

Approved by
Revisor of Statutes

Carrie McGuinness

1.1 Liebling from the Health and Human Services Finance Division to which was referred:

1.2 H. F. No. 1, A bill for an act relating to early childhood; creating additional funding and
1.3 opportunities for children ages birth to three; governing certain programs and funding for
1.4 prenatal care services, home visiting, early childhood education, and child care assistance;
1.5 appropriating money; amending Minnesota Statutes 2018, sections 119B.13, subdivision
1.6 1; 124D.151, subdivision 6; 126C.05, subdivision 1; 145.928, subdivisions 1, 7; Laws 2017,
1.7 First Special Session chapter 5, article 8, section 8; proposing coding for new law in
1.8 Minnesota Statutes, chapters 16A; 145.

1.9 Reported the same back with the following amendments to the first division engrossment
1.10 (DIVH0001-1):

1.11 Page 3, line 11, before "appropriations" insert "state general fund"

1.12 Page 3, line 13, after the period, insert "This section shall not govern grant awards of
1.13 federal funds for home visiting programs and shall not govern grant awards using state
1.14 general fund appropriations dedicated to starting up or expanding nurse-family partnership
1.15 home visiting programs."

1.16 Page 4, delete lines 27 to 30

1.17 Renumber the subdivisions in sequence

1.18 Page 5, line 5, delete "consultant or"

1.19 Page 5, line 6, before the period, insert "or consultant"

1.20 Page 5, line 8, after "for" insert "revisions,"

1.21 Page 5, line 9, after "evaluations" insert a comma and delete "or" and insert "and" and
1.22 delete "plan" and insert "plans"

1.23 Page 5, line 11, before the period, insert "by December 31, 2023"

1.24 Page 5, line 12, delete "each" and insert "the"

1.25 Page 11, after line 15, insert:

2.1 "(e) The onetime, supplemental funds appropriated in fiscal year 2021 are for the purposes
 2.2 of the quality rating and improvement system's evaluation, and remain available until June
 2.3 30, 2023."

2.4 Page 11, line 18, after "to" insert "conduct the work outlined in this section. If practicable,
 2.5 the commissioner must contract with the National Association for Regulatory Administration.
 2.6 (b) The consultant must"

2.7 Page 11, line 25, delete "(b)" and insert "(c)"

2.8 Page 11, line 28, delete "and the" and insert a comma

2.9 Page 11, line 29, delete everything after "poses" and insert ", and appropriate licensing
 2.10 sanctions for each tier. (d) The consultant shall solicit input from parents, licensed family
 2.11 child care providers, county licensors, and staff of the Department of Human Services about
 2.12 which family child care providers should be eligible for abbreviated inspections that predict
 2.13 compliance with other licensing standards for licensed family child care providers using
 2.14 key indicators previously identified"

2.15 Page 11, line 30, delete "similar to those"

2.16 Page 11, line 31, delete everything after "Indicators" and insert a period

2.17 Page 11, delete lines 32 and 33

2.18 Page 12, line 1, delete "(c)" and insert "(e)"

2.19 Page 12, line 6, delete "\$850,000" and insert "\$1,500,000"

2.20 Page 12, line 8, after "appropriation" insert "and remains available until June 30, 2023"

2.21 Page 12, delete section 1 and insert:

2.22 "Section 1. Minnesota Statutes 2018, section 119B.13, subdivision 1, is amended to read:

2.23 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014,~~ The maximum
 2.24 rate paid for child care assistance ~~in any county or county price cluster~~ under the child care
 2.25 fund shall be ~~the greater of the 25th percentile of the 2011 child care provider rate survey~~
 2.26 ~~or the maximum rate effective November 28, 2011.:~~

2.27 (1) for family child care, the 25th percentile of the market rate in the county or county
 2.28 price cluster with the highest cost 25th percentile for family child care in the most recent
 2.29 child care provider rate survey under section 119B.02, subdivision 7; and

2.30 (2) for child care centers, the 25th percentile of the market rate in the most recent child
 2.31 care provider rate survey under section 119B.02, subdivision 7. For a child care provider

3.1 center located within the boundaries of a city located in two or more of the counties of
 3.2 Benton, Sherburne, and Stearns, the maximum rate paid for child care assistance shall be
 3.3 equal to the maximum rate paid in the county with the highest maximum reimbursement
 3.4 rates or the provider's charge, whichever is less.

3.5 (b) The commissioner may: (1) assign a county with no reported provider prices to a
 3.6 similar price cluster; and (2) consider county level access when determining final price
 3.7 clusters under section 119B.02, subdivision 7.

3.8 ~~(b)~~ (c) A rate which includes a special needs rate paid under subdivision 3 may be in
 3.9 excess of the maximum rate allowed under this subdivision.

3.10 ~~(e)~~ (d) The department shall monitor the effect of this paragraph on provider rates. The
 3.11 county shall pay the provider's full charges for every child in care up to the maximum
 3.12 established. The commissioner shall determine the maximum rate for each type of care on
 3.13 an hourly, full-day, and weekly basis, including special needs and disability care.

