COMMITTEE ACTION ON A BILL

[For use when taking action on the green jackets]

Committee/Division/Subcommittee: Early Childhood Finance and Policy Division

Chairperson: Representative Dave Pinto

CLA: Polly Cerkvenik Room#: 489A Ext: 6-4279

H.F. 2610 S.F. _____ ENGROSSMENT_____ Hearing date: 3/28/2019

DIVISION/SUBCOMMITTEE ACTION ONLY

☐ Recommended the bill be returned to the Committee on ..... without amendment

☒ Recommended the bill, as amended, be returned to the Committee on Education Finance Division

☐ Recommended the bill be returned to the Committee on ..... with a recommended re-referral to the Division on .....

☐ Recommended the bill, as amended, be returned to the Committee on ..... with a recommended re-referral to the Division on .....

COMMITTEE ACTION

☐ Unamended and recommended to be re-referred to the committee on _____

☐ Amended and re-referred to the committee on _____

GENERAL REGISTER

☐ Recommended the bill be placed on the General Register (unamended).

☐ Recommended the bill be amended and placed on the General Register.

WITHOUT RECOMMENDATION:

☐ Reported to the House without recommendation (unamended).

☐ Reported to the House, as amended, but without further recommendation.

☐ Be re-referred to the Committee on _____ but without further recommendation.

☐ Be re-referred, as amended, to the Committee on _____ but without further recommendation.

Non amended action: attach one copy of bill

Amended action: Attach two (2) copies of bill and one copy of each adopted amendment(s), **numbered** in the order they were adopted. Amendment(s) should be clearly marked "ADOPTED."

Division action form on colored paper

Approved by
Revisor of Statutes

Pinto from the Early Childhood Finance and Policy Division to which was referred:

H. F. No. 2610, A bill for an act relating to early education finance; modifying school readiness aid; amending Minnesota Statutes 2018, section 124D.16, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2018, section 121A.45, subdivision 2, is amended to read:

Subd. 2. **Grounds for dismissal.** A school district must not dismiss a child participating or enrolled in a prekindergarten program. A school district may dismiss a pupil ~~may be dismissed on any of the following grounds~~ in kindergarten through grade 12 for:

~~(a)~~ (1) willful violation of any reasonable school board regulation. Such regulation must be clear and definite to provide notice to pupils that they must conform their conduct to its requirements;

~~(b)~~ (2) willful conduct that significantly disrupts the rights of others to an education, or the ability of school personnel to perform their duties, or school sponsored extracurricular activities; or

~~(c)~~ (3) willful conduct that endangers the pupil or other pupils, or surrounding persons, including school district employees, or property of the school.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 2. **[122A.261] PREKINDERGARTEN, SCHOOL READINESS, PRESCHOOL, AND EARLY EDUCATION PROGRAMS; LICENSURE REQUIREMENTS.**

Subdivision 1. **Licensure requirement.** A school district or charter school that operates a preschool, school readiness, school readiness plus, prekindergarten, or other similar early

education program must employ a qualified teacher, as defined in section 122A.16, to provide instruction in such a program.

Subd. 2. **Exemption from licensure.** A person employed by a school district or charter school as a teacher in an early education program during the 2018-2019 school year, who does not have a Minnesota teaching license issued in accordance with chapter 122A, is exempt from the teacher licensure requirement until July 1, 2024, or until the teacher obtains a Minnesota teaching license, whichever occurs first. Notwithstanding the licensure exemption under this subdivision, a person employed as a teacher in a school district or charter school based early education program is a teacher, as defined in section 179A.03, subdivision 18.

Sec. 3. Minnesota Statutes 2018, section 124D.151, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program provider must:

(1) provide instruction through play-based learning to foster children's social and emotional development, cognitive development, physical and motor development, and language and literacy skills, including the native language and literacy skills of English learners, to the extent practicable;

(2) measure each child's cognitive and social skills using a formative measure aligned to the state's early learning standards when the child enters and again before the child leaves the program, screening and progress monitoring measures, and ~~others~~ other age-appropriate versions from the state-approved menu of kindergarten entry profile measures;

(3) provide comprehensive program content including the implementation of curriculum, assessment, and instructional strategies aligned with the state early learning standards, and kindergarten through grade 3 academic standards;

(4) provide instructional content and activities that are of sufficient length and intensity to address learning needs including offering a program with at least 350 hours of instruction per school year for a prekindergarten student;

(5) provide voluntary prekindergarten instructional staff salaries comparable to the salaries of local kindergarten through grade 12 instructional staff;

(6) coordinate appropriate kindergarten transition with families, community-based prekindergarten programs, and school district kindergarten programs;

(7) involve parents in program planning and transition planning by implementing parent engagement strategies that include culturally and linguistically responsive activities in prekindergarten through third grade that are aligned with early childhood family education under section 124D.13;

(8) coordinate with relevant community-based services, including health and social service agencies, to ensure children have access to comprehensive services;

(9) coordinate with all relevant school district programs and services including early childhood special education, homeless students, and English learners;

(10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

(11) provide high-quality coordinated professional development, training, and coaching for both school district and community-based early learning providers that is informed by a measure of adult-child interactions and enables teachers to be highly knowledgeable in early childhood curriculum content, assessment, native and English language development programs, and instruction; and

(12) implement strategies that support the alignment of professional development, instruction, assessments, and prekindergarten through grade 3 curricula.

