division for a fair hearing.
- How to file an appeal.

Appeal rights (DHS-3353) explains family appeal rights and is printed on the back of notices issued by the Issuance Operation Center (IOC) in instances when a family has appeal rights. If a manual notice of adverse action or termination is sent to a family for an action against the family, include a copy of the Appeal rights (DHS-3353).

Families do not have appeal rights for actions taken against a provider.

Provider

A provider who receives child care assistance has different due process rights depending on the action taken. Providers do not have appeal rights for actions taken against a family.

Fair hearing

A provider may request a fair hearing for:

- Denial or closure of a registration, except when the action entitles the provider to a contested case hearing, an administrative review, or an administrative reconsideration (see below)
- The basis for an overpayment, amount of an overpayment, and the level of recoupment or recovery
- The start of an administrative disqualification (see information below about administrative disqualification hearings)
- Disagreement over the amount of a payment.

When an adverse action is taken against a child care provider, and the provider has a right to a fair hearing, provide the provider with written information on:

- The right to appeal to the Department of Human Services (DHS) Appeals Division for a fair hearing.
- The time frame in which the provider must request an appeal in order to be considered timely.
- The items that must be included in the provider's appeal request.

Appeal rights for Child Care Assistance Program providers (DHS-4018) explains provider appeal rights and is printed on the back of notices issued by the Issuance Operation Center (IOC) in instances when a provider has a right to a fair hearing. If a manual notice of adverse action or termination is issued to a provider for an action against the provider, include a copy of the Appeal rights for Child Care Assistance Program providers (DHS-4018).

Family and provider appeal rights 15.6

If a child care provider's registration was denied or closed based on a licensing action, the child care assistance appeal will happen after a final decision is reached about the license.

A Human Services Judge assigned to a fair hearing may join a family or a provider as a party to the fair hearing whenever joining of that party is necessary to fully and fairly resolve overpayment issues raised in the appeal.

Contested case hearing

A provider may request a contested case hearing when the Department of Human Services (DHS) sends a notice of disenrollment, revocation or suspension a license, disqualification, or debarment under a specific law that allows DHS to take action when a provider has been excluded from any publicly funded program administered by DHS or another state or federal agency.

For information on:

- How a provider may request a contested case hearing see Chapter 15.9 (Appeal Requests)
- Notice requirements for contested case hearings see Chapter 12.6.9 (Termination Notices – Provider).

Administrative review or administrative reconsideration

When a provider's registration is closed or denied and payments are immediately stopped due to findings of violations in an investigation and/or a credible allegation of fraud, depending on the circumstances, the provider may request either an administrative review or administrative reconsideration.

An administrative review may be requested when a provider's payments are stopped because:

- The provider admitted to intentionally giving the county materially false information on its billing forms;
- DHS or the county agency found by a preponderance of evidence that the provider intentionally gave the county materially false information on its billing forms or attendance records; or
- DHS finds the provider is improperly recruiting employees.

An administrative reconsideration may be requested when a provider's payments are stopped because DHS determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

Both administrative reviews and administrative reconsiderations are processes that allow a provider whose child care assistance payments are temporarily suspended to submit written proof and argument for consideration by the Minnesota Department of Human Services. These are not formal hearings.

In situations when a provider may request an administrative review, the provider's registration stays closed and payments are stopped until:

- The Department of Human Services (DHS) or a law enforcement authority determines there is insufficient evidence to continue the action; or DHS or a CCAP agency decides not to pursue further administrative remedy under Minnesota Statutes, chapter 245E or section 256.98; or
- All criminal, civil, or administrative proceedings related to the alleged misconduct have concluded and all appeal rights have been exhausted.

Family and provider appeal rights 15.6

Also see Administrative review rights for Child Care Assistance Program providers (DHS-7397), which explains provider administrative review rights.

In situations when a provider may request administrative reconsideration, the provider's registration stays closed and payments are stopped until:

- DHS determines there is insufficient evidence of fraud;
- All criminal, civil, or administrative proceedings related to the alleged fraud are completed;
- And any other requirements or procedures for reinstatement provided in the initial notice have been satisfied.

Within 60 days of receiving the provider's request for administrative reconsideration, DHS will review all information available (including information the provider submitted) to determine whether to continue withholding payments.

For information on:

- How a provider may request an administrative review or administrative reconsideration, see Chapter 15.9 (Appeal Requests)
- Notice requirements for administrative reviews and administrative reconsiderations, see Chapter 12.6.6 (Adverse Action Notices – Provider).

Administrative disqualification hearing

A provider who has been issued a Notice of Administrative Disqualification has the right to a fair hearing to challenge the disqualification. See Chapter 13.9.3 (Administrative disqualification – Providers).

For information on:

- How a provider may request an administrative disqualification hearing, see Chapter 15.9 (Appeal Requests)
- Notice requirements for administrative disqualification hearings, see Chapter 12.6.9 (Termination Notices – Provider).

Reconsideration for a child care assistance correction order

A provider may request reconsideration if they believe the Department of Human Services (DHS) mistakenly cited child care assistance violations in an order of corrective action.

For information on:

- How a provider may request reconsideration for a correction order see Chapter 15.9 (Appeal Requests)
- Notice requirements for reconsiderations for correction orders see Chapter 12.6.10 (Correction Order Notices – Provider).

Legal authority

Minnesota Statutes 119B.16
Minnesota Statutes 119B.161
Minnesota Statutes 119B.162
Minnesota Statutes 245.095

Family and provider appeal rights 15.6

Minnesota Statutes 245E.02, subds. 3a & 4
Minnesota Statutes 245E.06, subd. 3
Minnesota Statutes 256.045
Minnesota Statutes 256.046
Minnesota Rules 3400.0230

Appeal requests 15.9

Family appeal requests

A family must request an appeal in writing and must state what negative action(s) they are appealing. The request for an appeal must be signed by:

- The applicant.
  OR
- The participant.
  OR
- An attorney, advocate or authorized representative.

The family may request an appeal by completing the Appeal to State Agency (DHS-0033-ENG) (PDF) form or by writing a letter indicating disagreement with the CCAP agency's decision.

The family must request the appeal no more than:

- 30 days after getting a written notice of the proposed action.
  OR
- 90 days after getting the written notice of proposed action, if able to show good cause for not making the request within the 30-day time limit.

The family can send the appeal request to their CCAP agency or directly to the DHS Appeals Division at:

Minnesota Department of Human Services
Appeals Division
P.O. Box 64941
St. Paul, MN 55164-0941
Fax: 651-431-7523

Refer all appeal requests to the DHS Appeals Division. Do this regardless of when you receive the request and regardless of the appellant's reason for making a late appeal request. The Appeals Division will convene a hearing and decide the issue of timeliness or good cause at that time.

In some situations, the family may have the option to continue receiving benefits during the appeal process. See Chapter 15.15 (Continuation of Benefits).

Follow the appeal process regardless of the possibility of fraud.

Provider due process requests

What due process rights a provider has and how the provider appeals differ depending on the action taken. See Chapter 15.6 (Family and provider appeal rights) for information about the different types of provider due process rights and when they are used.

Appeal requests 15.9

Requesting a fair hearing or appealing an administrative disqualification

A provider's request for a fair hearing must:

- Be in writing.
- List each item from the adverse action notice the provider disagrees with, the reason(s) why the provider disagrees, and if applicable, the dollar value of each item the provider disagrees with.
- State the dollar amount the provider believes to be correct, if applicable.
- State the statute and/or rule references the provider believes supports their position.
- Include a name, address, and telephone number of a person at the provider's business that can be contacted regarding the appeal.

The provider may request an appeal by completing the Child Care Assistance Program (CCAP) Provider Appeal to State Agency (DHS-8075) form or by writing a letter requesting an appeal that includes the required components.

