



Bulletin

NUMBER

#14-68-22

DATE

December 10, 2014

OF INTEREST TO

County Directors

Tribal Directors

Child Care Assistance
Program Administrative and
Client Access Contacts

Child Care Aware Agencies

Employment Services
Agencies

ACTION/DUE DATE

Please read information
and prepare for
implementation

EXPIRATION DATE

December 10, 2016

Child Care Assistance Program Payments to Children of Child Care Center Employees

TOPIC

Child Care Assistance Program policy changes related to payment restrictions for children of child care center employees.

PURPOSE

Provide information and instructions on policy changes.

CONTACT

Contact your Child Care Assistance Program technical liaison or submit your question through PolicyQuest.

SIGNED

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Children and Family Services

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. Overview

This bulletin provides information regarding a law that restricts Child Care Assistance Program (CCAP) payments for some children of child care center employees under [Minnesota Statutes, section 119B.09, subdivision 9a](#). This law is effective January 5, 2015.

II. Background

During the 2011 legislative special session, Minnesota Statutes, section 119B.09 was amended by adding subdivision 9a. This subdivision restricts Child Care Assistance Program payments for some children of child care center employees.

During the 2014 legislative session, additional changes were made to Minnesota Statutes, section 119B.09, subdivision 9a. These changes were announced in Bulletin [#14-68-14](#).

A. What does the law mean?

This law means that in some situations the Child Care Assistance Program cannot pay for children to attend a child care center where their parents work. If more than half of the *total* children attending the center are receiving Child Care Assistance and are children or dependents of center employees, then the Child Care Assistance Program cannot pay for children of center employees to attend that center. This does not affect a child's eligibility to receive Child Care Assistance from a registered provider that complies with the law.

Throughout this bulletin, the term "parent" refers to a child's birth or adoptive parent, step-parent, legal guardian, or caregiver for the Minnesota Family Investment Program (MFIP) or Diversionary Work Program (DWP).

For the purposes of determining compliance, "total children" includes:

- Children on Child Care Assistance with a parent who works at the center
- Children on Child Care Assistance without a parent who works at the center
- Children not on Child Care Assistance (i.e. private-pay children).

B. What happens when the department determines a center is out of compliance?

If the Department of Human Services (the department) determines more than half of the children attending the center are receiving Child Care Assistance and are children of center employees:

- Child Care Assistance Program Service Authorizations for children of center employees will close at that center.
- The Child Care Assistance Program will continue paying for children at the center who are not center employees' children.
- The center's registration will remain open.

The department must notify the center at least four weeks in advance that the center appears to be out of compliance. For Service Authorizations ending effective January 5, 2015, these centers were notified by August 1, 2014 that they appeared to be out of compliance.

III. Department of Human Services' Responsibilities

The Department of Human Services will work with county and tribal agencies to administer the law. The department will determine which centers are out of compliance and notify counties and tribes when action is needed on their part. The legislature established a specific timeframe for the initial implementation leading up to the January 5, 2015 effective date. Ongoing implementation will follow the same steps, but within different timelines.

A. Notifying centers of potential non-compliance and requesting documentation

The department will monitor centers' compliance with the law. The department will identify centers that are out of compliance with the law based on the percentage of children at the center who receive Child Care Assistance and have a parent who works at the center.

The department will send forms to centers that appear to be out of compliance, asking these centers to submit documentation about the children and employees at each center. The forms below are provided for information to counties only – the department has and will continue to send these forms to providers that may be affected by the law.

- Child Care Assistance Program Payments for Children of Center Employees - Questions and Answers ([DHS-6960A](#)). This fact sheet provides questions and answers about this law.

- Child Care Assistance Program Payments for Children of Center Employees - Center Documentation Form ([DHS-6960B](#)). The department requests that centers complete this form to reevaluate the center for compliance. Centers fill out the form when they are or will be following the law.

As part of initial implementation, the department notified centers that appeared to be out of compliance with this law and provided them with information about the law and access to the forms listed above. Additionally, the department notified each county where the providers were registered of which providers appear to be out of compliance with this law.

The department will repeat this process.

B. Determining which centers are out of compliance

From those centers asked to submit documentation, the department will use documentation from centers, information from county and tribal agencies, and records available within the department to determine which of these centers are found to be out of compliance.

C. Informing centers of their compliance with the law

The department will follow up in writing with all centers that have been identified as potentially out of compliance to inform them that either:

- They have been determined to be in compliance, and Child Care Assistance payments will continue for all children authorized at their center, OR
- They are not in compliance, and Child Care Assistance payments will only continue for children who are not center employees' children. Additionally, providers will receive closing Service Authorizations for affected children, which allow for 15-day notice.

D. Posting a list of providers currently out of compliance

The department will post a list on the Systems Information Resource (SIR) of the centers statewide that are currently out of compliance. The Systems Information Resource (SIR) is a secure website and can only be accessed by county, tribal and state users who have been granted access. County and tribal workers will use this list to determine at which centers they can authorize care for children of center employees.

Each time a new list is posted the department will send an email to county child care assistance administrative and client access contact informing them when and where the list is published.

IV. County and Tribal Agency Responsibilities

County and tribal agencies will work with the department to administer this law. Workers' responsibilities will depend on whether the department has identified centers registered by their agency as being out of compliance. County and tribal staff members (including fraud investigators) do not need to take any actions to monitor centers' compliance with the law.

