



State Financial Aid Manual
Postsecondary Child Care Grant Program
2025-2026

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About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding up to \$220 million in need-based grants to Minnesota residents attending accredited institutions in Minnesota. The agency oversees tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

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Introduction

This manual is written for institutions eligible to participate in the Postsecondary Child Care Grant program and is subject to all subsequent changes in both federal and Minnesota state laws and regulations governing the program. This manual is updated on a regular basis.

Program changes may occur between manual updates. To ensure timely implementation, the Minnesota Office of Higher Education (OHE) issues interim guidance through official notices (e.g., email, training materials, or posted updates on the OHE website). Institutions are expected to review and implement this guidance promptly. Interim guidance carries the same authority as the State Financial Aid Manual until incorporated into the next published version.

Program Objective

The Postsecondary Child Care Grant Program (CCG) provides financial assistance to Minnesota resident students with financial need who are pursuing a postsecondary degree and require child care support for their dependent children. The program is designed to reduce barriers for student parents who are not currently receiving assistance from the Minnesota Family Investment Program (MFIP), helping them persist in their education and achieve their academic and career goals.

Financial aid administrators play a critical role in verifying student eligibility, coordinating awards with other child care assistance programs, and maintaining documentation in accordance with state rules and audit requirements. The program complements other financial aid and support services, and is intended to promote equitable access to higher education for student parents.

Eligibility to Participate

Postsecondary Institutions

Institutions eligible to participate in the Postsecondary Child Care Grant program include Minnesota public postsecondary institutions and Minnesota private nonprofit colleges and universities that grant undergraduate or graduate degrees. Eligibility is based on the institution's status under Minnesota Statutes, section 136A.125, subdivision 3.

While some of institutional types listed in statute are no longer common in Minnesota's current higher education landscape, the statutory definition remains in effect.

To participate, an institution must have a current Institutional Participation Agreement with the Minnesota Office of Higher Education (OHE) and must submit the Participation Request annually in MNAid.

Student Eligibility

Each participating school must maintain accurate and updated records for every student applicant for the Postsecondary Child Care Grant (CCG). The financial aid administrator must verify that the student is enrolled in a financial aid eligible program and pursuing eligible course work to receive CCG funds. The student must complete the Free Application for Federal Student Aid (FAFSA) or MN Dream Act application along with the program application.

Also, the financial aid administrator must continually verify that the student meets the following program eligibility requirements. Each institution must establish a procedure to inform the financial aid office (or other appropriate office) of all changes in a student's status which may affect his/her eligibility for a CCG.

Minnesota Resident Student

The student must be [a Minnesota resident student](#) as defined in the [Common Definitions manual](#). The financial aid administrator must request documentation from the student to verify residency in questionable cases. Documentation could include such items as an apartment lease or copies of income tax returns.

For this program only, a student may also be considered a Minnesota resident student if the student's spouse meets the Minnesota resident student requirements. In these cases, the spouse must complete the Minnesota State Grant Questionnaire.

Students may also meet Minnesota resident student requirements under the Minnesota Dream Act by attending a Minnesota high school for at least three academic years and graduating from a Minnesota high school (or earning a Minnesota GED), provided they meet federal Selective Service registration requirements.

Satisfactory Academic Progress/Good Academic Standing

The student must be in good academic standing and be making satisfactory academic progress as defined in both federal student aid regulations and [Minnesota Statutes 136A.101, Subd.10](#). See also [Common Definitions manual](#).

Enrollment Status

The student must be enrolled in at least one credit in an undergraduate program or one credit in a graduate or professional program.

Interim term credits should be allocated to adjoining terms as outlined in the [Minnesota State Grant manual](#) under 'Use of Term Credits'.

Credit equivalencies assigned by an institution that are applicable to Federal Pell Grant calculations shall be counted as part of the student's credit load. The school may have a policy allowing repeated classes

to be counted towards the student's enrollment level. Transfer credits earned for previous course work at another institution or courses the student audited must not be counted towards enrollment level.

Credits for remedial course work may be counted towards the student's enrollment level if the student has been accepted into a degree, diploma or certificate program and takes remedial course work within that program. A school cannot count non-credit remedial hours in a student's enrollment level if the course is part of a program that leads to a high school diploma or GED. There is no limit on the number of remedial credits that can be counted towards the student's enrollment level.

Limit of Postsecondary Child Care Funds Received

The student is eligible if the student has not received Postsecondary Child Care Grant funds for a period of ten full-time semesters or the equivalent. The Office of Higher Education tracks Child Care Terms of Receipt in MNAid. Attendance is accumulated in units, with 120 units being the equivalent of five academic years of full-time attendance.

A student is entitled to an additional semester of eligibility, and will be considered in continuing enrollment status upon return, if they withdrew from enrollment:

- For active military service;
- For a serious health condition that substantially limits their ability to complete the term as documented by a medical professional; or
- While providing care to a spouse, child, or parent who has a serious health condition.

Reciprocity Status

The student must not be receiving tuition reciprocity benefits from another state to attend a Minnesota postsecondary school.

Course of Study

The student must be pursuing a nonsectarian program or course of study that leads to an undergraduate, graduate/professional degree, diploma, or certificate at the postsecondary level (Minn. Stat. § 136A.125, subd. 2). This includes pre-vocational or remedial programs that are part of an eligible credential pathway. A "nonsectarian program" is defined in Minnesota Rules, part 4830.7900. Important to note that Minnesota Statute supersedes Minnesota Rules.

Eligible Child

The student must have a child 12 years of age or younger, or 14 years of age or younger who has a disability as defined in [Minnesota Statute section 125A.02](#), subd. 1 and 2, and who is or will be receiving care on a regular basis from a licensed or legal non-licensed care giver. If the child meets this requirement at the beginning of the term, the child is eligible for the entire term.

“Child with a disability” means a child who has a hearing impairment, blindness, visual disability, speech or language impairment, physical disability, other health

impairment, mental disability, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the rules of the commissioner. In addition, a child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the rules of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development, is a child with a disability.” -125A.01, subd. 1

“Not a child with a disability. A child with a short-term or temporary physical or emotional illness or disability, as determined by the rules of the commissioner of children, youth, and families for children from birth through age two and by the rules of the commissioner of education for all other children, is not a child with a disability.” 125.01, subd. 2

To be eligible for an award, the applicant's child must meet the requirements for inclusion in the student's (independent applicant) or parents' (dependent applicant) household size in accordance with regulations in place for federal Title IV financial aid programs. A foster child does not meet the federal requirements for inclusion in the household size.

Dependency Status

Both independent and dependent applicants are eligible to participate in this program provided they meet the program eligibility requirements. Dependency status must be consistent across financial aid programs and is defined in the [Common Definitions manual](#).

MFIP and Other Public Assistance

Students who are currently receiving benefits from the **Minnesota Family Investment Program (MFIP)** are not eligible for the Postsecondary Child Care Grant (CCG) program. However, students receiving **General Assistance (GA)** remain potentially eligible.

If a student is excluded from receiving MFIP benefits, they may receive a CCG even if their children are recipients of MFIP benefits. The financial aid office must obtain documentation from the county verifying that the student is excluded from MFIP eligibility.

Students may receive **MinnesotaCare, Medical Assistance, Supplemental Nutrition Assistance Program (SNAP), or Diversionary Work Program (DWP)** benefits and still qualify for the CCG, provided those benefits are not part of MFIP.

Students participating in **DWP** are eligible for separate child care assistance under that program. Any DWP or other child care assistance must be **subtracted from actual child care costs** when calculating the CCG award not to exceed 40 hours/week of assistance. The DWP typically provides up to four months of assistance before families transition to MFIP.

CCG allows reimbursement for a maximum of 40 hours of child care per week. Financial aid administrators must subtract all other child care assistance—such as Basic Sliding Fee, Early Childhood Scholarships, employer child care benefits, Transition Year assistance, and spousal or other third-party benefits—from the student’s total child care costs.