The provider must send the appeal request directly to the DHS Appeals Division at:

Minnesota Department of Human Services
Appeals Division
P.O. Box 64941
St. Paul, MN 55164-0941
Fax: 651-431-7523

The provider's appeal must be received by the Minnesota Department of Human Services, Appeals Division, within 30 days of the date the adverse action notice was mailed. All provider appeal requests must be received within the 30-day time frame in order to be considered timely. Good cause delays are not allowed for provider appeals.

If the provider submits their appeal to the CCAP agency, immediately forward the appeal directly to the DHS Appeals Division.

In some situations, the provider may have the option to continue receiving benefits during the fair hearing process. See Chapter 15.15 (Continuation of Benefits).

Follow the appeal process regardless of the possibility of fraud.

Requesting a contested case hearing

A provider's request for a contested case hearing must:

- Be in writing
- Be received by DHS within 30 days of the date the notice was mailed to the provider
- Include:
    - Each item the provider disagrees with and the reason(s) the provider disagrees
    - The statute and/or rule references the provider believes supports their position
    - The name and address of a contact for the provider's appeal
    - Any other specific information required by DHS.

Requesting an administrative review

A provider's request for an administrative review must:

- Be in writing
- Include written argument and proof for consideration by DHS
- Be submitted to the DHS Financial Fraud and Abuse Investigations Division at:

  Minnesota Department of Human Services
  Financial Fraud and Abuse Investigations Division
  Attn: CCAP Provider Investigations
  P.O. Box 64982
  St. Paul, MN 55164-0982

Requesting administrative reconsideration

A provider's request for administrative reconsideration must:

- Be submitted in writing to DHS.
- Include arguments and proof as to why the provider thinks DHS' decision to suspend payment is wrong.

Requesting reconsideration for a child care assistance correction order

A child care provider's request for reconsideration must:

- Be made in writing.
- Be postmarked and sent to DHS or submitted in the provider hub within 30 calendar days from the date the correction order was mailed or issued through the hub.
- State which parts of the correction order the provider thinks are wrong.
- Explain why the provider thinks the correction order is wrong.
- Send proof to support the provider's position.

NOTE: Once the provider hub is available, a provider must submit their request for reconsideration through the provider hub.

Legal authority

Minnesota Statutes 119B.16
Minnesota Statutes 119B.161
Minnesota Statutes 119B.162
Minnesota Statutes 245.095
Minnesota Statutes 245E.06, subd. 3
Minnesota Statutes 256.045
Minnesota Statutes 256.046, subd. 3
Minnesota Rules 3400.0230

Fair hearing process 15.12

Before the hearing

Appeal summary

Once the Appeals Division informs your agency of an appeal for a fair hearing, draft an appeal summary. The appeal summary summarizes the issues, including timeliness of the appeal and the facts and reasons for your agency's action(s) leading to the appeal. Include all supporting documentation with your summary. Examples of supporting documentation are:

- The notice of action
- The appellant's request for appeal
- Relevant legal citations
- Applications
- Overpayment calculations
- Verifications.

Send the appeal summary, using State Agency Appeals Summary DHS-0035-ENG (PDF), to the appellant and the Appeals Division at least 3 working days before the date of the hearing. Your agency may also choose to submit a narrative summary instead of the form. The appellant has the right to review any information related to the hearing prior to the hearing date.

Informal conference

Before the hearing, the CCAP agency must offer an applicant or a participant a conference with your agency to resolve the appealed issue informally. The CCAP agency is not obligated to, but may, offer a child care provider an informal conference. It is recommended the informal conference include a CCAP supervisor or a lead CCAP worker.

The CCAP agency must inform the applicant or the participant that the request for a conference is optional and does not delay or replace the right to an appeal. If the conference resolves the issue, ask the appellant to contact the Appeals Division to withdraw the appeal. Do not delay sending the appeal request to the Appeals Division pending an informal conference.

Appeal hearing

To allow for proper notification, the Appeals Division normally holds hearings at least 5 days after it issues the hearing notice. Hearings can be held sooner if the appellant and human services judge consent. Many hearings are held by telephone, but in certain circumstances, a hearing may be conducted either in-person or by videoconference.

After the hearing

After the hearing, the human services judge writes a recommendation to the Commissioner of Human Services' delegate, typically one of the co-chief human services judges. The co-chief human services judge makes the final decision and issues an order affirming, reversing, or modifying the action of the CCAP agency or DHS. If the co-chief human services judge disagrees with the human services judge's recommendation, the co-chief human services judge will send a letter to the parties indicating they are considering making a different decision with a copy of the human services judge's recommended decision and, in most cases, a proposed amended decision. Each party has 10 days to present additional written arguments before a final decision is issued.

Requesting reconsideration

If the appellant or the agency disagrees with the final decision, either party has 30 days from the date of the final decision to ask for a reconsideration.

When requesting reconsideration, the request must state the reasons why the appellant or the agency believes the decision should be reconsidered. The request may include legal arguments and may include proposed additional evidence supporting the request. If additional evidence is proposed, the appellant or the agency must explain why the evidence was not provided at the hearing. The Director of the Appeals Division may reconsider an order upon request of either party, or on the Director's own motion. If reconsideration is granted, the Director will issue an order affirming, reversing or amending the original order, or remanding the matter back to a human services judge for further proceedings. The original order takes effect even if there is a request to reconsider.

Appealing in district court

The appellant or the agency may also appeal to state district court. This is a separate legal proceeding that must be appealed to district court within 30 days from the date the final decision was issued. An appeal to district court may be filed instead of a request for reconsideration or after a request for reconsideration has been denied. Either party may also appeal to district court to enforce an appeal decision.

Legal authority

Minnesota Statutes 119B.16
Minnesota Statutes 256.045
Minnesota Statutes 256.0451
Minnesota Rules 3400.0230

Continuation of benefits 15.15

Benefits pending appeal

In some cases, families or providers may choose to continue receiving benefits at the same level during the appeal process.

Continuation for families

Do not terminate a family's child care assistance or take the adverse action, if:

- The family appeals before the effective date of the adverse action, or within 10 days of the date the on the notice, whichever is later
  AND
- The family chooses to continue receiving benefits.

If a notice period ends on a Saturday, Sunday or holiday, consider an appeal request made on the next working day to be timely.

If a change not related to the issue under appeal occurs while benefits are continuing, notify the family of any adverse action. Take the action unless it is also appealed timely.

The family continues to receive benefits until the Appeals Division issues a hearing decision, another change occurs which requires an adjustment, or the family requests to stop receiving benefits, whichever occurs first.

Notification of potential overpayment for families

Families receive Appeal rights (DHS-3353) with termination and adverse action notices for actions taken against them. These appeal rights notify the family that child care assistance paid pending an appeal will be an overpayment if the appeal finds that the family was not eligible for the amount of child care assistance paid.

A family may choose not to continue receiving benefits pending appeal, even if they appeal timely.

See Chapter 15.18 (Effect of Appeal Decision) for information on when a family who continued to receive benefits during the appeal process loses the appeal.

Continuation for providers

Payments pending a fair hearing

If a provider is entitled to a fair hearing and the provider appeals an adverse action before the effective date, postpone the action until after the hearing, unless:

- The provider chooses not to receive child care assistance pending appeal.
- The provider is appealing the basis for an overpayment, the amount of an overpayment, and/or the level of recoupment or recovery. Recovery of a provider overpayment, including recoupment for active providers, must continue pending appeal. See Chapters 14.9 (Recovery Methods) and 14.9.9 (Recoupment – Providers).
- The provider's registration was closed or denied based on a licensing action. When this happens, the provider's:

  - Registration must stay closed, and payments cannot continue for service dates after the registration closes, while an appeal is pending; and
  - Child care assistance appeal will happen after a final decision is reached about their license or certification.
- The adverse action entitles the provider to an administrative review or administrative reconsideration. If an agency issues a payment stop in combination or conjunction with an administrative disqualification notice, the provider may request a fair hearing for the disqualification, but the provider cannot receive payments pending appeal (see below).