A. All County and Tribal Agencies

All County and tribal agencies must:

- Continue to collect and record Federal Employer Identification Numbers (FEIN). County and tribal workers enter FEINs on the Earned Income window in the Minnesota Electronic Child Care System (MEC²) for all employed adults who are part of the Child Care Assistance family. Do not deny eligibility for Child Care Assistance while obtaining the FEIN. The Child Care Assistance Program Policy Manual [§9.3.3 \(Federal Employer Identification Number \(FEIN\)\)](#) includes guidance about collecting FEINs. Resources for workers attempting to obtain FEINs include:
 - The FEIN Lookup – The [FEIN Lookup](#) tool on the Systems Information Resource (SIR) includes information about approximately 260,000 Minnesota employers. Only workers with access to the Systems Information Resource (SIR) can use this tool.
 - The Tax Information window – When a parent is employed at the child care center where their child is authorized, workers can confirm the FEIN for the parent's employer by checking the FEIN listed on the provider's Tax Information window in MEC².
- Track whether centers registered by their agency are included in the list of centers currently out of compliance that is posted on the Systems Information Resource (SIR). Whenever a new center is registered in your agency, check to see whether the provider appears on the list.

B. County and Tribal Agencies with registered centers

When the department issues an updated list of centers that are out of compliance, county and tribal workers will be responsible for:

- Ending existing Service Authorizations for employees' children at centers the department determines are out of compliance
- Determining whether children of center employees can have new Service Authorizations opened if they attend the center where their parent(s) work.

C. MEC² instructions for ending existing Service Authorizations

MEC² functionality will not be updated as a result of this law.

Counties should only follow these instructions when the department has directed them to close Service Authorizations for children of center employees at specific centers.

1. Closing Service Authorizations

County and tribal workers need to close Service Authorizations for all children of center employees at centers that the department has determined are out of compliance. Children whose parents are **not** center employees will not have their Service Authorizations closed. The department will provide agencies with a list of affected cases.

System updates must allow for 15-day notice and be completed in the biweekly period that includes the last day that care can be authorized.

For payments ending January 5, 2015:

- **The last day to approve Service Authorizations to close with 15-day notice is December 17, 2014. Workers must approve Service Authorizations to close on or before this date.**
- **The last day care can be authorized is January 4, 2015. When coding MEC², information must be updated in the 12/22/2014 – 01/04/2015 biweekly period.**

Below are instructions for closing Service Authorizations with 15-day notice.

- a. On the Child's Provider Window, for each affected child:
 - i. Code the Care Period end date as the last day care can be authorized. For payments to end 01/05/2015, the Care Period end date must be 01/04/2015.
 - ii. Select the Care End reason Care is No Longer Authorized
- b. Repeat this process for each affected child in the family
- c. In the last biweekly period when care can be authorized, approve Service Authorizations that end care. For payments ending as of January 5, 2015, this is the 12/22/2014 – 01/04/2015 period.

2. Adding Comments to Family Service Authorizations

MEC² allows workers to add comments to notices, including Service Authorizations, on the same day the notice is generated. Workers cannot add comments to notices if the notice has been printed or cancelled.

Follow instructions in the MEC² User Manual to [View a Notice/Add Comments](#). Copy and paste the following comment into all closing Service Authorizations generated to the family:

“This provider can no longer be authorized to care for children of employees at the center. 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 1-888-291-8811 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.”

3. Adding Provider Notes

For each center that is out of compliance, copy and paste the following information into Provider Notes:

“The Department of Human Services determined that this center is not in compliance with Minnesota Statutes, section 119B.09, subdivision 9a. More than 50% of the children who attend the center receive Child Care Assistance and are the children or dependents of employees at the center. Children of center employees cannot be authorized at the center until the Department determines that the center is in compliance with Minnesota Statutes, section 119B.09, subdivision 9a. Services Authorizations for employees’ children have been closed at this center effective *[Enter Closing Date]*.”

4. Adding Case Notes

For each affected case, copy and paste the following information into Case Notes:

“The Department of Human Services determined this case can no longer be authorized with *[Enter Center’s Name]*. Approved Service Authorizations to close effective *[Enter Closing Date]*. Added comment to closing Service Authorization informing the family that they remain eligible for Child Care Assistance, they need to choose a new provider, and they should notify the agency when they choose a new provider.”

D. Approving new Service Authorizations at centers that are out of compliance

The Department will publish a list on the Systems Information Resource (SIR) of the centers statewide that are currently out of compliance. County and tribal workers will use this list to determine at which centers they can authorize care for children of center employees.

1. Child’s parent(s) is employed elsewhere

Beginning January 5, 2015, if a child whose parent is employed somewhere other than the child care center where the child attends requests authorization at a center that is out of compliance, approve the authorization. This law does not affect payments to children whose parents do not work at the center where they attend.

2. Child’s parent(s) is employed at the center

Beginning January 5, 2015, if a child whose parent is employed at the center requests authorization at a center that is out of compliance, deny the authorization until or unless the department determines the center is in compliance.

Because there is no existing Service Authorization, MEC² will NOT send a notice of adverse action to a family who is planning to use a new provider that is currently out of compliance. Workers **must** generate a manual denial notice to the family.

The department recommends workers use the Memo function in MEC² to meet this requirement. Send the family a Memo informing them:

- Child Care Assistance cannot be authorized with the provider they chose because this provider can no longer be authorized to care for children of employees at the center.
- They may choose another provider that is in compliance.
- They have the right to appeal this decision. Include the appeal rights information from the Important Information form ([DHS-3353](#)).

E. Responding to questions from centers

If centers contact your agency with questions about this policy, have them contact the Department of Human Services. Providers can send questions to DHS.CCAP@state.mn.us.

V. Legal References

Minnesota Statutes, section 119B.09, subdivision 9a

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-3809 (voice) or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.