

Minnesota Legislative Commission on the Economic Status of Women

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Connie Ruth, Owatonna
Barb Sykora, Excelsior

Staff

Aviva Breen, *Director*
Cheryl Hoium, *Assistant Director*
Michelle Adamiak, *Communications and
Policy Specialist*

CONTACT INFORMATION

LCESW
85 State Office Building
St. Paul, MN 55155

Phone: 651-296-8590 or 1-800-657-3949

Fax: 651-297-3697

E-mail:

lcesw@commissions.leg.state.mn.us

Internet:

www.commissions.leg.state.mn.us/lcesw

TTY/TTD communication:

contact us through the Minnesota Relay
Service at 1-800-627-3529

CHILD CARE IN MINNESOTA

This newsletter highlights data related to child care. It also includes descriptions of the child care assistance programs in Minnesota included in current legislative proposals for child care consolidation.

CONTENTS

Children Under 5 Years of Age in Minnesota	2
Labor Force Participation of Women with Children, U.S. and MN	2
Average Hours at Work for U.S. Women Workers with Children	2
Cost of Child Care in Minnesota	3
Child Care Programs in Minnesota	
Post-Secondary Child Care Grant Program	3
Child Care Assistance Program.	4
MFIP and Transition Year Child Care.	5
Basic Sliding Fee Child Care.	5
Definitions and Data Notes	5

DATA SOURCES

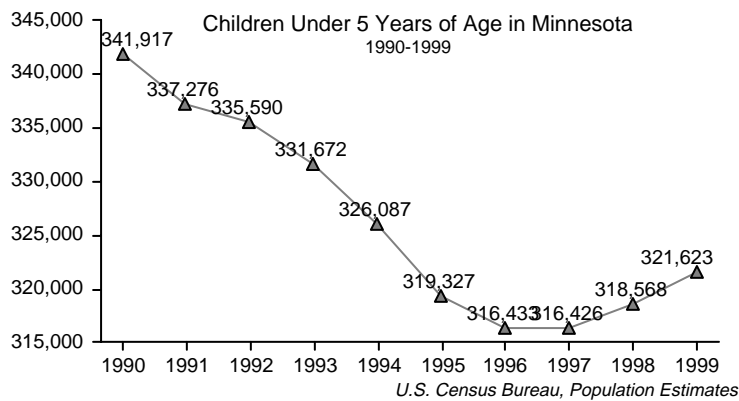
The information presented in this newsletter was compiled from a variety of sources:

- Bureau of Labor Statistics
- Minnesota Child Care Resource and Referral Network
- Minnesota Department of Children, Families and Learning
- Minnesota House of Representatives, Research Department
- U.S. Census Bureau
- Minnesota Statutes:
 - MN Stat. §136A.125 (Post-Secondary Child Care Grant Program)
 - MN Stat. Ch. 119B (Child Care Assistance Programs)

ANNOUNCEMENTS

The Commission would like to welcome Representative Eric Lipman, Representative Connie Ruth, and Senator Julie Sabo as new members of the Commission.

Children Under 5 Years of Age in Minnesota



- ◆ It was estimated there were 321,623 children under five years of age in Minnesota in 1999. Children under age 5 comprised 6.7 percent of the total state population (1999).
- ◆ The estimated numbers of children under five years of age in Minnesota decreased from 1990 to 1996. From 1997 to 1999 the estimated numbers increased.

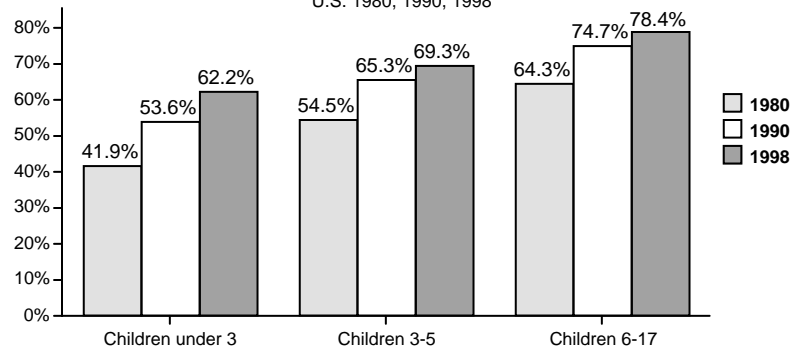
Labor Force Participation of Women with Children

United States

Overall labor force participation rates of U.S. women with children of all ages have increased significantly. Labor force participation rates of U.S. women with children increase as the age of their youngest child increases.