See Chapter 15.6 (Family and Provider Appeal Rights) for a list of adverse actions that entitle a provider to fair hearing.

NOTE: Child care assistance paid pending an appeal will be an overpayment if the appeal finds that the provider was not eligible for the amount of child care assistance paid.

Payments pending an administrative review or administrative reconsideration

A provider whose payments are immediately suspended or withheld pending an investigation under Minnesota Statutes 119B.13, subdivision 6, paragraph (d), clauses 1 or 2; 245E.02, subdivision 4; or 245.095, subdivision 5 cannot receive payment even if they request an administrative review or administrative reconsideration, whichever is applicable. This includes payments for service dates before the payment stop took effect.

For more information about administrative review and administrative reconsideration processes, see Chapters 12.6.6 (Adverse Action Notices – Provider), 12.6.9 (Termination Notices – Provider), 15.6 (Family and Provider Appeal Rights), and 15.9 (Appeal Requests).

See Chapter 15.18 (Effect of Appeal Decision) for information about on what happens with a provider's payments after a decision is reached about the provider's appeal.

Legal authority

Minnesota Statutes 119B.16
Minnesota Statutes 119B.161
Minnesota Statutes 245.095
Minnesota Rules 3400.0230

Effect of appeal decisions 15.18

Family appeals

When a family chooses not to receive child care assistance pending an appeal and then wins the appeal, reinstate the family's eligibility back to the date of termination. Payment to an eligible provider for child care expenses incurred pending the appeal are able to be made retroactively. However, see Chapter 9.1 (Child Care Authorizations) for information about the earliest date care can be paid if a provider provided care without receiving a Service Authorization and billing form.

When a family who continues to receive benefits during the appeal process loses an appeal, send a 15-day notice of termination or reduction in benefits to the family and the child care provider. Send the notice as soon as possible after the appeal decision has been received to lessen any family overpayment. Note: Due to MEC^2 functionality, eligible results may continue to generate when the family is actually ineligible. Contact your Policy Specialist if assistance is needed to close the case.

If the appeal decision finds the family to be ineligible or that the family received more child care assistance benefits than they were eligible to receive, calculate the amount(s) that were determined overpaid and assess an overpayment. See Chapter 14.6 (Amount of overpayment) to determine when to assess an overpayment.

Provider appeals

Fair hearings

Human Services Judge reverses an action following a fair hearing, and the provider chose to continue receiving payments pending appeal

If a provider chose to continue receiving benefits pending appeal, and it wins its appeal, no further action is needed. See Chapter 15.15 (Continuation of benefits) for information about when a provider could choose to continue receiving payments pending appeal.

For example, no action is needed if:

- A provider's registration was set to close due to failure to complete the registration process;
- The provider appealed timely and chose to keep its registration open continue receiving payments pending appeal;
  AND
- A Human Services Judge reverses the agency's action to close the registration following a fair hearing.

Human Services Judge reverses an action or reduces an overpayment that already taken effect

If a Human Services Judge reverses or reduces an overpayment that has been partially or fully collected:

- Follow procedures in the MEC^2 User Manual titled Provider – Provider appeals overpayment reversed.
- Refund the provider. Contact your Policy Specialist if you need assistance.

NOTE: Recovery and recoupment of an overpayment must continue pending appeal. A provider cannot request that recoupment stop pending appeal, even if the provider appeals timely. See Chapter 15.15 (Continuation of Benefits).

Effect of appeal decisions 15.18

If a Human Services Judge reverses an action to disqualify a provider or close or deny a provider's registration, and the provider's registration is closed, the provider must complete a new registration to receive CCAP again.

Assuming all registration requirements are met, the new registration may be retroactive. Depending on the provider's specific circumstances, registration may not go back to the original closure date. See information in Chapter 11.12 (Provider Registration) about the registration begin date.

To determine whether to make payments for retroactive service dates while the appeal was pending, standard eligibility, authorization, and payment policies for families apply. See:

- Chapter 4.18 (Date of Eligibility) for retroactive eligibility limits.
- Chapter 9.1 (Child Care Authorization) for information about the earliest date care can be paid if a provider provided care without receiving a Service Authorization and billing form.
- Chapter 9.3 (Payments to Providers) for information about billing timelines.

Human Services Judge affirms an action, and the provider is not continuing to receive benefits pending appeal

Typically, no action is needed if provider loses its appeal, and the provider was not continuing to receive benefits pending appeal.

NOTE: If a Human Services Judge affirms a provider's fraud disqualification, and the provider's registration is already inactive, contact your Policy Specialist to have the disqualification entered into MEC². See Chapter 13.9.6 (Entering Disqualification Periods in MEC² - Providers).

Human Services Judge affirms an action, and the provider chose to continue receiving payments pending appeal

If a provider chose to continue receiving benefits pending appeal, and it loses its appeal:

- Close the provider's registration as soon as possible after the appeal decision is received to reduce any possible overpayment;
  AND
- Calculate and assess any overpayment(s) for periods of time when the provider was ineligible or overpaid. See Chapter 14.6 (Amount of Overpayment).

See Chapter 15.15 (Continuation of benefits) for information about when a provider could choose to continue receiving payments pending appeal.

Administrative reviews and payment stops

An administrative review is a process that allows a provider whose child care assistance payments are temporarily suspended to submit written proof and argument for consideration by the Minnesota Department of Human Services. See Chapter 15.6 (Family and provider appeal rights).

If DHS determines during the administrative review process that there is insufficient evidence to continue an action and that a payment stop can be lifted:

- Payments may be made for services provided before the payment stop took effect, if the provider bills timely and accurately.
- The provider must complete a new registration to receive CCAP again. See Chapter 11.12 (Provider Registration). Registration does not guarantee a child's authorization or payment.

Assuming all other registration requirements are met, the new registration may go back to the later of:

- The date the registration closed previously

OR

- The date set in a legally binding settlement agreement.

For service dates after the new registration opens, standard eligibility, authorization, and payment policies for families apply. For example, see:

- Chapter 4.18 (Date of Eligibility) for retroactive eligibility limits.
- Chapter 9.1 (Child Care Authorization) for information about the earliest date care can be paid if a provider provided care without receiving a Service Authorization and billing form.
- Chapter 9.3 (Payments to Providers) for information about billing timelines.

If a provider is subject to a payment stop and has a disqualification for wrongfully obtaining assistance, an administrative disqualification, or a termination, then the Child Care Assistance Program retains any payments suspended or held during a fraud investigation. See Chapter 13.9.3 (Administrative Disqualification-Provider).

Legal authority

Minnesota Statutes 119B.011, subd. 19a
Minnesota Statutes 119B.125, subd. 1
Minnesota Statutes 119B.13, subd. 6
Minnesota Statutes 119B.16
Minnesota Statutes 119B.161
Minnesota Rules 3400.0120, subp. 1
Minnesota Rules 3400.0187
Minnesota Rules 3400.0230

Appendix 16

This chapter includes resources that are necessary or helpful in administering the Child Care Assistance Program. See the various topics below for more information:

Sub Section	Topic
16.3	CCAP Case Examples
16.6	Disaster Waiver
16.15	Authorized activities comparison sheet
16.18	Case reviews
16.21	Recording document received date
16.24	Override reporting
16.27	Exempt earned income comparison sheet
16.30	At-home infant child care
16.33	BSF First Quarter Reallocation
16.36	BSF waiting list considerations
16.39	BSF waiting list reporting
16.44	Accuracy Review Reporting
16.46	Information about MNbenefits

Legal authority

Minnesota Statutes 119B
Minnesota Rules 3400

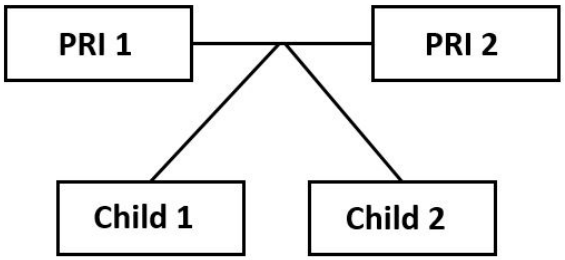
CCAP case examples 16.3

This chapter demonstrates how CCAP policy applies to case examples based on:

- Family composition, see Chapter 5 (CCAP family composition).
- Authorized activities, see Chapter 4.6 (CCAP authorized activities)
- CCAP Subprograms, see Chapter 4.3 (CCAP Subprograms)
- Authorizing child care, see Chapter 9.1 (Authorizing child care)

Assume families meet eligibility requirements, see Chapter 4 (Eligibility requirements) unless otherwise noted.