- If other assistance covers 40 hours per week or more, the student is **not eligible** for additional CCG funds.
- If other assistance covers fewer than 40 hours per week, CCG may cover the **remaining eligible hours** up to the 40-hour weekly maximum.

If county assistance is suspected or the student indicates receipt of MFIP or Child Care Assistance on their application (even if checked in error), the financial aid administrator must verify benefits directly with the county of residence. It is recommended that schools use the **MFIP & CCAP Verification of Benefits Form** located in MNAid → Reports → Forms tab.

If a student’s MFIP status changes mid-term, please refer to ‘Prorating Awards When Eligibility Limited to Partial Term.’

Default Status

A student is not eligible for a Postsecondary Child Care Grant if they are in default on any educational loan. Eligibility may be reinstated once the student provides documentation from the guarantor, lender, or servicer confirming that the loan has been paid in full, satisfied, or that the student meets the criteria for reinstatement of **Title IV federal aid eligibility**.

Once the student regains eligibility for financial aid, the CCG may be awarded retroactively for the current aid year, following the same criteria used for the **State Grant program**.

Ten-Day Reporting Requirement

Per OHE program rules, students must report any changes to information provided on the Postsecondary Child Care Grant application to their school **within 10 days** of the change. This requirement is disclosed to students in the **Student Certification** section of the application.

It is the financial aid administrator’s responsibility to determine whether a student’s failure to report a change was an **unintentional oversight** or an **intentional withholding of information**. The school must use any new or corrected information to re-determine eligibility, recalculate the award if necessary, and recover any overpayments from prior disbursements.

If the school determines that the student **intentionally withheld information**, the award must be canceled for the remainder of the academic year, as the student no longer meets program eligibility requirements. See *Change in Student’s Application Information and Denial/Termination Procedures* in this chapter for additional guidance.

Eligible Child Care Provider

An eligible child care provider under the Postsecondary Child Care Grant program is:

- a licensed child care provider;
- a “legal non-licensed care giver.” A “legal non-licensed care giver” is a person who is at least 18 years old and takes care of child(ren) from only one other family besides his/her own; or
- other programs excluded from state licensure under Minnesota Statutes 245A.03, Subd 2.

The following persons are NOT eligible child care providers:

- the child’s other parent or legal guardian;
- the child’s natural parent, adoptive parent or stepparent;
- any individual if they reside in the same home as the student and children.

There is no requirement that a child care provider be located or licensed in Minnesota. However, the provider’s information must be verified by the school. (See ‘Provider Verification’ section of this chapter.)

Application

Postsecondary Child Care Grant Application

Each participating institution must use the Postsecondary Child Care Grant Application provided by OHE or a comparable form with the same questions. All sections must be completed before awarding funds; missing information must be obtained before awards are calculated. Awards made on incomplete applications must be repaid by the school. In addition to federal and provider verification, the school is responsible for confirming that the **Student Aid Index (SAI)** used to calculate the award matches the federally defined SAI and is consistent with other financial aid programs. Each institution must maintain a copy of the application in the student’s financial aid file, either in paper or electronic form.

Provider Verification

Each academic year prior to awarding, the school must verify the child care provider information listed on the student’s application (as noted in the student certification). Verification must occur at least once per academic year and may be done more often at the school’s discretion.

Schools may use OHE’s letter located in the appendices section, a copy of the provider section with identifying info redacted, or a blank provider form. Verification may be obtained by mail, email, fax, or phone. If done by phone, staff must record the date, time, and summary of the call for audit purposes.

Application Deadlines

All student applications must be clearly date-stamped upon receipt in the financial aid office, and this stamp must be visible to state auditors. Failure to maintain a visible date stamp will result in an audit

finding. Each school must establish a deadline for initial and renewal applications to be considered in the first round of awarding. Applications received after that deadline may still be accepted but must be submitted no later than June 30th to allow time for End-of-Year reporting.

Prioritizing Applicants/Renewal Applications

Schools may accept applications until their established deadline and must award funds according to their written priority policy. All applicants requesting child care assistance must be included in the ranking. Priority must first be given to renewal students—those who received a Postsecondary Child Care Grant in the prior fiscal year, maintained continuous enrollment at the same school, and submitted their application by the school's deadline.

A school may assign lowest priority to a renewal applicant who previously received a disbursement and provided fraudulent information. If the student's prior award was canceled or repaid, that student is not considered a renewal applicant, and the school may rank them with the lowest priority among all applicants.

A student is considered continuously enrolled if they have not had a break in enrollment of more than one academic term or 60 days in the prior academic year, whichever is longer. Missing one academic term plus summer session does not affect this status. Students whose enrollment was interrupted for active military duty after December 31, 2002, are also treated as continuously enrolled.

Change in Student's Application Information

Students must report any changes to information on their Postsecondary Child Care Grant application within 10 days. Providers are also required to immediately report changes in their section of the application. Financial aid administrators must determine whether a failure to report was an oversight or an intentional withholding of information. Schools must use updated information to re-determine eligibility, recalculate awards, and collect overpayments if necessary. If a student intentionally withholds information, the award must be canceled for the rest of the academic year.

If a school believes fraudulent information was intentionally reported by a student or provider, it must recalculate the award, recover overpayments, cancel the award for the academic year, and report the fraud to OHE. Schools may also take disciplinary action or report fraud to law enforcement. For future years, renewal applicants normally receive priority, but schools may assign lowest priority to students found to have engaged in fraud. If fraud was discovered before any disbursement, or if the award was repaid, the student is not considered a renewal applicant and may be given lowest priority under the school's written award policy.

(See also 'Written Award Policy' section)

Conflicting Information and Federal Verification

Prior to awarding the student, schools are responsible for resolving all conflicting information on the student's application.

If a student's application is selected for federal verification by the FAFSA processor, the school must verify accuracy using federal Title IV rules and tolerances, even if the school does not participate in federal programs. Guidance is available in the '[Application and Verification Guide](#)' for the current aid year. See fsapartners.ed.gov for further guidance.

OHE also provides a **Conflicting Information Form** for cases where reported child care costs cannot be supported by reported income.

Award Process and Calculation

Written Award Policy

Each school must maintain a written Postsecondary Child Care Grant (CCG) award policy, signed and dated by the financial aid director. **Prior to drafting the policy, schools should review the governing statute ([Minn. Stat. § 136A.125](#)) and rules ([Minn. Rules, parts 4830.7000–4830.7900](#)) to ensure compliance.**

The policy must include:

- the school's method of prioritizing CCG applications;
- the deadline for initial and renewal applications;
- the deadline to resubmit an application for continuing eligibility;
- the standard disbursement method (e.g., by term or by month), with documentation required for exceptions;
- the method for creating and maintaining a waitlist if funds are insufficient; and
- any other institutional policies affecting awards, such as rules for retroactive awards.

Schools may assign lowest priority to applicants who previously failed to report changes or submitted fraudulent information. These requirements are intended to protect the school and ensure equitable treatment of all applicants.

Period of Award

Postsecondary Child Care Grant (CCG) awards are based on the nine-month academic year. Schools must ensure they have sufficient CCG funds to cover eligible child care costs for each awarded student for the academic year. Awards may be limited to fewer terms if: the student only attends part of the year; the student is nearing the limit of eligibility; the award is made later in the academic year (schools are not required to award retroactively); or remaining funds cannot cover the full year. **Each term's award must reflect the student's actual child care costs and enrollment for that term, but may not exceed the maximum determined by the CCG calculator in MNAid.** Applications may be approved or extended beyond the school's allocation if funds from other sources are used. If funds allow, schools are encouraged to award for the entire academic year.

If an award is finalized later in the academic year, the school may—but is not required to—make retroactive awards for prior terms in which the student was enrolled and incurred child care costs (see *Waiting Lists/Retroactive Awards* and *Late/Retroactive Disbursement*).

Students are also eligible for summer awards beyond the nine-month academic year, calculated in the same manner as regular terms. A student may receive a nine-month award plus both leading and trailing summer terms if both summer terms are crossover terms (begin before and end after July 1), provided total awards do not exceed 150% (semester schools) or 133% (quarter schools) of the annual maximum for the student's income and household size.