- ◆ Labor force participation rates of U.S. women with young children have increased the most dramatically. The percent of women in the labor force with a youngest child under age three has increased nearly 50 percent since 1980.
- ◆ In 1998, sixty-two percent (62.2%) of U.S. women with a youngest child under three and almost seventy percent (69.3%) of women with a youngest child age 3 to 5 participated in the labor force. Nearly eighty percent (78.4%) of U.S. women with a youngest child age 6 to 17 participated in the labor force in 1998.

Labor Force Participation of Women with Children by Age of Youngest Child U.S. 1980, 1990, 1998



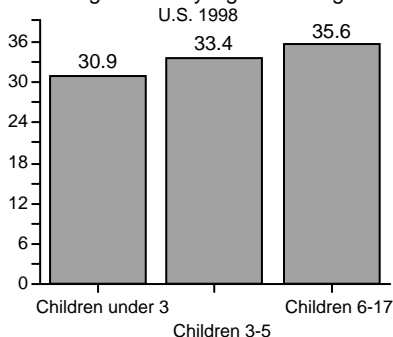
Minnesota

The labor force participation rate of women in Minnesota is higher than the nation's rate for women.

- ◆ In 1998, Minnesota had the highest labor force participation rate of women in the United States.
- ◆ Recent trend data regarding labor force participation rates of women with children in Minnesota are not available. However, in Minnesota in 1990, 69.3 percent of mothers with children under age 6 and 81.7 percent of mothers with children ages 6 to 17 were in the labor force (1990 Census).

Average Weekly Hours at Work for Women Workers with Children

Average Weekly Hours at Work for Women Workers with Children Workers Age 25-54 by Age of Youngest Child U.S. 1998



Weekly hours at work for U.S. women workers with children have increased. Average hours at work for women workers with children increase as the age of a youngest child increases.

- ◆ Women workers with a youngest child under age 3 spent an average of just over 30 hours per week at work.
- ◆ Women workers with a youngest child age 3 to 5 worked an average of 33 hours and women with a youngest child age 6 to 17 worked an average of nearly 36 hours per week.

Cost of Child Care in Minnesota

Average Cost of Care per Week by Age of Child and Type of Child Care Setting					
	Minnesota Average	Hennepin County	Beltrami County	Scott County	Stearns County
Infant in family child care	\$90	\$126	\$88	\$116	\$87
Toddler in family child care	\$86	\$113	\$87	\$107	\$83
Pre-school child in family child care	\$84	\$106	\$86	\$100	\$82
School-age child in family child care/summer	\$83	\$97	\$86	\$92	\$81
Infant in a center	\$122	\$205	\$101	\$189	\$139
Toddler in a center	\$108	\$166	\$96	\$163	\$116
Pre-school child in a center	\$99	\$144	\$85	\$137	\$109
School-age child in a center	\$96	\$137	\$85	\$139	\$99

Source: Minnesota Child Care Resource and Referral Network

The chart above shows the average weekly costs of child care in Minnesota and in selected counties.

Weekly costs varied by type of child care setting. Average weekly costs were higher for children in a child care center and were lower for children in family child care settings.

Costs varied by age of child. Average weekly costs were highest for infant care. The cost of care decreases as children get older.

Costs varied by location. The cost of child care is higher in the metropolitan areas of the state. Average weekly costs were lower in greater Minnesota.

Child Care Programs in Minnesota

Post-Secondary Child Care Grant Program

The Post-Secondary Child Care Grant Program provides assistance in the form of financial aid grants to eligible students to reduce the costs of child care while attending eligible post-secondary institutions. The financial aid grants are distributed through post-secondary institutions and the program is administered by the Higher Education Services Office.

Eligibility

The program is limited to undergraduate students with children 12 years old or younger, or age 14 or younger for children with disabilities, enrolled at least half-time (six credits per session) who meet eligibility criteria including:

- ◆ Must not be receiving MFIP benefits.
- ◆ Must be enrolled in a participating institution and be “in good academic standing”.
- ◆ Does not fund reciprocity students.
- ◆ Priority for continued assistance to those who received grants in the preceding year.

Income Eligibility

Students must meet the program’s income guidelines. Eligibility is determined based on the financial information students provide on the Free Application for Federal Student Aid (FAFSA). In 2000-2001, total family income must be less than:

family size of 2	\$25,000
3	\$31,000
4	\$37,000
5	\$43,000

Families Served. 2,659 students received child care grants in the 1999-2000 academic year.

