State Child Care Assistance Policies: Minnesota
December 2013

- **Income eligibility limit:** In 2013, a family of three in Minnesota could qualify for child care assistance with an annual income up to $33,786 (173 percent of poverty, 47 percent of state median income).\(^1\)

- **Waiting list:** Minnesota had 6,430 families on a waiting list for child care assistance as of January 2013.

- **Parent copayments:** In 2013, a family of three with an income at 100 percent of poverty ($19,530 a year) receiving child care assistance in Minnesota paid $43 per month, or 3 percent of its income, in copayments. A family of three with an income at 150 percent of poverty ($29,295 a year) receiving child care assistance paid $78 per month, or 3 percent of its income, in copayments.

- **Reimbursement rates:** In 2013, Minnesota’s reimbursement rates for child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.\(^2\)
  - Minnesota’s monthly reimbursement rate for center care for a four-year-old in Hennepin County was $838,\(^3\) which was $266 (24 percent) below the 75th percentile of current market rates for this type of care.
  - Minnesota’s monthly reimbursement rate for center care for a one-year-old in Hennepin County was $1,126,\(^4\) which was $338 (23 percent) below the 75th percentile of current market rates for this type of care.

- **Tiered reimbursement rates:** In 2013, Minnesota paid higher reimbursement rates for higher-quality care.
  - The reimbursement rate for center care for a four-year-old in Hennepin County at the highest quality tier was 15 percent higher than the rate at the lowest quality tier.
  - The reimbursement rate for center care for a four-year-old in Hennepin County at the highest quality tier was still below the 75th percentile of current market rates.

- **Eligibility for parents searching for a job:** In 2013, Minnesota allowed parents to qualify for or continue receiving child care assistance while searching for a job for up to 240 hours per calendar year.


1 In February 2013, families already receiving assistance could continue doing so until their income reached $48,164. As of October 2013, the income limit to qualify for assistance was expected to increase to $34,459 (47 percent of state median income), and the exit eligibility limit was expected to increase to $49,124 (67 percent of state median income) to adjust for the updated state median income estimate.
2 These reimbursement rates reflect that as of November 28, 2011, rates for licensed child care were reduced by 2.5 percent; in addition, reimbursement rates for legally exempt family child care were reduced from 80 percent to 68 percent of rates for licensed family child care providers.
3 The state has higher rates for higher-quality care; this is the base (lowest) rate, which is the most common rate level.
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