Award Calculation

All documents related to a student's Postsecondary Child Care Grant (CCG) award, whether produced or received by the financial aid office, must be date-stamped, and the stamp must be visible to state auditors.

Schools are responsible for calculating each student's award, with documentation required for each child and each term. Awards may be calculated for the nine-month academic year using projected costs and enrollment, but they must be revised at the start of each term to reflect the student's actual costs and enrollment. Awards cannot exceed the CCG calculator maximum. Students may also receive awards for summer terms, calculated in the same manner as other terms.

If a student is not eligible for the full term, both the actual costs and the maximum award must be prorated (see *Prorating Awards When Eligibility Limited to Partial Term*).

Each term's CCG award is the sum of awards for each eligible child. The award for each child is the lesser of:

- the student's actual reported child care costs for that child during the term, or
- the maximum annual award per eligible child (see award chart), divided by two (semester) or three (quarter) and adjusted for enrollment status (see Adjustment to Maximum Award Table for Infant Care).

A student's total CCG award may not exceed financial need, defined as cost of attendance (COA) minus the Student Aid Index (SAI) and other financial aid/resources (excluding federal veterans' benefits). Schools may include actual child care costs in the COA when calculating financial need.

The minimum CCG award is \$50 per semester or \$33 per quarter.

Schools should use the **CCG calculator and forms available in MNAid**. Additional guidance and resources for financial aid administrators are available on OHE's website: [Campus Financial Aid Administrator Resources](#).

Actual Child Care Costs

On the Postsecondary Child Care Grant (CCG) application, providers report actual hourly and weekly child care costs per eligible child for the award period. Schools may include child care costs for breaks within a term or between two terms in which the student is enrolled. Break costs between two terms must be split evenly. For example, if a 5-day break occurs between two 15-week semesters, costs for each semester would be based on 15.5 weeks. Schools must verify actual costs with the provider before awarding (see *Provider Verification*).

The maximum payable rate is \$5.00 per hour for non-center care and \$10.00 per hour for center care, up to 40 hours per week per child. All-day kindergarten, preschool, and after-school programs are eligible providers if the student is charged; the \$10.00 maximum applies. Providers may bill in advance, but they may not charge CCG recipients more than private-pay clients.

If other child care assistance offsets costs—such as Basic Sliding Fee, Early Childhood Scholarship, Transition Year, spouse also receiving the CCG, employer subsidies, discounted rates, or other scholarships—those amounts must be subtracted when determining eligible costs.

Actual costs must also be reduced by any court-ordered child care payments (e.g., divorce settlements) made directly to the provider by the other parent, unless those payments are already included in the student's AGI or untaxed income on the FAFSA.

Maximum Award Table

The maximum Postsecondary Child Care Grant (CCG) is \$6,500 per eligible child for a nine-month academic year. Schools may request OHE approval to increase a grant by up to 10% to reflect higher infant care costs in a community.

Awards are adjusted based on the student's **Student Aid Index (SAI)** and enrollment level. The academic year award must be disbursed by term using the following formula:

Start with the annual maximum of \$6,500.

Divide by the number of terms in the academic year.

Multiply by the applicable enrollment factor:

- **1.00** – Undergraduate students enrolled in 12+ semester credits (or equivalent) or graduate students enrolled in 6+ credits.
- **0.75** – Undergraduate students enrolled in 9–11 credits or graduate students enrolled in 5 credits.
- **0.50** – Undergraduate students enrolled in 6–8 credits or graduate students enrolled in 3–4 credits.
- **0.25** – Undergraduate students enrolled in 1–5 credits or graduate students enrolled in 1–2 credits.

Students may receive awards for the nine-month academic year and for leading and trailing summer crossover terms (beginning before and ending after July 1). However, the total award for all terms cannot exceed:

- **150%** of the annual maximum at semester schools, or
- **133%** of the annual maximum at quarter schools, based on the student's SAI and enrollment level.

Schools must follow federal aid regulations when updating a student's FAFSA information, including household size, income, or marital status. If the FAFSA is selected for federal verification, the school must complete verification even if the institution does not otherwise participate in federal Title IV programs.

Financial aid administrators may use professional judgment to adjust data elements used in Federal Methodology, but the reasons for the adjustment must be documented. Professional judgment adjustments must apply consistently across all financial aid programs the student receives, not only the CCG. (See the definition of professional judgment in the [Common Definitions manual](#).)

(2) Adjustment to Maximum Award Table for Infant Care

The maximum award may be increased by up to 10 percent to account for higher infant care costs if the school opted in and was approved for this increase in MNAid. Institutions may request this authority by indicating it on the annual Institutional Request for Participation form.

To apply the adjustment, the student must provide documentation from the provider showing that infant care rates exceed rates charged for older children. Schools must also require the provider to complete the Request for Infant Care Adjustment form (located in MNAid → Reports → Forms tab).

When a completed *Request for Infant Care Adjustment* form is received documenting that the provider charges higher rates for infant care, the student's maximum award from the SAI range and enrollment chart may be increased by **10 percent**. The CCG award for each term must then be calculated as the lesser of the adjusted maximum award, actual reported costs, or financial need.

Although the initial award may be calculated on an annual basis, schools must recalculate each term to reflect actual enrollment status or a change in the child's infant status.

Example

- The maximum annual award for Mary Smith's household size and income is \$6,500 (\$3,250 per semester).
- Because Mary has an infant child and submitted the adjustment form, the financial aid office increases the maximum by 10 percent to \$7,150 (\$3,575 per semester).
- For the first semester, Mary's award is \$3,575, the lowest of adjusted maximum (\$3,575), actual costs (\$6,000), and financial need (\$3,575).
- Mary enrolls in 15 credits her first semester, so she receives the full award.
- In the second semester, she drops to 11 credits and her child is no longer classified as an infant. Her award is recalculated to a three-quarter time amount of \$2,438 (no infant adjustment).

If a provider cares only for the student's infant, the 10 percent infant care adjustment cannot be applied because higher infant rates cannot be documented without comparison to other age groups. The

student may appeal to the financial aid administrator, who may approve the 10 percent adjustment if the provider's infant care rate exceeds the average market rate for infant care in the provider's county, based on Department of Human Services cost data. OHE provides this cost table on the [Postsecondary Child Care Grant Program Resources page](#) at the start of each aid year.

Financial Need Minus Other Financial Aid and Resources

A student's Postsecondary Child Care Grant (CCG) may not exceed financial need, defined as the Title IV cost of attendance (COA) minus the **Student Aid Index (SAI)** and minus other financial aid and resources, consistent with federal campus-based program rules. Federal veterans' benefits are not considered resources for this calculation.

Schools may add a student's actual child care costs (as defined in this section) to the COA. Financial aid administrators may also use professional judgment (see [Common Definitions](#)) to adjust the COA or any data element in the federal need analysis formula. Such adjustments must apply to all financial aid programs and cannot be limited only to the CCG. For additional guidance, see the *Packaging Aid* chapter of the Federal Student Aid Handbook.

Notification of Postsecondary Child Care Grant Award

Schools must keep a copy of each student's Child Care Grant (CCG) award or denial letter. Electronic records are acceptable if they are accessible for auditors.

Each student awarded a CCG must receive written notification of the annual award amount, including the names of the children covered. This notice serves as the student's proof of award. If a provider requests award information, the student may share a copy of the award notification.

Waiting List/Retroactive Awards

If funds are insufficient to award all eligible students, schools must place students on a waiting list. Students should still be encouraged to apply even when funds are unavailable, as waiting list data help OHE assess program demand and support future appropriation requests.

If additional funds become available, schools should award eligible students for the current and future terms or retroactively to the start of the academic year. Retroactive awards may be made even if the student was not on the waiting list or had not previously submitted an application. Priority should go to the next student on the list, and, if funds allow, schools are encouraged to award for the full academic year.

Award Adjustments/Overpayments

A student's Postsecondary Child Care Grant (CCG) award may change if there are corrections or updates to the student's household size, income, actual child care costs, MFIP status, enrollment status, provider information, or other eligibility factors. If new information would increase the award after funds have

already been disbursed, the increase may only be made if funds are available, and the recalculation must be documented in the student's file.