Household Composition: 2-parent married families



Case example 1

PRI 1: Working 35 hours per week
PRI 2: Going to school
Family size: 4

Authorized activities

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms
- PRI 2: Activity meets authorized activity requirements within an Employment Plan for MFIP/DWP or an agency approved Education Plan for BSF and TY/TYE.

Authorization

- All children in the CCAP family are eligible for authorized hours to support authorized activities.

Case example 2

PRI 1: Working 35 hours per week
PRI 2: Unable to care as determined by licensed physician
Family size: 4

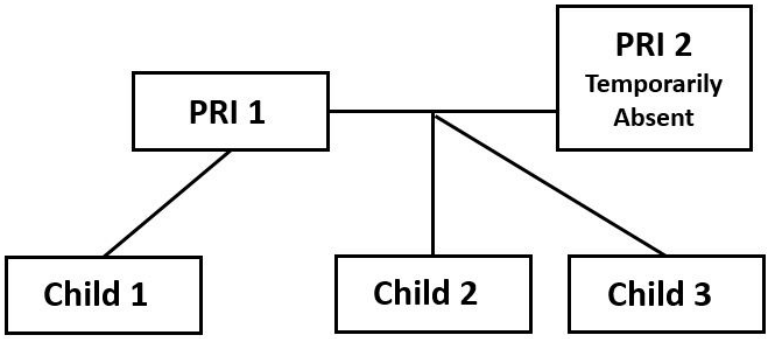
Authorized Activities

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.
- PRI 2: Authorized activity is not required for all CCAP Subprograms because deemed unable to care.

Authorization

- All children are eligible for authorized hours to support PRI 1's work activity.

Household Composition: 2-parent married family (1 temporary absent PRI)



Case example 1: Temporarily absent while on Extended Eligibility

PRI 1: Working 40 hours per week.
PRI 2: Became temporarily absent from home while on Extended Eligibility and intends to return
Family Size: 5

During the Extended Eligibility period PRI 2 is included in the CCAP family during the Extended Eligibility period and Temporary Absence.

Authorized Activities

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.
- PRI 2: No activity eligibility continues under Extended Eligibility policy for all CCAP Subprograms.

Authorization

- All children are eligible for authorized hours to support PRI 1's work activity while PRI 2 is temporarily absent.

Case example 2: Extended Eligibility period ends and PRI 2 has not returned to the home

PRI 1: Working 40 hours per week.
PRI 2: Extended eligibility & temporary absent
Family Size: 5 changes to 4

The CCAP family size changes from 5 to 4 when the Extended Eligibility Period ends. The PRI 2 is removed from the CCAP household due to Extended Eligibility period expiring and being Temporarily Absent without an activity longer than 60 days. PRI 1 will need to cooperate with child support by next redetermination.

Authorized Activities

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.

Authorization

- All children are eligible for authorized hours to support PRI 1's authorized activity.

Case example 3: PRI 2 returned to the home before the end of the Extended Eligibility period and has no activity

The CCAP family continues to be eligible until the Extended Eligibility period ends. At the end of the Extended Eligibility period the family is ineligible because the PRI 2 has no authorized activity. The agency must approve case to close allowing a 15 day notice of adverse action. Agency has option to put the case on Temporarily Ineligible (TI) status for up to 90 days.

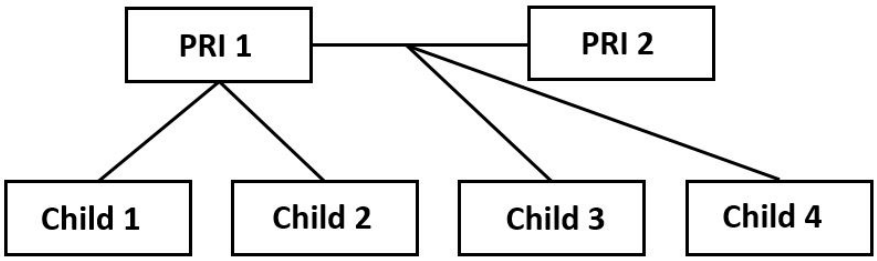
Authorized Activities

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.
- PRI 2: Does not meet authorized activity requirements at the end of the Extended Eligibility period.

Authorization

- All children continue to be authorized during PRI 2's Extended Eligibility period.
- All children become ineligible for authorized hours once the Extended Eligibility period ends. Authorizations will close with a 15 day notice of adverse action.

Household composition: 2-parent married blended family



Case example

PRI 1: Going to school.
PRI 2: Working 40 hours per week.
Family Size: 6

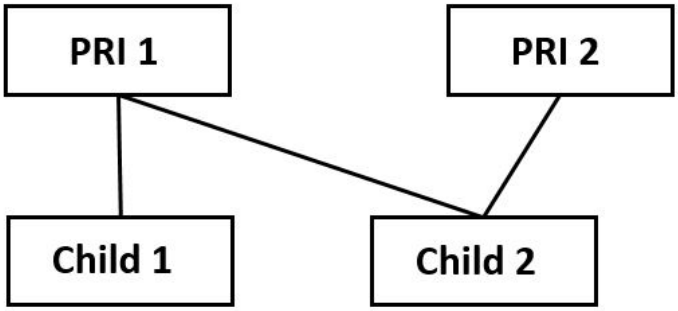
Authorized Activities

- PRI 1: Activity meets authorized activity requirements within an Employment Plan for MFIP/DWP or an agency approved Education Plan for BSF and TY/TYE.
- PRI 2: Activity meets authorized activity requirements for all CCAP subprograms.

Authorization

- All children in the CCAP family are eligible for authorized hours to support authorized activities.

2-parent unmarried blended family



Case Example

PRI 1: Working 35 hours per week.
PRI 2: No authorized activity.
Family Size: 4

All family members are included in the family size due to meeting the definition of a CCAP family. However, PRI 2 and child 2 are ineligible because PRI 2 has no eligible activity.

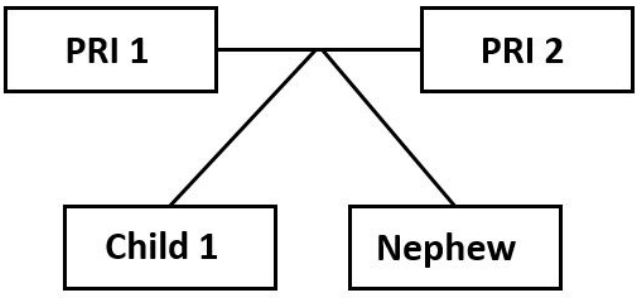
Authorized Activities

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.
- PRI 2: Does not meet activity requirements for all CCAP subprograms.

Authorization

- Child 1 is eligible for authorized hours to support PRI 1 employment activity. Child 1 has no relationship to PRI 2 and does not impact the authorized hours determined for Child 1.
- Child 2 is not eligible for any authorized hours because PRI 2 has no eligible activity. PRI 2 is available to care for the child.