Average and Maximum Subsidy. The amount of a child care grant award must be based on income and family size. Grants are prorated for students enrolled less than full-time. The maximum subsidy under the post-secondary child care grant program is \$2,200 per eligible child for academic year 00-01. In some instances the maximum award may be increased by 10% to compensate for higher infant care costs. The average annual grant award per student was \$1,501 in academic year 1999-2000.

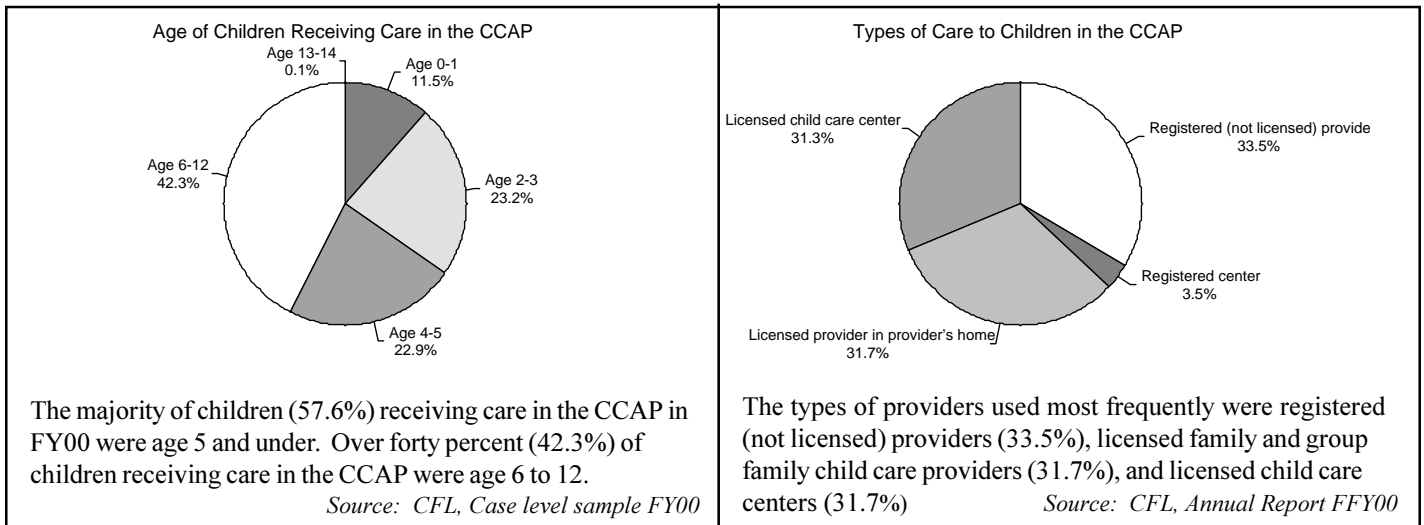
Funding. The Post-Secondary Child Care grant program is funded through the state general fund (\$4.7 million in FY01). Funding for the program is a capped appropriation. This means participation is limited by available funding.

Child Care Programs in Minnesota, *continued*

Child Care Assistance Program (CCAP)

The Child Care Assistance Program (CCAP) consists of three subprograms: Minnesota Family Investment Plan (MFIP) Child Care, Transition Year (TY) Child Care and Basic Sliding Fee (BSF) Child Care. Assistance is distributed through counties and the program is administered by the Department of Children, Families and Learning (CFL).

Eligibility. To receive child care assistance families must be income eligible and be in an authorized activity, such as work, job search, education, or other activity (as specified in an MFIP employment plan) or must be employed at least an average of 20 hours per week, 10 hours per week for full-time students, and earn at least the applicable minimum wage. Families with children 12 years old or younger, or age 14 or younger for children with disabilities, may be eligible for child care assistance. To receive assistance, families must cooperate with child support enforcement and use a legal child care provider.



Copayments. All families in CCAP with incomes above 75 percent of the federal poverty level must pay a copayment. Families with incomes between 75% and 100% of poverty level have a monthly copayment of \$5.00. When income is above the federal poverty level the copayment is a fixed percentage of the family's income. The amount a family pays for child care costs depends on family income, number of people in the family and how much the selected provider charges. Parent copayments are graduated to provide movement to full payment as family income increases. The amount of assistance paid to a provider is based on determined market county rate reimbursement minus the family copayment.