Changes can also result in a reduction of the award. If the revised award is less than what has already been disbursed for the term, the school must either collect the overpayment from the student or reduce the award in subsequent terms to recover the amount. When the reduction is due to the Student Aid Index (SAI) or when additional financial aid and resources cause the student's aid to exceed the cost of attendance, the [federal Title IV campus-based overaward threshold](#) applies. This threshold only applies to unintentional overaward.

Enrollment changes may also require adjustments. Awards based on the maximum award chart must be revised if the student's enrollment status changes. If a student withdraws from a course after attending, the school must return the lesser of (1) the difference between the original and revised award or (2) the proportional amount of any institutional refund, as described in the *Refund Process* section. If the student drops or withdraws from credits without ever attending, the award must be recalculated to the lesser of actual child care costs or the maximum award chart amount for the revised enrollment level.

Schools that use a census or award adjustment date for State Grant purposes are not required to adjust the CCG if the student withdraws after that date. If a student adds credits after disbursement, however, the school should recalculate and increase the award if funds are available.

School Liability for Overpayments

Schools are liable for repaying a Postsecondary Child Care Grant (CCG) overpayment from their own funds if they disbursed funds before completing provider verification, required federal verification, or resolving conflicting information. Liability also applies if the school had documentation showing the student was ineligible at the time of disbursement.

The school is not liable for overpayments resulting from award calculations or cancellations taking place *after* federal verification, provider verification or resolution of conflicting information has been performed. If the school cannot collect the overpayment from the student after **diligent billing attempts**, the school may turn the overpayment over to OHE at the end of the year as an account receivable, along with all supporting documentation.

Summer/Non-Standard Term Awards

Students may receive a Postsecondary Child Care Grant (CCG) for a summer term. Awards are calculated in the same manner as for other terms.

Schools must follow the guidelines in the *State Grant – Awards for Summer or Non-Standard Terms* section in the [Minnesota State Grant manual](#) when defining a summer term and determining which fiscal year funds should be used.

A student may receive a nine-month CCG plus both a leading and trailing summer award if both summer terms are crossover terms (beginning before and ending after July 1). In this case, the student's total

awards cannot exceed 150% of the annual maximum at semester schools or 133% of the annual maximum at quarter schools, based on the student's SAI and household size.

A term is considered non-standard if it is shorter than 10 weeks at a quarter school or 15 weeks at a semester school. Awards for non-standard terms are calculated in the same manner as for standard terms. Although actual child care costs may be lower for a shorter term, the maximum award chart amount is not adjusted.

Prorating Awards When Eligibility Limited to Partial Term

If a student receives MFIP benefits for only part of a term, the Postsecondary Child Care Grant may be prorated for the portion of the term when the student was not receiving MFIP. The same rule applies when other assistance, such as Basic Sliding Fee, covers the student's full child care costs for part of the term.

Child Care Grant Awards Affected by Subsequent MFIP Payments

If a student receives a Postsecondary Child Care Grant (CCG) disbursement and later becomes eligible for MFIP during the same term, the award must be canceled for the remainder of the academic year or until the student notifies the school they are no longer eligible for MFIP. The school must recalculate the term award using the proration method described in *Prorating Awards When Eligibility is Limited to a Partial Term* and must notify the county human services agency that the student received a CCG (student consent is provided in the application certification).

If recalculation results in an overpayment, the school must collect the overpayment from the student. Students who report MFIP eligibility within the required 10-day reporting period retain their eligibility and renewal priority if they later lose MFIP benefits. If the student fails to report MFIP eligibility within 10 days, the policies in *Change in Student's Application Information, Prioritizing Applications/Renewal Applicants, and Denial/Termination Procedures* apply.

Disbursement Process

Payment to Student or Provider

The school is allowed to disburse the Postsecondary Child Care Grant to the student or directly to the provider.

When Funds May Be Disbursed

Child Care Grant awards are normally disbursed by academic term, though schools may choose to disburse more frequently. Funds cannot be disbursed until the student is enrolled for classes in the payment period or enrollment period.

Schools must return funds disbursed to a student or provider if the student officially or unofficially withdraws or is expelled before the first day of classes. Schools are liable for funds released prior to the start of a term if the student never begins attendance. If attendance cannot be documented, the school must reimburse OHE.

If funds are disbursed before the start of the state fiscal year from which they are awarded, the payment must be canceled or adjusted for any changes in enrollment, eligibility, or award formula that occur before the school receives program funds.

Each disbursement must be documented with a date. The disbursement date is the date the school determines a student's enrollment level for awarding purposes. Auditors will use this date to verify enrollment and eligibility.

- For funds disbursed prior to the start of a term, the earliest disbursement date is the first day of the academic term.
- For funds disbursed after the start of a term:
 - If credited to a student's account, the date of the funds are posted or applied to charges.
 - If mailed or sent by EFT, the date of the check or EFT transaction (unless the school uniformly uses the prior day).
 - If disbursed directly, the date the student or provider picks up the check.

Method of Disbursement

Each school may disburse funds to students using one or a combination of the following methods. The institution may disburse Postsecondary Child Care Grant (CCG) funds:

- by institutional check directly to the student or provider,
- by an institutional check that is mailed to the student or provider,
- to the student's account, or
- to the student or provider by Electronic Funds Transfer (EFT).

Whichever methods of disbursement are used, the school must document the date of disbursement, and the amount of CCG funds disbursed to the student or provider. OHE holds schools liable for improperly disbursed funds.

When disbursing a check to the student or provider, the institutional representative should request proper identification—preferably a picture I.D. Once the check has been signed and cashed, OHE will not refund or replace it.

The school may exercise the option of mailing the checks to the student or provider. The institution must maintain a record that documents for each student included in each transaction, the:

- student's or provider's name,
- amount and types of charges paid by the transaction,
- source and amount of state and other financial aid funds included in the payment to the student,

- number of the institutional check, and
- the date that the check was mailed to the student or provider if different from the date of the check.

If the institution credits CCG funds to the student's account, the institution must document the:

- student's name,
- amount and type of charges paid by each transaction in the student's account, and
- source and amount of CCG and other financial aid funds disbursed to the student's account.

If the school chooses to disburse CCG funds to the student by initiating an EFT to the bank account designated by the student, the institution must obtain authorization from the student to disburse by that method.

Each CCG award must be based on the student's enrollment level as of the date the funds are electronically transferred to the student. The following standards apply to EFTs:

- The date of the EFT transaction must be documented and this will be considered the date of disbursement, unless the institution elects to take the following option.
- At the institution's option, the date of disbursement may be one business day prior to the date of the EFT transaction.

For each EFT transaction, the institution must maintain a dated record that documents for each student included in the transaction, the:

- student's name,
- amount of charges paid by the transaction,
- source and amount of state and other financial aid funds included in the EFT,
- the amount of EFT,
- student's bank account number, and
- name of the bank into which the funds were deposited.

The school is liable for all funds that are lost. The school will have to reimburse either the student, OHE or both for any lost state financial aid funds.

Late/Retroactive Disbursement

Schools may issue a late or retroactive Child Care Grant (CCG) payment if the student did not withdraw or drop below 1 credit in the term before disbursement.

- **Late disbursement** occurs after the term has started. The award must be based on the student's enrollment level as of the disbursement date. Courses from which the student withdrew before disbursement may not be counted toward enrollment. Grades of W, FN, or FW are excluded when determining enrollment level.
- **Retroactive disbursement** occurs after a term has ended but within the same aid year. A retroactive award may be made even if the student is not currently enrolled in a subsequent term, provided all other eligibility requirements are met. The award must be based on the student's enrollment level at the end of that term.

Non-passing grades may be counted as credits earned only when the grade reflects that the student attended and completed the course. Earned F grades are eligible because they indicate the student completed the term. However, W grades and unearned F grades (assigned when a student stops attending without officially withdrawing) are not eligible for CCG payment. If a student receives all non-passing grades for a term and Title IV rules require attendance verification, the same verification must be applied to the Child Care Grant. If the school determines that the student never attended or unofficially withdrew, the CCG award must be recalculated and any overpayment refunded.