Eligible relative caregiver or legal guardian family



Case example

PRI 1: Working 35 hours per week.
PRI 2: Working 40 hours per week.
Nephew: MFIP, child-only grant.
Family Size: 4

The nephew is included in the CCAP family size because the PRI's are determined to be eligible relative caregivers by the MFIP Program. The PRI's receive a child-only MFIP grant for the nephew.

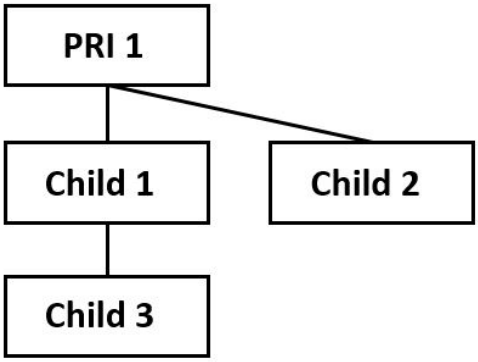
Authorized Activities

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.
- PRI 2: Activity meets authorized activity requirements for all CCAP subprograms.

Authorization

- All children in the family are eligible for authorized hours to support PRI's employment activities.

Minor parent living with adult parent and no CCAP request for minor parent. Adult parent receives CCAP.



Case example

PRI 1: Working 40 hours per week.
Family Size: 3

The CCAP family includes: PRI 1, Child 1, & Child 2. Child 3 does not meet the definition of CCAP family because PRI 1 is not a parent, step-parent, eligible relative caregiver, or legal guardian to Child 3.

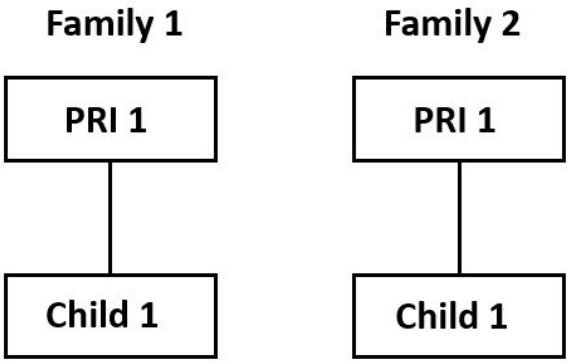
Authorized Activity

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.

Authorization

- Child 2 is eligible for authorized hours to support PRI 1 authorized activity.
- Child 3 is ineligible for authorized hours because child 3 is not included in the CCAP family.

Minor parent living with adult parent and both parents receive CCAP



Case Example

Each PRI will have their own CCAP case and eligibility is determined separately for each CCAP family. The minor parent is not considered a child in the adult parent's CCAP family because the child status has changed to a PRI.

CCAP Family 1: Minor Parent
PRI 1: Attending High School
Family Size: 2

Authorized Activity

- Activity meets authorized activity requirements within an Employment Plan for MFIP/DWP or an agency approved Education Plan for BSF and TY/TYE.

Authorization

- Child 1 is eligible for authorized hours to support PRI 1 authorized activity.

CCAP Family 2: Adult Parent
PRI 1: Working 40 hours per week
Family Size: 2

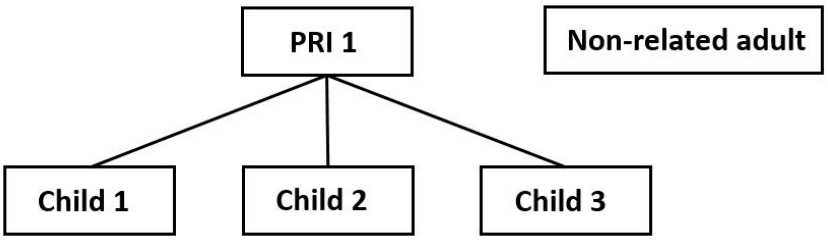
Authorized Activity

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.

Authorization

- Child 1 is eligible for authorized hours to support authorized activity.

Household composition: Unmarried parent living with non-related adult



Case Example 1

PRI 1: Working 30 hours per week.
Non-Related Adult: Working 30 hours per week.
Family Size: 4

The Non-related Adult does NOT meet the definition of family and is not part of the CCAP family.

Authorized Activity

- Activity meets authorized activity requirements for all CCAP subprograms.

Service Authorization

- All children are eligible for authorized hours to support PR1's authorized activity.

Case Example 2

PRI 1 and Non-related adult get married.

PRI 1: Working 30 hours per week.
PRI 2: Working 30 hours per week.
Family Size: 5

The marriage changes the relationship status of the non-related adult from unrelated to related as a step-parent and must be included in the CCAP family size.

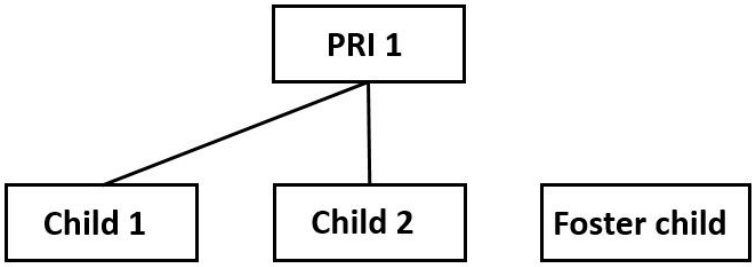
Authorized Activities

- PRI 1: Activity meets authorized activity requirements for all CCAP subprograms.
- PRI 2: Activity meets authorized activity requirements for all CCAP subprograms.

Authorization

- All children in the family are eligible for authorized hours to support authorized activities when activity schedules overlap.

Unmarried parent with a foster child



Case Example

PRI 1: Employed 30 hours per week and volunteers 10hrs per week
Family Size: 3

The foster child is not included in the CCAP family because does not meet the definition of a CCAP Family.

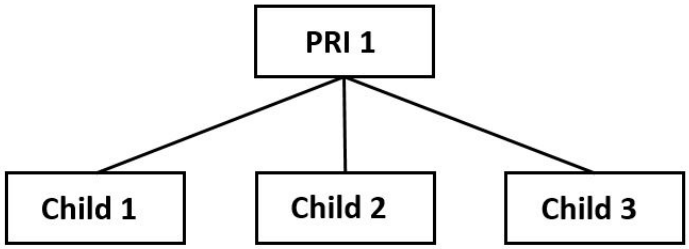
Authorized Activities

- **PRI 1**: Employment activity meets authorized activity requirements for all CCAP subprograms.
  - Volunteer activity meets authorized activity requirements with an employment plan for MFIP/DWP.
  - Volunteer activity does not meet authorized activity requirements for BSF and TY/TYE.

Authorization

- Child 1 and Child 2 are eligible for authorized hours for approved activities.
- The foster child is not eligible for a child care authorization.

Parent on SSI



Case Example

PRI 1: Attends school for G.E.D. **AND** receives SSI
Family Size: 4.

The family has no eligibility for the MFIP CCAP subprogram because the PRI cannot be not part of the MFIP Grant due to receiving SSI. PRI must be on MFIP grant to receive MFIP CCAP.

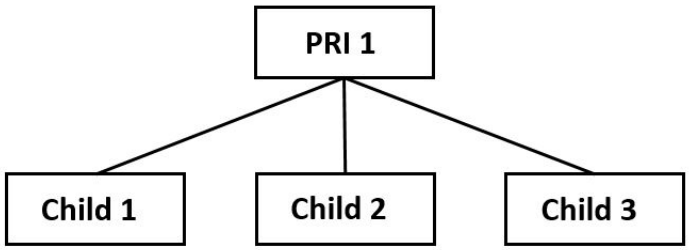
Authorized Activity

- Activity meets authorized activity requirements with an agency approved Education Plan for BSF or TY/TYE.

