



DATE: December 21, 2016

TO: MN Postsecondary Child Care Grant Campus Administrators

FROM: Meghan Flores, Manager  
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**RE: INCREASE IN 2016-2017 POSTSECONDARY CHILD CARE GRANT MAXIMUM AWARD**

After processing refunds from schools and sending out December 2016 payments to schools, we anticipate \$2.4M of unexpended funds for the biennium for the Postsecondary Child Care Grant program. We believe this unused balance is higher than usual due in part to fewer than anticipated graduate students applying for the grant. As you may recall, the graduate student population became eligible starting with the 2016-2017 award year.

According to Minnesota Statutes 136A.125 Subd. 4c, "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." Thus, we will be able to increase the amount of the maximum annual full-time award per eligible child from \$2,800 to \$5,125 for the 2016-2017 aid year. The increase in the award is mandatory for terms that begin on or after January 1, 2017. Per the program manual, schools can choose not to award retroactive to past terms. However, since funds are available, you are strongly encouraged to apply the new award maximum for the entire academic year. If the new award parameters result in a lower award for the student, do not reduce the student's grant (i.e. pay the higher of the two award results). All other program requirements remain in place; for example, schools still need to pay the lesser of the student's actual daycare costs for the term or the award amount on the maximum award chart for the student's enrollment level for the term.

We have attached an updated Postsecondary Child Care Grant maximum award chart spreadsheet for the 2016-2017 academic year, as well as an updated award calculation spreadsheet. We will also post these documents on our web page for financial aid administrators. The increase in the maximum award is only a temporary mechanism to spend out surplus funds for the biennium. The maximum award will revert to \$2,800 for the 2017-2018 award year, unless it is changed in statute. Reallocation request information will be sent out in early January. Campus administrators should incorporate the new award maximum information into their additional funds request.

We extend our appreciation for all the work you do on behalf of students to administer this important program on your campus. Please feel free to contact either Brenda Larter or myself if you have questions about the increase in the maximum award for the 2016-2017 aid year.