MFIP Child Care and Transition Year Child Care Assistance Programs

MFIP Child Care provides assistance to families who participate in the statewide MFIP program.

Transition Year (TY) Child Care provides assistance for 12 months to former MFIP families who meet eligibility requirements. Transition Year Child Care may be used to support employment or job search. After completion of transition year, families are second priority for BSF Child Care.

Income Eligibility. For MFIP Child Care, family income must be below 120% of the federal poverty level. For a family of three, this is \$16,980 in 2001. For TY Child Care, family income must be 75% of State Median Income (SMI) or below. For a family of three, this is \$42,299 in 2001.

Families Served. 12,850 families received MFIP and TY Child Care in FY00 (9,994 MFIP & 2,856 TY families).

Average Subsidy. The average annual MFIP Child Care subsidy was \$6,725 per family in FY00. The average annual TY Child Care subsidy was \$5,831 per family in FY00.

Funding. \$78.6 million in state general fund dollars and \$36.9 million in federal funding (TANF and CCDF) were appropriated in FY01 for MFIP and TY Child Care. MFIP and TY Child Care are forecasted appropriations (funded to meet forecasted demand). There are no waiting lists for assistance.

Child Care Programs in Minnesota, *continued*

Basic Sliding Fee Child Care Assistance Program

Basic Sliding Fee Child Care provides assistance to eligible working families who are not receiving assistance through MFIP or TY Child Care. The BSF program includes a set-aside for the At-Home Infant Child Care Program (see box below).

Income Eligibility. BSF Child Care is currently available to families with incomes of 75% of State Median Income (SMI) or below adjusted for family size. For a family of three, this is \$42,299 in 2001. BSF Child Care is continued until families are no longer eligible.

Priorities. Access to BSF Child Care is targeted to statutory priorities. Priorities are established for those who are: minor parents; without a high school diploma; exiting transition year; and for those who move to a county with a waiting list to ensure uninterrupted care. Counties may set other priorities.

Sliding Fee. Parent monthly fees are graduated to provide movement to full payment as family income increases. At 75% of SMI a family is no longer eligible for the program. Families with incomes at 75% SMI pay a maximum copayment of 20 percent of their income. For example, the sliding fee copayment for a family of three with an income level of \$14,151 would be \$36/month. The sliding fee copayment for a family of three with an income level of \$42,299 (75% SMI) would be \$705/month.

Families Served. 13,407 families received BSF Child Care in FY00.

Average Subsidy. The average annual BSF Child Care subsidy per family was \$5,102 in FY00.

Funding. \$22.4 million in state general fund dollars and \$58.4 million in federal funding (TANF and CCDF) were appropriated in FY01 for BSF Child Care. BSF Child Care is a capped appropriation. This means assistance is limited by available funding. Some counties have a waiting list for assistance.

At-Home Infant Child Care Program (AHIC)

The At-Home Infant Child Care Program provides a subsidy (in lieu of the BSF child care assistance) to eligible families with a child under 12 months of age to cover some of the costs of staying home. Persons who are admitted to the AHIC program retain position in any BSF program or any BSF Child Care waiting list attained at the time of admittance.

Maximum Subsidy. The maximum rate of assistance is equal to 75 percent of the established rate that would have been paid to a child care provider under the BSF program for care of infants in family child care in the applicant's county of residence. AHIC assistance is limited to a life-long total of 12 months.

Definitions and Data Notes

CCDF - Child Care Development Fund

TANF - Temporary Assistance for Needy Families

Data Note: Unless otherwise noted, funding is for MN fiscal year (FY), which is from July 1 through June 30th. Federal fiscal (FFY) year is from October 1 through September 30th.

2001 Federal Poverty Guidelines (FPG)	
Size of Family Unit	Poverty Guideline
1	\$8,350
2	\$11,250
3	\$14,150
4	\$17,050
5	\$19,950
6	\$22,850

2001 Minnesota State Median Income (SMI)		
Family Size	SMI	75% SMI
1	\$34,913	\$26,185
2	\$45,655	\$34,241
3	\$56,398	\$42,299
4	\$67,140	\$50,355
5	\$77,882	\$58,412
6	\$88,625	\$66,469

Economic Status of Women
on the
Legislative Commission

Legislative Commission on the Economic Status of Women
85 State Office Building
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Newsletter #251
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