Authorization

- All children would be eligible for authorized hours for approved activity for BSF or TY/TYE**.**

Parent disqualified due to MFIP fraud – Not CCAP fraud



Case Example

PRI 1: Employed 35hrs per week **AND** has MFIP Fraud Disqualification – not CCAP Fraud Disqualification
Family Size: 4

The family is ineligible for MFIP or TY CCAP Subprograms due to MFIP fraud disqualification.

The family is eligible for BSF and is subject to the BSF wait list if funds are not available.

Authorized Activities

- PRI 1: Activity meets authorized activity requirements.

Authorization

- All children in the family are eligible for authorized hours to support authorized activity.

Legal authority

Minnesota Statutes 119B.011
Minnesota Rules 3400.0040

Disaster Waiver 16.6

Waiver policy

Minnesota law allows the commissioner of the Department of Human Services (DHS) to waive Child Care Assistance Program requirements when a disaster or emergency occurs. A CCAP agency may request a waiver from DHS when a disaster or emergency occurs.

When requirements can be waived

Requirements can be waived for up to nine months after a disaster in areas where a federal disaster has been declared or the governor has exercised authority during a disaster or emergency under chapter 12.

Requirements can be waived retroactively to the date of the disaster or emergency.

Process for requesting a waiver

When a federal disaster is declared or the governor exercises authority under chapter 12, a CCAP agency may request a waiver from DHS.

To request a waiver:

- Contact your CCAP Policy Specialist to discuss possible waivers.
- Submit a written request to DHS specifying the details of the waiver request including waived requirements, the rationale for waiving requirements, and for how long the requirements will be waived.
- DHS will review the request and follow up with the CCAP agency with questions or clarifications.
- DHS will approve or deny the request and notify the CCAP agency in writing.
- If the request is approved, DHS will notify the chairs of the house representatives and senate committees with jurisdiction over the Child Care Assistance Program and the house of representatives Ways and Means Committee within five business days after granting the waiver.

Examples

Examples of disasters or emergencies where a waiver may be needed include tornados, floods, fires, or disease outbreaks.

Examples of requirements that may need to be waived include:

- Activity requirements if the disaster or emergency prevents the family from working or going to school.
- Verification requirements if documents are destroyed in a disaster.

Legal authority

Minnesota Statutes 119B.26

Authorized activities comparison sheet 16.15

Authorized Activity	Job Search	Employment	High School /GED/ Remedial	Post-Secondary Education	Financial & Employment Services Orientations, Assessment, Appeals, Hearings for Cash Assistance	Social Service Activities
MFIP or DWP Without EP (Employment Plan)	240 hours in a calendar year.	Must work at least an average of 20 hours per week, or 10 hours if full-time student, and earn at least minimum wage.	Not available without an EP.	Not available without an EP.	Available	Not available without an EP.
MFIP or DWP with EP (Employment Plan)	As defined in EP. 240 hour limit does not apply.	As defined in EP. Minimum wage and hour requirement does not apply with an approved EP.	As defined in EP.	As defined in EP.	Available	As defined in EP.
Transition Year Child Care/ Transition Year Extension	240 hours in a calendar year.	Must work at least an average of 20 hours per week, or 10 hours if full-time student, and earn at least minimum wage.	Must have agency approved education plan.	Must have agency approved education plan.	Not available	Not available
Basic Sliding Fee Child Care (BSF)	240 hours in a calendar year.	Must work at least an average of 20 hours per week, or 10 hours if full-time student, and earn at least minimum wage.	1st priority for waiting list Must have agency approved education plan.	Must have agency approved education plan.	Not available	Not available

Authorized Activity	Job Search	Employment	High School /GED/ Remedial	Post-Secondary Education	Financial & Employment Services Orientations, Assessment, Appeals, Hearings for Cash Assistance	Social Service Activities
Portability Pool	240 hours in a calendar year. Check with previous county.	Must work at least an average of 20 hours per week, or 10 hours if full-time student, and earn at leastminimum wage.	1st priority for waiting list. Must have agencyapproved education plan.	Must have agency approved education plan. Can use original county's education plan during portability pool.	Not available	Not available

Legal authority

Minnesota Statutes, 119B.011, subd. 20 and 20a
Minnesota Statutes 119B.03
Minnesota Statutes 119B.05
Minnesota Rules 3400.0080

Case reviews 16.18

DHS case reviews

Program, Compliance & Audit (PC&A) Case Reviews

The federal government requires states and territories to conduct child care subsidy case reviews in compliance with 1) the federal Improper Payments Information Act of 2002 (IPIA), as amended; 2) the Improper Payments Elimination and Recovery Act of 2010 (IPERA); 3) the Improper Payments Elimination and Recovery Act of 2012 (IPERIA); and 4) Executive Order 13520 – Reducing Improper Payments – 2009. The IPIA requires agencies to adhere to guidance prescribed by the federal Single Audit Act of 1984 (P.L. 98-502) with amendments in 1996 (P.L. 104-156), the Office of Management and Budget (OMB) Circular A-133 and A-123 and the Minnesota Office of Legislative Auditor.

PC&A case review considers worker actions that affected the review month and CCAP policies in place at the time of those actions. PC&A examines documentation available to the worker when they took action for the following areas:

- Required eligibility forms.
- Family's subprogram.
- Applicant's eligibility.
- Residency requirements.
- Child's eligibility.
- Authorized activities.
- Hours authorized.
- Provider's registration and authorization requirements.
- Maximum rates and provider accreditations.
- Income and expenses, family size and copayment fee.
- Identity and relationships of all family members.

Agency actions that do not comply with CCAP policy may be determined to be errors with or without a potential financial impact. The responsible agency may be required to complete a corrective action plan form for specific cases. Errors with a potential financial impact are subject to overpayment and underpayment policies. See Chapter 14 (Overpayments) to determine when to assess an overpayment. See Chapter 9.57 (Correcting underpayments) to determine when to assess an underpayment.

CCAP Accuracy Reviews

- The department randomly selects CCAP cases for review approximately once every quarter. This is to comply with the Legislative Auditor recommendation to expand its quality assurance reviews of local human service agencies.
- Case accuracy reviews focus on policies used when establishing eligibility, authorizing care, registering the provider or making payments.
- See Chapter 16.44 (Accuracy Review Reporting) for more information about these reviews.

CCAP agency reviews

The department strongly encourages CCAP agencies to conduct their own case management reviews. Case management reviews can help to determine root cause(s) of errors and therefore identify specific areas needing corrective action, such as policy clarification, refresher training, changes in office procedures, improved case record documentation, etc. Three options for conducting case reviews are below.

Completing CCAP case review forms

CCAP agencies can use the following forms for their review process:

- DHS-5312D-ENG (PDF) Family Review Form
- DHS-5312E-ENG (PDF) Provider Review Form

Completing case accuracy review forms

Case accuracy review forms remain available on eDocs for CCAP Agency use once department review of a policy is complete. Current case accuracy review forms can be found on eDocs by searching form number 7356. Case accuracy review forms include DHS-7356 and forms with the same number followed by a letter.

Agency-created process and forms

CCAP agencies may create their own process and forms customized to reflect their administrative practices and optional policies. Forms developed by CCAP agencies must be submitted and approved by the department as part of or an amendment to their County or Tribal Child Care Fund Plan.

Common errors found in DHS CCAP case reviews

Listed below are common errors found in DHS CCAP case reviews.

Copayment calculation

Common copayment errors occur when:

- Income and expense calculations are not consistent with verifications on file. Examples include wrong timeframe used to annualize income and unemployment calculated incorrectly.
- Self-employment income calculated incorrectly.
- Data is entered incorrectly into MEC^2. Examples include incorrect wage information, entering incorrect payment frequency and not determining income using the last 30 days of income or the last six months of child support income.
- Case notes do not identify the method used to determine income when something other than the most current 30 days or the last six months of child support are used.