Adjusting Payments for Leave of Absence

Students planning to leave school temporarily must be granted a leave of absence (see [Common Definitions](#)) in order to remain eligible for Postsecondary Child Care Grant funds upon return. No funds may be disbursed during the leave unless they are for a prior term or payment period already completed.

If a student does not return from an approved leave, they are considered withdrawn as of their last day of attendance, and refund requirements apply. If a student stops attending without an approved leave, the school may cancel the remainder of the student's award and reallocate the funds to another eligible student. Schools are not required to wait until the end of the term or payment period before re-awarding these funds (see *Denial, Termination, or Appeal*).

Student Account Balances

This section applies only to credit balances created by Minnesota state financial aid funds. Federal Title IV credit balance requirements and institutional refund policies must be followed separately and are not governed by this section.

Unless the student has authorized otherwise, if state financial aid disbursements (including Child Care Grant (CCG) funds) applied to a student's account exceed allowable institutional charges, the excess must be paid directly to the student as soon as possible, but no later than 14 days after the later of:

- the date the balance occurs,
- the first day of classes for the payment period, or
- the date the student rescinds their authorization.

This rule also applies when a school credits CCG funds to a student's account before receiving program funds from OHE.

If a school has authorization to hold excess funds, it must record the student or parent and the amount held in a designated subsidiary ledger account. The school must also maintain, at all times, cash in its bank account equal to the total amount held for students.

Because state financial aid is intended to cover current-year charges, schools must pay out any remaining:

- **State loan funds** by the end of the loan period, and

- **Other state aid funds** by the end of the last payment period in the award year for which they were awarded.

If a disbursement attempt by check or EFT is returned or rejected, the school may make additional attempts within **45 days**. If no attempt is made, the funds must be returned to the program within that same 45-day window. If a check is issued but not cashed, the funds must be returned within **240 days** of issuance.

If a student cannot be located, any state financial aid credit balance must be returned to OHE. While OHE does not prescribe how to determine which program created the credit balance, schools are encouraged to return funds to the SELF Loan program first to reduce the likelihood of borrower default. Schools may retain any interest earned on student credit balance funds.

Student Authorization

Schools must obtain written authorization from a student to either: (1) disburse Child Care Grant funds by EFT, or (2) hold excess funds in the student's institutional account.

Authorization must be voluntary and may be rescinded by the student at any time.

An authorization remains valid for the award year or period of enrollment in which it was obtained. It may continue into subsequent years only if the school provides the student with a clear, conspicuous notice of the current authorization terms before taking any action. This notice must explain:

- the provisions of the student's authorization,
- whether the school earns interest on held funds and if that interest will be provided to the student, and
- the student's right to cancel or modify the authorization.

Refund Process

Withdrawal or Reduced Enrollment Status

If a student withdraws without attending any classes, the entire Child Care Grant (CCG) for that term must be refunded. This also applies when a withdrawal date is back-dated to the first day of the term.

If a student withdraws after attending classes, the school must use OHE's *Refund Calculation Worksheet* or the refund calculation spreadsheet on OHE's website to determine the refund due.

If a student drops or withdraws from credits without attending those classes, the award must be recalculated to the lesser of: (1) the student's actual child care costs for the term, or (2) the maximum award chart amount for the revised enrollment level.

If a student withdraws or drops credits after attending classes, the school must return the lesser of:

the difference between the original and revised award, or the proportional amount of any institutional refund (calculated using OHE's worksheet).

If the school uses a census/award adjustment date for the State Grant program, no CCG adjustment is required if the student withdraws after that date.

Procedures for Denial, Termination or Appeal

Denial/Termination Procedures

The school must terminate a student's Postsecondary Child Care Grant (CCG) award if the student ceases to meet the program eligibility requirements. The school must allow the student to meet with the financial aid administrator to discuss the termination and to provide documentation as to why the termination should not occur.

Except when denial is due to lack of program funds, schools must follow these procedures:

1. Provide the student with written notice of denial or termination, including the reason(s) and information on the right to appeal and the procedure for doing so.
2. Valid reasons for denial or cancellation include, but are not limited to: failure to provide required documentation, failure to report status changes, misrepresentation of child care costs, failure to meet eligibility requirements, or extended absences without an approved leave of absence.
3. Postsecondary CCG payments must be suspended pending the results of the appeal process. If the appeal is successful, payments must be reinstated retroactively to the extent funds are available.
4. If the award is made by vendor payment, inform the child care provider of the termination notice while the appeal is pending.

Appeal Procedures

An applicant or recipient adversely affected by a school's action may file a written appeal. Students must first follow the school's established appeal process for financial aid decisions. If the student is not satisfied with the outcome, the student may request that the school forward the appeal results and documentation to the [Child Care Grant Program Administrator](#) for review. The Program Administrator will make a final decision under [Minn. Stat. § 136A.125](#) and [Minn. Rules, parts 4830.7000–4830.7900](#). Both the student and the school will receive written notice of the Program Administrators final decision. The Program Administrators decision is final.

Allocation of Postsecondary Child Care Grant Funds

Initial Allocation

Child Care Grant funds appropriated to OHE by the state legislature are allocated to participating institutions based on the lesser of the institution's request or the following formula:

Institutional Share ÷ Sum of All Institutions' Shares X Legislative Appropriation for Fiscal Year X Prior Year Utilization Rate

"Institution's share" is defined as the number of students enrolled at the institution during the prior academic year who reported children on the FAFSA.

OHE distributes **50% of each school's initial allocation in August** and the remaining **50% in December**. Schools with a leading summer term may request to receive their August installment in July.

In November, schools **must** request their December disbursement. Failure to request the second half of their allocation will result in **forfeiture** of those funds. Schools may request the full scheduled amount, a reduced amount, or an increased amount. Requests for increases will be considered, but disbursement of additional funds depends on overall program availability. Funds released through reductions will be reallocated to schools demonstrating additional need.

Utilization Rate

An institution's utilization rate is calculated by dividing its total expenditures by its total funds available for the fiscal year.

Total Expenditures include:

- Total student Postsecondary Child Care Grant awards for the current fiscal year, plus
- Administrative expense allowance for the current fiscal year.

Total Funds Available include:

- Current year initial allocation (funds disbursed in July, August, and December),
- Current year reallocated funds,
- Funds carried forward from previous fiscal year,
- Funds carried back from the next fiscal year*,
- Less: funds carried forward to the next fiscal year,
- Less: funds carried back to the previous fiscal year*, and
- Less: refunds returned to OHE before March 1.

Utilization Rate Formula:

Utilization Rate = Total Expenditures ÷ Total Funds Available

* In certain years, carry back is not allowed. See 'Carry Forward, Carry Back' section.

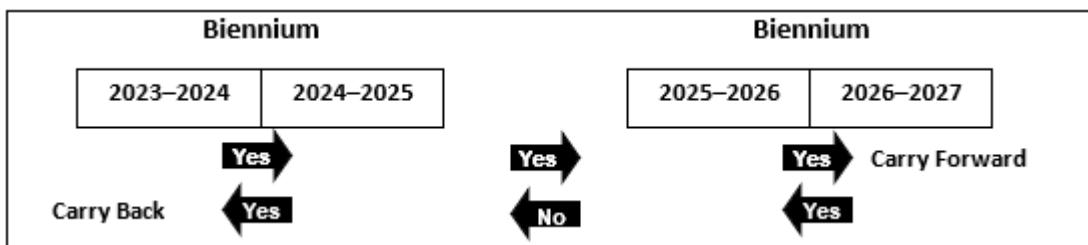
Carry Forward, Carry Back

Schools may carry forward up to **10 percent** of their initial allocation to the next fiscal year or carry back up to 10 percent to the previous fiscal year (based on the July, August, and December disbursements). Reallocated funds cannot be carried forward or back.