3.14 ~~(d)~~ (e) If a child uses one provider, the maximum payment for one day of care must not
 3.15 exceed the daily rate. The maximum payment for one week of care must not exceed the
 3.16 weekly rate.

3.17 ~~(e)~~ (f) If a child uses two providers under section 119B.097, the maximum payment
 3.18 must not exceed:

3.19 (1) the daily rate for one day of care;

3.20 (2) the weekly rate for one week of care by the child's primary provider; and

3.21 (3) two daily rates during two weeks of care by a child's secondary provider.

3.22 ~~(f)~~ (g) Child care providers receiving reimbursement under this chapter must not be paid
 3.23 activity fees or an additional amount above the maximum rates for care provided during
 3.24 nonstandard hours for families receiving assistance.

3.25 ~~(g)~~ (h) If the provider charge is greater than the maximum provider rate allowed, the
 3.26 parent is responsible for payment of the difference in the rates in addition to any family
 3.27 co-payment fee.

3.28 ~~(h)~~ (i) All maximum provider rates changes shall be implemented on the Monday
 3.29 following the effective date of the maximum provider rate.

3.30 ~~(i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration~~
 3.31 ~~fees in effect on January 1, 2013, shall remain in effect.~~ (j) The maximum registration fee

4.1 paid for child care assistance in any county or county price cluster under the child care fund
4.2 must be the greater of:

4.3 (1) the 25th percentile of the market rate in the county or county price cluster with the
4.4 highest cost 25th percentile in the most recent child care provider rate survey under section
4.5 119B.02, subdivision 7; or

4.6 (2) the registration fee in effect at the time of the update.

4.7 (k) A maximum registration fee must be set for licensed family child care and for child
4.8 care centers."

4.9 Page 14, line 1, delete "allocate grant funds to child care"

4.10 Page 14, line 2, delete "resource and referral agencies to" and before the period, insert
4.11 "through a grant to a nonprofit organization with demonstrated ability to manage benefit
4.12 programs for child care professionals"

4.13 Page 14, line 12, delete "five" and insert "six"

4.14 Page 14, line 15, delete everything after "(7)" and insert "meet any other requirements
4.15 determined by the commissioner."

4.16 Page 14, line 18, delete "Grant awards must be made annually and each recipient may"
4.17 and insert "To the extent funding is available, a child care professional's annual amount for
4.18 the REETAIN grant must not exceed an amount determined by the commissioner. A child
4.19 care professional must apply each year to compete for an award and may receive up to one
4.20 award per year"

4.21 Page 14, line 19, delete everything before the period

4.22 Page 18, line 14, delete "\$3,500,000" and insert "\$3,000,000"

4.23 Page 18, line 25, after "the" insert "allocations for" and delete "year" and insert "years"
4.24 and after "2020" insert "and 2021" and delete "allocation"

4.25 Page 18, line 26, after "in" insert "at least one of"

4.26 Page 18, line 27, after "recent" insert "three months based on" and delete "list month"
4.27 and insert "lists"

4.28 Page 18, line 30, delete "2021" and insert "2022"

4.29 Page 19, line 3, before the period, insert "available through fiscal year 2021"

4.30 Page 19, line 6, after "differential" insert "percentage established"

5.1 Page 19, line 9, delete "utilize" and insert "for family child care, set one rate for the
5.2 entire state that is based on the county or county price cluster with the highest costs in"

5.3 Page 19, line 11, delete everything after "percentile" and insert "for family child care
5.4 and child care centers no higher than the 75th percentile of the most recent market rate
5.5 survey under Minnesota Statutes, section 119B.02, subdivision 7."

5.6 Page 19, line 12, delete everything after "(b)" and insert "This is a onetime appropriation
5.7 that must be used until expended to increase the child care rates as directed in this
5.8 subdivision, but at no time may the child care rates exceed the 75th percentile of the most
5.9 recent market rate survey under Minnesota Statutes, section 119B.02, subdivision 7."

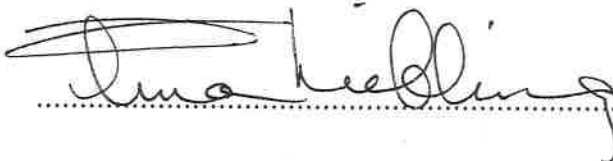
5.10 Page 19, line 13, delete everything after "(c)" and insert "The child care rates shall return
5.11 to the rates determined under Minnesota Statutes, section 119B.13, when the appropriation
5.12 under this subdivision is expended."

5.13 Page 19, delete line 14

5.14 Page 20, line 3, delete "\$4,000,000" and insert "\$3,850,000"

5.15 With the recommendation that when so amended the bill be returned to the Committee
5.16 on Ways and Means.

5.17 This Division action taken March 3, 2020

5.18 ....., Chair