Carefully code all income and deduction sources identified on the application or redetermination so MEC^2 can accurately calculate the copayment. Explain in case notes how the income and deduction amounts were determined. It is important to review Case Data windows and eligibility results in MEC^2 before approving.

See the following CCAP manual chapters for more information:

- 5.3 Determine the CCAP Family
- 6 Income Eligibility
- 6.15 Annualizing Income
- 6.15.6 Annualizing Self-Employment Income
- 6.18 Income Deductions
- 6.21 Family Copayment

Authorized hours calculation

Common authorized hours errors occur when:

- More or less care is authorized than the child was eligible for and is inconsistent with the verification.
- Fewer hours are authorized than identified in the employment plan without a reason.
- An incorrect child's school schedule is used.
- Documentation of authorized hours calculation in case note is different than the hours shown on the service authorization.

Errors occur when the number of hours determined based on the family's authorized activity, child's school schedule and provider's availability are incorrect. Carefully evaluate these factors based on authorizing care policies. Explain in case notes how authorized hours were determined.

See the following CCAP manual chapters for more information:

- 9.1 Child Care Authorization
- 9.1.1 Authorizing Care-Employment
- 9.1.1.1 Authorizing Care-Self-employment
- 9.1.2 Authorizing Care-Students
- 9.1.3 Authorizing Care-School Release Days
- 9.1.4 Authorizing Care-Job Search
- 9.1.5 Authorizing Care-Employment Plans
- 9.1.6 Authorizing Care-Flexible Schedules
- 9.1.7 Authorizing Care-Combinations of activities
- 9.1.9 Authorizing Care-Multiple Providers
- 9.1.10 Authorizing Care-Switching Providers and back-up Providers
- 9.1.12 Weekly Authorization to High Quality Providers
- 9.1.15 Authorizing care-expedited child care

Verifications

Common verification errors occur when:

- Relationship verification including documentation establishing step-parent relationship is missing.
- Self-employment income verification is inaccurate or insufficient.
- Work schedule for one or both of the parentally responsible individuals is missing.

- Income and deduction verification is missing.

Verifications are required to determine eligibility of the individuals within the CCAP family. Work schedules are required to authorize care appropriately. Obtain and review all required verifications before determining eligibility and authorizing care for a family.

See the following CCAP manual chapters for more information:

- 7 Verification
- 7.3 Verification - Initial Application
- 7.4 Verification - 12-Month Eligibility Period
- 7.6 Verification - Eligibility Redetermination
- 7.9 Income Verification
- 7.27 Schedule Verification - Employment and Education

Authorized activity

Common authorized activity errors occur when:

- Continued authorization is allowed beyond the Extended Eligibility timeframe.
- Eligibility for employment or self-employment is approved when minimum work requirements are not met.

Carefully evaluate activity verification before determining eligibility for a family.

See the following CCAP manual chapters for more information:

- 4.6 CCAP Authorized Activities
- 4.6.6 Authorized Activities Outside an Employment Plan
- 8.1.9 Changes in Activity
- 9.1.1.1 Authorizing Care - Self-employment
- 9.15.6 Extended Eligibility

Legal authority

Minnesota Statutes 119B.11, subd. 2a
Minnesota Statutes 256.017, subd. 1
45 CFR Part 98 Subpart K
P.L. 98-502
P.L. 104-156
OMB Circular A-133

Recording document received dates 16.21

CCAP agencies must record the date that an application is received. Refer to Chapter 3.6 (Accepting Applications).

CCAP agencies are strongly encouraged to record the date that ALL documents are received at the CCAP agency. This enables CCAP agencies and state workers to clearly identify dates that impact eligibility at application processing, redetermination processing, change processing, overpayment start and end dates, timely processing, etc. This also improves the accuracy of CCAP agency and Department of Human Services case review processes and may prevent case review errors.

Examples of methods to record received dates include but are not limited to:

- Sign and date the Agency Signature field on the application
- Agency date stamp
- Fax date stamp
- Email date if the email includes the documentation
- Electronic document management system (EDMS) scan date that shows when the document is viewed or printed,
- MNBenefits application form pre-populated with the date received.

Override reporting 16.24

DHS randomly selects cases with overrides to be reviewed each quarter. Agencies are required to report the selected case override information to DHS for review.

Notification to CCAP agencies

DHS will inform CCAP agencies when a case is selected for the review period.

- Agencies with override use in review period July, August and September will be notified by October 15
- Agencies with override use in review period October, November, and December will be notified by January 15
- Agencies with override use in review period January, February, and March will be notified by April 15
- Agencies with override use in review period April, May, and June will be notified by July 15

Agency reporting

Overrides are reported to DHS using the Child Care Assistance Program Override Monitoring Form (DHS-6804) (PDF). A separate form must be completed for each case selected in each reporting month. The person completing the monitoring form cannot be the same person who performed the override. A supervisor or manager must review the form before it is submitted. A supervisor or manager may complete the monitoring form if they did not perform the override and also be indicated as the form reviewer.

Agencies must provide an explanation of the circumstances related to the use of all override reason(s) for each case. This explanation should not state the override reason(s) used in MEC^2 but should provide information about the situation that required the override(s). Case notes should provide information explaining the override reason. The agency should also identify whether the override was appropriate or not. An override is appropriate when it is both necessary and the correct override reason is used.

If the override was not appropriate, the case should be corrected. In some situations, it may be necessary for workers to override Eligibility and Service Authorization results to obtain accurate results in the system.

In addition, agencies should determine whether an overpayment or underpayment (if it is your agency's policy to issue underpayments) should be assessed on each case reviewed with an inappropriate override. See Chapter 14 (Overpayments) to determine when to assess an overpayment.

Submission timelines

Override monitoring forms must be submitted to DHS quarterly according to the following schedule:

- Monitoring forms for July, August, and September are due November 15
- Monitoring forms for October, November, and December are due February 15
- Monitoring forms for January, February, and March are due May 15
- Monitoring forms for April, May, and June are due August 15

Internal review for best practice

Agencies are encouraged to conduct their own review of the MG101 report and monitor override usage. This practice can help improve accuracy by identifying caseloads with frequent override usage and can be used to recognize when additional training or support would benefit CCAP workers in more effectively using MEC^2.

Legal authority

Federal Child Care and Development Fund, 45 C.F.R. Parts 98 and 99
Minnesota Statutes 119B.02, Subd. 3

Exempt earned income comparison sheet 16.27

See Chapter 6.6.1 (Individuals with Exempt Earned Income) for policy information about individuals with exempt earned income.

Minor children and non-caregiver adults receiving earned income

This chart applies to minor children and adults living in the home who are not the caregiver(s). See Chapter 5.3 (Determining the CCAP Family) to determine whether someone age 18 and over is included in the CCAP family.

Age of Child	Included in CCAP Family	School Status	Earned Income Policy
0 - 5 year	Yes	Any school status	Not counted or verified
6 year through 17 year	Yes	None	Counted and verified
6 year through 17 year	Yes	Less than Full Time	Counted and verified
6 year through 17 year	Yes	Full Time	Not counted or verified
18 year	No	Any school status	Not counted or verified
18 year	Yes	Full Time - High School or GED	Not counted or verified
18 year	Yes	Full Time - Post-Secondary	Counted and verified
19 year and over	No	Any school status	Not counted or verified
19 year and over	Yes	Full Time (High School, GED or Post-Secondary)	Counted and verified

Caregivers receiving earned income 16.27

A caregiver is the applicant(s) or parentally responsible individual(s) for the case.