Schools may not carry back funds from the first year of a biennium to the last year of the previous biennium. In practice, this means that when an academic year ends in an **odd number** (e.g., 2024–2025), funds may be carried forward to the next year but may not be carried back. Carry forward is always

permitted across biennia, and both carry forward and carry back are allowed between the two fiscal years within a biennium.

Funds carried forward or back to another fiscal year do not affect the utilization rate for the year in which they originated. Instead, they are counted as funds available in the fiscal year to which they are carried, and they impact the utilization rate for that year.



Reallocation Process

Schools may request additional funds if their initial allocation does not meet anticipated need for the current fiscal year. In November, schools may also adjust their scheduled December disbursement if the full amount exceeds their need. Any funds released through reductions will be reallocated to schools with demonstrated additional need.

OHE also conducts reallocations and refund redistributions throughout the year. Schools are notified by email in **January, March, May, and June** regarding reallocation/refund opportunities.

A Schools reallocation amount is calculated as follows:

Reallocation Formula		
$\frac{\text{The Schools Share}}{\text{Sum of Shares of Schools Requesting Additional Funds}} \times \text{Amount of Postsecondary Child Care Grant Funds Available}$	X	Amount of Postsecondary Child Care Grant Funds Available

The minimum reallocation sent to any institution is **\$100**. If a school's calculated reallocation is less than \$100, those funds will be redistributed among schools with a calculated reallocation of \$100 or more.

Management of Funds

Accountability for Funds

Each participating school is accountable for all Postsecondary Child Care Grant (CCG) funds disbursed to students or providers. Funds may be used only during the fiscal year of allocation, except for amounts carried forward or back from a contiguous fiscal year. Schools must implement procedures and internal

controls to ensure proper accountability. While schools may subcontract program administration, they remain fully responsible for compliance and oversight.

When CCG funds are received from OHE, schools may record them in a separate general ledger account or combine them with other institutional funds. A separate general ledger account is strongly preferred to support reconciliation and prevent overspending of the allocation. If funds are combined within a shared account, all activity must be traceable through a unique fund source number. Schools may choose to use a separate bank account, but this is not required.

Schools must maintain manual or computerized records of all recipients, along with corresponding check and account numbers, to allow disbursements to be traced back to institutional records. If funds are disbursed by check, more than one responsible party (other than the initiator) should be authorized to sign.

Control procedures must ensure that funds from one fiscal year are not carried over to the next fiscal year, and that deficits are not covered by funds from a subsequent fiscal year, except for the allowable 10 percent carry forward/back from a contiguous fiscal year (see *Carry Forward, Carry Back*).

Schools are expected to conduct **monthly reconciliation** of CCG accounts to ensure allocations are not overspent and excess funds are returned in a timely manner.

Administrative Expense Allowance

Schools may use a portion of their Postsecondary Child Care Grant (CCG) allocation/reallocation(s) funds to offset the expense of administering the program. The administrative expense allowance is five percent of the total funds expended for CCG awards at that school within a given fiscal year. It is recommended that schools set aside an estimated administrative expense allowance based on last year's expenditures so that the entire allocation for the current fiscal year is not disbursed to students.

For state audit purposes, institutions must be able to verify that administrative allowance monies were used for the administration of the CCG program.

Excess Funds

Excess funds are those funds that will not be expended on student awards, the administrative expense allowance, or carried forward/back to a contiguous fiscal year.

The business office must keep the financial aid office regularly informed, with **monthly reports recommended**, of the balance in the account so the financial aid administrator can determine whether Postsecondary Child Care Grant spending is expected to exceed or fall short of the amount of funds allocated to the institution. OHE will periodically request information regarding the use of funds during the fiscal year. Excess funds shall be returned to OHE within 30 days of the refund/reallocation request. Returned funds will be used to reallocate funds to other eligible institutions. Any excess funds received by OHE on or after March 1 will have an adverse impact on the institution's utilization.

At the end of the fiscal year, [Rule 4830.7900](#) states that annual program activity reports and excess program funds must be received by OHE no later than the first working day after August 9.

State Reports and Data Collection

Schools participating in the Postsecondary Child Care Grant (CCG) program must correctly complete and submit the following forms and reports by the applicable deadline dates:

- Institutional Request for Participation,
- Reallocation/Refund Request,
- End of Year Report and Supplements, and
- Monthly Spending (reported on-line).

Each school must maintain accurate and current records for every participating student. In order to evaluate the effectiveness of the program in meeting the financial needs of CCG recipients, the school must collect demographic, educational and financial data specified by OHE from eligible students requesting CCG funds.

Upon request, the school must also report information about students who received awards, students who are on the waiting list, and students who were denied awards, including the institution's methods of prioritizing applicants if insufficient funds are available.

End of Year Reports and applicable supplements are to be completed correctly and submitted to OHE no later than the first working day after August 9 per [Rule 4830.7900](#). An institution's allocation for the next aid year shall be withheld if the deadline date is not met or if the report is incomplete or incorrectly completed and must be returned to the school for correction and re-submission to OHE.

State Audit Requirements

Records Available for Auditors

State auditors will periodically conduct compliance audits of each school that participates in one or more OHE programs.

The school also has the option of hiring an outside auditing firm to conduct its state audits in conjunction with its audits of federal aid programs. (See 'Audits' under [Common Definitions manual](#) for further information.)

Each institution must maintain and make available to auditors' individual student financial aid files for Postsecondary Child Care Grant applicants. Auditors will also request items such as the school's CCG prioritization policy, student account records, student academic transcripts, etc.

Historical records and documentation must be kept on file for three years after the last day of the fiscal year or until all audit exceptions for the period are resolved.

Student Program Eligibility Documentation

The school must have written documentation that verifies the student meets all of the requirements listed under the 'Student Eligibility' section of this chapter.

Program Documentation

The school must have written documentation to show:

- an auditable trail from the application, through the account, to the disbursement of Postsecondary Child Care Grant funds to the student or child care provider;
- the calculation of applicable refund amounts for students who withdraw or reduce enrollment status;
- that funds were used in the fiscal year in which they were allocated, with the exception of carry forward/back from a contiguous fiscal year;
- each student's award calculation, including supporting income documentation and any recalculations;
- documentation of the required provider verification and/or federal verification;
- copy of the Postsecondary Child Care Grant Program End of Year Report and applicable supplements (in either paper or electronic version); and
- definition of "satisfactory academic progress" based on federal aid program regulations and [Minnesota Statutes 136A.101, Subd. 10.](#)

Filing and Date Stamping Requirements

All student applications must be dated with the date of receipt in the financial aid office. The date must be visible for state auditors during a state audit.

Each institution must maintain a copy of each student's Postsecondary Child Care Grant (CCG) application in the student's financial aid file. Each institution must also maintain a copy of each student's CCG denial or award letter in the student's financial aid file. An institution may maintain electronic records instead of paper copies if such records will be available to auditors.

All financial changes reported to the school must be dated with the date of receipt by the financial aid office. All documents relating to a student's CCG award, whether produced or received by the financial aid office, must be dated with the date the document is produced and/or received.

Minnesota Statute Governing Postsecondary Child Care Grants

136A.125 CHILD CARE GRANTS.

Subdivision 1. Establishment. A child care grant program is established under the supervision of the office. The program makes money available to eligible students to reduce the costs of child care while attending an eligible postsecondary institution. The office shall develop policies and adopt rules as necessary to implement and administer the program.

Subd. 2. Eligible students.

(a) An applicant is eligible for a child care grant if the applicant:

- (1) is a resident of the state of Minnesota or the applicant's spouse is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;
- (4) has not received child care grant funds for a period of ten semesters or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate, graduate, or professional degree, diploma, or certificate;
- (6) is enrolled in at least one credit in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

(b) A student is entitled to an additional semester or equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return if the student withdraws from enrollment:

- (1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;
- (2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or
- (3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Subd. 3. **Eligible institution.** A Minnesota public postsecondary institution, a Minnesota private, baccalaureate degree-granting college or university, a Minnesota nonprofit two-year vocational technical school granting associate degrees, or a Minnesota postsecondary institution offering only graduate or professional degrees is eligible to receive child care funds from the office and disburse them to eligible students.