Age of Caregiver	School Status	Earned Income Policy
19 and under	None	Counted and verified
19 and under	Less than half time	Counted and verified
19 and under	Half time or more	Not counted or verified
20 and over	Any school status	Counted and verified

Legal authority

Minnesota Statutes 256P.06
Minnesota Statutes 119B.011

At-home infant child care 16.30

At-Home Infant Child Care (AHIC) program does not have funding available to serve families. Persons inquiring about AHIC should be informed that there is no funding for the program and the CCAP application denied.

Legal authority

Minnesota Statutes 119B.035

BSF First Quarter Reallocation 16.33

BSF First Quarter Reallocation redirects BSF funds from agencies projected to underspend to agencies projected to overspend. The process is a way to direct funds to areas of the state where they will be utilized for child care assistance. The Department of Human Services determines whether BSF First Quarter Reallocation will occur prior to the start of each calendar year and notifies local agencies of the decision.

Criteria

Agencies that spent less than 70percent of their previous calendar year's BSF allocation **AND** are projected to spend less than 70 percent of their current calendar year's BSF allocation at the end of the first quarter (January, February, and March) are subject to reallocation.

Agencies that are projected to overspend their current calendar year's BSF allocation at the end of the first quarter (January, February, and March) are eligible to receive reallocated funds.

Reallocation Process:

1. After the end of the first quarter, projected earnings for each agency are determined by multiplying the total of each agency's earnings from January, February and March by four.
2. For agencies projected to overspend after the first quarter, the total statewide projected overspending amount is calculated.
3. For agencies projected to spend less than 70 percent of their allocation after the first quarter **AND** spent less than 70 percent of their previous calendar year's BSF allocation, the projected underspending amount is calculated. Agencies must meet both of these criteria to be subject for reallocation.

   The following safeguards are in place for agencies who underspend:
   - No more than 50 percent of each agency's projected underspending will be reallocated.
   - The revised allocation for any agency will not be less than the agency's previous calendar year's BSF spending.
   - Agencies with an allocation of $25,000 or less will not have their allocation reduced.
   - An agency's allocation will not be reduced below $25,000 due to reallocation.
4. If the projected overspending is more than the statewide amount available to be reallocated, the total amount available (as determined in Step 3) is reallocated to agencies projected to overspend. An equal percentage of each agency's projected overspending will be reallocated to each overspending agency.
5. If the projected overspending is less than the statewide amount available to be reallocated, the total amount needed to cover all projected overspending is used. An equal percentage of each agency's underspending is reallocated from the underspending agencies.

Future allocations

The revised allocations determined through the First Quarter Reallocation process are used to calculate each agency's guaranteed floor for the next calendar year's allocation.

BSF First Quarter Allocation 16.33

Legal authority

Minnesota Statutes 119B.03

BSF waiting list considerations 16.36

Starting a waiting list

When determining whether to start a waiting list, agencies should review their projected BSF expenditures. Projected expenditures can assist an agency in determining whether to start a waiting list. The following resources can be used to review projected expenditures:

- BSF Spending and Projections report created by DHS CCAP monthly and emailed to agency contacts.
- MEC^2 financial reports. The FN119 CCAP BSF Fund Tracking Report is updated at the beginning of each month and provides a snapshot of an agency's spending.

Waiting list considerations

When agencies move families off the waiting list or start a waiting list, consider the following factors:

- The rate at which current CCAP families are no longer eligible, such as average number of families who close for failure to complete the redetermination process.
- If the agency has cases they will no longer be financially responsible for.
- Expected expenditure increases, such as summer and school release days.
- Redetermination reinstatements, a case closed for no redetermination may be reinstated within the 30 day reinstatement period and the agency is responsible for the cost of care.
- Size of families on the waiting list and the estimated cost of care.
- Return rate of applications sent to waiting list families and the average number of those families who are approved for CCAP.
- Time frame from application to payment for care provided.
    - Note: Expenditures are based on the payment date, not the date of service. For example, if care is provided in December 2018 but the bill is not paid until January 2019, the expenditures would be reflected in calendar year 2019's spending.

To establish a waiting list or move families off the waiting list, see Chapter 4.3.12 (Basic Sliding Fee) or Chapter 4.3.12.12 (BSF waiting list management).

Legal authority

Minnesota Statues 119B.03

BSF waiting list reporting 16.39

Agencies are required to submit waiting list numbers to DHS CCAP monthly. DHS CCAP updates waiting list numbers monthly and posts the statewide list on the DHS website. The number of families are reported by priority group and length of time on the waiting list by submitting the Child Care Basic Sliding Fee Monthly Waiting List (DHS-5671). If an agency has zero families on the waiting list, the Child Care Basic Sliding Fee Monthly Waiting List (DHS-5671) still needs to be submitted with zeros reported for all priorities and comments added as needed.

For information about BSF priority groups, see Chapter 4.3.12.9 (BSF priorities).

Legal authority

Minnesota Statues 119B.03

Accuracy Review Reporting 16.44

DHS identifies specific policies for review in each quarterly review period. Each policy is reviewed for a minimum of two reporting quarters and continues until an acceptable level of error is achieved. DHS randomly selects cases to be reviewed in each quarterly review period. Agencies must report accuracy review information for selected cases to DHS.

Notification to CCAP agencies

DHS will inform CCAP agencies when a case is selected for the reporting quarter. Information about cases selected and policy review required is sent to agencies approximately once a quarter. The cases selected are posted on SIR. The number of cases to be reviewed by each agency is based on the caseload size of the agency.

Agency reporting

Accuracy reviews are reported to DHS using the Child Care Assistance Program Accuracy Review Form DHS-7356 (PDF). A new form will be created for each policy reviewed. The forms are posted on eDocs. CCAP agencies must complete a form for each case selected in each reporting quarter. The person completing the form must not be the same person that determined eligibility or processed the most current redetermination on the case.

Submission timeline

Accuracy review forms must be submitted for all cases selected to DHS within thirty days of DHS notification.

Internal review for best practice

Agencies are encouraged to conduct their own reviews of policies used when establishing eligibility, authorizing care, registering the provider or making payments to improve case accuracy and address common worker errors.

Legal authority

Minnesota Statues 256.01, Subd. 2
Federal Child Care and Development Fund 45 C.F.R. Parts 98

Information about MNbenefits 16.46

MNbenefits is an online application that can be used when a family is applying for CCAP only or when the family is applying for other programs.

Note: Applications received through MNbenefits are signed electronically and this is acceptable.

Information that needs to be gathered

Not all questions from the Child Care Assistance Program application are on MNbenefits, so follow-up with the applicant is required. Agencies can use a variety of methods to follow-up including: phone call, email or sending a special letter, memo or the Combined Application - Child Care Addendum DHS-5223D.

General information

- Section 8 subsidy: Ask if the family receives a subsidy.

Parentally Responsible Individual Information

- Activity schedule: Request for each parentally responsible individual who is working or in school. Activity schedule is not needed to approve eligibility but is needed to authorize care.
- Income deductions: Request the amount and frequency of spousal or child support paid.

Child information

- Relationship: Request additional information if the relationship of the child to adult(s) is not known.
- Absent parent: If there is an absent parent, gather information such as the absent parent's name and the custody/visitation schedule.
- Child's school schedule: If the child is in school, gather school schedule information. A child's school schedule is not needed to approve eligibility but is needed to authorize care.
- Child care needs: Not needed to approve eligibility but needed to authorize care.
  - If a child care provider is selected, ask for information to identify provider.
  - If provider is a legal nonlicensed provider, ask about the child's relationship to the provider.
  - Request information about the days and hours child care is needed with primary providers and secondary provider (if applicable).

Verifications that may need to be gathered

Applicants can submit verifications online with their MNbenefits application or after the application is submitted.

Refer to Chapter 7.3 (Verification – Initial Application) to determine what verifications are required. Request verification of any verifications that have not been submitted by the time the application is reviewed.

Legal authority

Minnesota Statutes 119B.025, subd. 1