Subd. 4. **Amount and length of grants.** (a) The maximum award to the applicant shall be \$6,500 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community.

(b) Applicants with contributions at or below the qualifying contribution as determined by the federal need analysis for the federal Pell Grant, as determined by the commissioner, qualify for the maximum award. Applicants with contributions as determined by the federal need analysis exceeding that threshold but less than 200 percent of the qualifying contribution receive an amount proportional to their contribution as determined by the commissioner.

(c) The academic year award amount must be disbursed by academic term using the following formula:

- (1) the academic year amount described in paragraph (a);
- (2) divided by the number of terms in the academic year; and
- (3) multiplied by the applicable enrollment factor:
 - (i) 1.00 for undergraduate students enrolled in 12 or more semester credits or the equivalent or for graduate students enrolled in six or more semester credits or the equivalent;
 - (ii) 0.75 for undergraduate students enrolled in nine, ten, or 11 semester credits or the equivalent or for graduate students enrolled in five semester credits or the equivalent;
 - (iii) 0.50 for undergraduate students enrolled in six, seven, or eight semester credits or the equivalent or for graduate students enrolled in three or four semester credits or the equivalent; and
 - (iv) 0.25 for undergraduate students enrolled in at least one but less than six semester credits or the equivalent or for graduate students enrolled in one or two semester credits or the equivalent.

(d) Payments shall be made each academic term to the student or to the child care provider, as determined by the institution. Institutions may make payments more than once within the academic term.

Subd. 4a. **Rates charged.** Child care providers may not charge students receiving grants under this section a rate that is higher than the rate charged to private paying clients.

Subd. 4b. **Additional grants.** An additional term of child care grant may be awarded to an applicant attending classes outside of the regular academic year who meets the requirements in subdivisions 2 and 4. The annual maximum grant per eligible child must not exceed the calculated annual amount in subdivision 4, plus the additional amount in this subdivision, or the student's estimated annual child care cost for not more than 40 hours per week per eligible child, whichever is less.

Subd. 4c. **Unexpended balance.** Any unexpended appropriation in the child care grant program in the first year of a biennium shall be used to augment the maximum award in subdivision 4 in the second year of the biennium.

Subd. 5. [Repealed, [1995 c 212 art 3 s 60](#)]

Subd. 6. **Yearly allocations to institutions.** The office shall base yearly allocations on the need for funds using relevant factors as determined by the office in consultation with the institutions. Up to five percent of the money spent on students' child care awards, as determined by the office, may be used for an institution's administrative expenses related to the child care grant program. Any money designated, but not used, for this purpose must be reallocated to child care grants. An institution may carry forward or backward ten percent of its annual allocation to be used for awards in the previous or subsequent academic year.

Subd. 7. **Monitoring and reallocation.** The office shall establish procedures to (1) continually monitor the use of funds throughout the year; (2) identify areas of unmet need for grants; and (3) redistribute available funds in a timely manner to meet the needs of eligible recipients.

Subd. 8. **Information.** The office shall develop and provide information about the program to eligible postsecondary institutions, human service agencies, and potential applicants.

Subd. 9. **Report.** Institutions must submit reports, when requested by the office, on program activity including the number of students served, the child care costs, and the number of students on a waiting list for available funds. The reports must also include the institution's method of prioritizing applicants if insufficient funds are available.

History:

1989 c 293 s 28; 1991 c 356 art 8 s 9-13; 1994 c 532 art 2 s 6-9; 1994 c 647 art 8 s 26; 1995 c 212 art 3 s 27,28,59; 1997 c 85 art 4 s 4; 1997 c 183 art 2 s 6; 1998 c 397 art 11 s 3; 1999 c 159 s 25; 1999 c 214 art 2 s 7; 2000 c 489 art 11 s 4; 1Sp2001 c 1 art 2 s 13,14; 2003 c 133 art 2 s 14,15; 2005 c 56 s 1; 2005 c 107 art 2 s 23,24,60; 2007 c 144 art 2 s 21,22; 2013 c 99 art 2 s 8,9; 2014 c 149 s 16,17; 2015 c 69 art 2 s 7-9; 2016 c 189 art 1 s 11,12; 2017 c 89 art 2 s 9,10; 2020 c 109 art 1 s 8; 1Sp2021 c 2 art 2 s 8,9; 2023 c 41 art 2 s 15

*It is important to note State Statute supersedes State Rules.

Minnesota Administrative Rules

4830.7900 REPORTS of DATA

Institutions must:

- A. collect demographic, educational, and financial data specified by the office from eligible students requesting child care grants;
- B. provide the office with individual student data upon request;
- C. upon the request of the office, report information about students who receive awards, students who are on the waiting list, and students who were denied awards, including the institution's methods of prioritizing applicants if insufficient funds are available; and
- D. submit fiscal year program activity reports and student data reports to the office.

Fiscal year program activity reports and student data reports are required by the office. Institutions shall correctly complete and submit all required reports and any applicable refunds to the office by the first working day after August 9. The office shall withhold an institution's subsequent year's allocation if the deadline date is not met.

Statutory Authority: MS s [136A.01](#); [136A.04](#); [136A.125](#)

History: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284

Published Electronically: June 11, 2008

4830.7100 DEFINITIONS

*It is important to note **State Statute supersedes State Rules**

Subpart 1. **Scope.** The definitions in this part apply for the purposes of parts 48.7000 to 4830.7900

Subp. 2. **Continuing enrollment.** "Continuing enrollment" means that a student has not had an interruption in enrollment at the institution in which the student is currently enrolled for more than one academic term or 60 days of the immediately preceding academic year, whichever is longer. A student may miss one academic term and summer school and not lose continuing enrollment status.

Subp. 2a. **Eligible child.** "Eligible child" means a child who is 12 years of age or younger, or 14 years of age or younger who is disabled as defined in Minnesota Statutes, section 125A.02, and who is receiving or will receive care on a regular basis from a provider of child care services as those terms are defined in Minnesota Statutes, section 119B.011, subdivisions 5 and 19.

Subp. 5. **Eligible student.** "Eligible student" means a student who:

- A. has a child 12 years of age or younger, or 14 years of age or younger with a disability as defined in Minnesota Statutes, section 125A.02, and who is receiving or will receive care on a regular basis from a provider of child care services as those terms are defined in Minnesota Statutes, section 119B.011, subdivisions 5 and 19, after the grant is received;
- B. be a resident of Minnesota as defined in part 4830.0100, subpart 10;
- C. is not receiving tuition reciprocity;

- D. is not a recipient of the Minnesota family investment program (MFIP);
- E. State Statute 136A.125 subd. 4 supersedes 4830.7100 Subp. 5 E
- F. is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- G. State Statute 136A.125 subd. 2 (6) supersedes 4830.7100 Subp. 5 G
- H. is in good academic standing and making satisfactory academic progress, as defined by the institution according to federal requirements;
- I. reports any changes to data reported on the child care grant application within ten days of the change; and
- J. is not in default, as defined under the applicable loan program, of any educational loan, or, if the student is in default, has made satisfactory arrangements to repay the loan with the holder of the note.

Subp 5a. State Statute 136A.125 Subd. 4. Supercedes 4830.7100 Subp. 5a.

Subp. 6. **Nonsectarian program.** "Nonsectarian program" means a program of study that is not specifically designed to prepare students to become ministers of religion, to enter some other religious vocation, or to prepare them to teach theological subjects. A nonsectarian program may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any other field of study, but must not require its students to take courses that are based on a particular set of religious beliefs, to receive instruction intended to propagate or promote any religious beliefs, to participate in religious activities, to maintain affiliation with a particular church or religious organization, or to attest to any particular religious beliefs.

Subp. 7. **Institution's share.** "Institution's share" means the number of students in an eligible institution who have applied for the state grant program under parts 4830.0200 to 4830.0700 for the most recent academic year available and who have reported dependent children.

Statutory Authority: MS s 14.388; 136A.01; 136A.04; 136A.125

History: 14 SR 2789; 19 SR 1636; 22 SR 1295; L 2001 1Sp9 art 10 s 66; 28 SR 889; L 2005 c 56 s 2; L 2006 c 212 art 1 s 25

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[4830.7200 ELIGIBLE INSTITUTIONS.](#)

Institutions eligible for child care grants are Minnesota public postsecondary institutions and Minnesota private baccalaureate degree granting colleges or universities or Minnesota nonprofit two-year vocational technical schools granting associate degrees that have signed a child care grant program agreement with the office.

[4830.7300 STUDENT PRIORITY](#)

A student who has received a grant from the program in the immediately preceding academic year and who has had continuing enrollment at that institution since the time that the child care grant was given

must be given a child care grant for the next academic year if the student remains eligible and funds are available. A student shall apply for a continuation of funds by the deadline date established by the school or lose priority ranking for the funds over students who did not apply for a continuation of funds by the established deadline and eligible students applying for a child care grant for the first time.

Statutory Authority: MS s 14.388; 136A.04; 136A.125

History: 14 SR 2789; 19 SR 1636; 28 SR 889

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4830.7400 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. Initial allocation formula. Funds shall be allocated to each eligible institution according to the following formula:

- A. the institution's share divided by the sum of participating institutions' shares; and
- B. multiplied by the current fiscal year's appropriation for child care grants.

Subp. 2. Yearly allocation to institutions. Funds shall be allocated to each eligible institution according to the following formula:

- A. the institution's share divided by the sum of participating institutions' shares;
- B. multiplied by the current fiscal year's appropriation for child care grants;
- C. multiplied by the percent of funds for child care grants actually used by the institution during the prior academic year.

Subp. 3. Reallocation. The office shall reallocate available funds at least twice during the academic year to institutions requesting additional child care grant funds according to the following formula:

- A. the institution's share divided by the sum of the shares of institutions requesting additional funds; and
- B. multiplied by the amount of child care grant funds available for reallocation.

Subp. 4. Administrative expense. By July 1 of each year, the office shall set the percentage of awarded child care grant funds that may be used for administration of the child care grant program by the office and the institution. The percent of funds taken for the administration of the child care grant program shall be based on the net amount spent on child care grant awards for that fiscal year.

Subp. 5. Notification. The office shall notify each participating institution in writing of allocation and reallocation amounts.

Subp. 6. Accountability. Each participating institution shall be accountable for any funds disbursed to students for child care grants. Funds may be used only during the fiscal year of disbursement. If a student does not use a grant because the student does not enroll or withdraws from the institution, the institution may use the funds for other eligible students or return them to the office.

Subp. 7. Unused funds. An institution shall return funds that the institution determines will not be used within 30 days from the date of a request by the office. The office shall reallocate unused funds to other participating institutions requesting additional funds.

Statutory Authority: MS s 14.388; 136A.01; 136A.04; 136A.125; 136A.16; 136A.234

History: 14 SR 2789; 15 SR 1925; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 28 SR 889

Published Electronically: June 11, 2008

4830.7500 AMOUNT AND TERM OF GRANTS.

Subp. 2. Amount. The amount of a grant must be based on:

- A. the cost of child care for each child 12 years old or younger, or 14 years old or younger if the child is disabled as defined in Minnesota Statutes, section 120.03;
- B. the provider's charge up to a maximum rate established each year by the office;
- C. the student's enrollment status; and
- D. the award chart prepared by the office.

The institution shall estimate the amount of child care needed for the academic year and summer terms, and may add an amount up to that estimated cost to the institution's normal student budget used to calculate the student's financial need. The child care grant and other forms of financial aid may be used to pay for the child care if the expense is not covered by other funds.

Subp. 2c. **Summer term grant.** Students attending summer school may receive an additional grant per eligible child up to one-third of the academic year grant described in subpart 2a for quarter-based schools and up to one-half the academic year grant described in subpart 2a for semester-based schools.

Subp. 3a. **Annual grant amount.** The annual maximum grant per eligible child must not exceed the calculated amount in subpart 2a plus the amount in subpart 2c, or the student's estimated annual child care cost for not more than 40 hours per week per eligible child, whichever is less.

Statutory Authority: MS s 14.388; 136A.01; 136A.04; 136A.125

History: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 22 SR 1295; 26 SR 700; 28 SR 889; L 2005 c 56 s 2; L 2015 c 69 art 3 s 27

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4830.7710 PROCEDURES FOR DENIAL OR TERMINATION OF A CHILD CARE GRANT.

Subpart 1. Applicability. Students meeting the eligibility requirements in part 4830.7100, subpart 5, but denied a child care grant due to an institution's lack of program funds, shall be placed at the student's request on the institution's waiting list pending the availability of program funds. Subpart 2 and part 4830.7720 are not applicable to students who are denied child care grants due to lack of program funds.

Subp. 2. Termination. When terminating a student's child care grant, a school must follow its normal procedures used to terminate other financial aid awarded. If the child care grant is made by vendor payment, the school shall inform the child care provider of the notice of termination.

Statutory Authority: MS s 14.388; 136A.04; 136A.125

History: 14 SR 2789; 19 SR 1636; 28 SR 889

Published Electronically: June 11, 2008

4830.7720 APPEAL PROCESS.

Subpart 1. Appeal request. An applicant or recipient of a child care grant adversely affected by a school's action may file a written request for an appeal with the school.

Subp. 3. Appeal process. Students must follow the normal appeal process established by the school to handle complaints about financial aid program decisions. If the student is not satisfied with the result of the appeal, the student may ask the school to forward the results to the commissioner of the Minnesota Office of Higher Education for review. The commissioner shall review the decision and accompanying documentation, and shall make a decision according to Minnesota Statutes, section 136A.125, and parts 4830.7000 to 4830.7900. The student and school shall be advised in writing of the commissioner's decision. The commissioner's decision is final.

Statutory Authority: MS s 14.388; 136A.01; 136A.04; 136A.125

History: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 28 SR 889; L 2005 c 107 art 2 s 60; L 2013 c 99 art 2 s 29

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4830.7800 REFUNDS.

If a recipient fails to enroll or reduces enrollment, the school must refund the unused portion of the grant to the child care grant program. If the commissioner determines that a school has fraudulently handled grant money, the refund of the unused portion of the grant is immediately due to the office, and the office may institute a civil action for recovery if necessary. Refunds to the child care grant program are determined as follows:

- A. calculate the percentage that the child care grant represents of the student's total financial aid package for the applicable term; excluding funds received from federal Title IV programs, United States Code, title 20, chapter 28, sections 1070 to 1099c-1;
- B. calculate the total tuition refund amount using the refund calculation required of schools participating in federal Title IV programs, United States Code, title 20, chapter 28, sections 1070 to 1099C-1;
- C. subtract the federal aid programs' refund amount from item B to determine the remaining tuition refund amount; and

D. multiply the percentage in item A by the amount calculated in item C to determine the amount to be refunded to the child care grant program.

Refunded money to the child care grant program is available for grants to eligible students.

Statutory Authority: MS s 14.388; 136A.01; 136A.04; 136A.125

History: 14 SR 2789; 19 SR 1636; L 1995 c 212 art 3 s 59; 20 SR 2284; 22 SR 1295; 28 SR 889; L 2013 c 99 art 2 s 29

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Postsecondary Childcare Grant Website URLs

- 2025 Minnesota Statutes: <https://www.revisor.mn.gov/statutes/cite/136A.125>
- Campus Financial Aid Administrator Resources: <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources-3>
- State Financial Aid Manuals: <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources-3>
- State Financial Aid Manual Common Definitions 2025-2026: <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources-3>
- Resources for Student Applicants: <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources-3>
- Historical Program Data: <https://ohe.mn.gov/reports/postsecondary-child-care-grant-data>
- Financial Aid Administrator MNAid Portal:
<https://mnaid.guardtorsolutions.com/ApplicationSignon/SignOn.aspx>
- MNAid Training Documents: <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources/mnaid>