(b) A voluntary prekindergarten program must have teachers knowledgeable in early childhood curriculum content, assessment, native and English language programs, and instruction.

(c) Districts and charter schools must include their strategy for implementing and measuring the impact of their voluntary prekindergarten program under section 120B.11 and provide results in their world's best workforce annual summary to the commissioner of education.

Sec. 4. Minnesota Statutes 2018, section 124D.151, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the calendar year in which the school year commences is eligible to participate in a voluntary prekindergarten program free of charge. An eligible four-year-old child served in a mixed-delivery system by a child care center, family child care program licensed under section 245A.03, or community-based organization may be charged a fee as long as the mixed-delivery partner was not awarded a seat for that child. Each eligible child must complete a health and developmental screening within 90 days of program enrollment under sections 121A.16 to 121A.19, and provide documentation of required immunizations under section 121A.15.

Sec. 5. Minnesota Statutes 2018, section 124D.151, subdivision 5, is amended to read:

Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for program approval for fiscal year 2017, a district or charter school must submit an application to the commissioner by July 1, 2016.~~ To qualify for program approval ~~for fiscal year 2018 and later~~, a district or charter school must submit an application to the commissioner by January 30 of the fiscal year prior to the fiscal year in which the program will be implemented. The application must include:

(1) a description of the proposed program, including the number of hours per week the program will be offered at each school site or mixed-delivery location;

(2) an estimate of the number of eligible children to be served in the program at each school site or mixed-delivery location; and

(3) a statement of assurances signed by the superintendent or charter school director that the proposed program meets the requirements of subdivision 2.

(b) The commissioner must review all applications submitted ~~for fiscal year 2017 by August 1, 2016, and must review all applications submitted for fiscal year 2018 and later~~ by March 1 of the fiscal year in which the applications are received and determine whether each application meets the requirements of paragraph (a).

(c) The commissioner must divide all applications for new or expanded voluntary prekindergarten programs under this section meeting the requirements of paragraph (a) and school readiness plus programs into ~~four~~ five groups as follows: the Minneapolis ~~and~~ school district; the St. Paul school ~~districts~~ district; other school districts located in the metropolitan equity region as defined in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the applications must be ordered by rank using a sliding scale based on the following criteria:

(1) concentration of kindergarten students eligible for free or reduced-price lunches by school site on October 1 of the previous school year. A school site may contract to partner with a community-based provider or Head Start under subdivision 3 or establish an early childhood center and use the concentration of kindergarten students eligible for free or reduced-price meals from a specific school site as long as those eligible children are prioritized and guaranteed services at the mixed-delivery site or early education center. For school district programs to be operated at locations that do not have free and reduced-price lunch concentration data for kindergarten programs for October 1 of the previous school year, including mixed-delivery programs, the school district average concentration of

kindergarten students eligible for free or reduced-price lunches must be used for the rank ordering;

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price lunches that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price lunches that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority; and

(3) whether the district has implemented a ~~mixed-delivery~~ mixed-delivery system.

(d) If the participation limit under subdivision 6 is higher than the participation limit for the previous year, the limit on participation for the programs as specified in subdivision 6 must initially be allocated among the ~~four~~ five groups based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year. If the participation limit is the same as the participation limit for the previous year, the participation limit must initially be allocated among the five groups based on each group's participation limit for the previous school year. Within each group, the participation limit ~~for fiscal years 2018 and 2019~~ must first be allocated to school sites approved for aid in the previous year to ensure that those sites are funded for the same number of participants as approved for the previous year. The remainder of the participation limit for each group must be allocated among school sites in priority order until that region's share of the participation limit is reached. If the participation limit is not reached for all groups, the remaining amount must be allocated to the highest priority school sites, as designated under this section, not funded in the initial allocation on a statewide basis. ~~For fiscal year 2020 and later, the participation limit must first be allocated to school sites approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year 2018 based on the statewide rankings under paragraph (c).~~

(e) Once a school site or a ~~mixed-delivery~~ mixed-delivery site under subdivision 3 is approved for aid under this subdivision, it shall remain eligible for aid if it continues to meet program requirements, regardless of changes in the concentration of students eligible for free or reduced-price lunches.

(f) If the total number of participants approved based on applications submitted under paragraph (a) is less than the participation limit under subdivision 6, the commissioner must

notify all school districts and charter schools of the amount that remains available within 30 days of the initial application deadline under paragraph (a), and complete a second round of allocations based on applications received within 60 days of the initial application deadline.

(g) Procedures for approving applications submitted under paragraph (f) shall be the same as specified in paragraphs (a) to (d), except that the allocations shall be made to the highest priority school sites not funded in the initial allocation on a statewide basis.

EFFECTIVE DATE. This section is effective for applications for fiscal year 2020 and later.

Sec. 6. Minnesota Statutes 2018, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, ~~the commissioner must limit the estimated state aid entitlement approved under this section to $27,092,000 for fiscal year 2017. If the actual state aid entitlement based on final data exceeds the limit in any year, the aid of the participating districts must be prorated so as not to exceed the limit.~~

~~(c) The commissioner must limit the total number of funded participants in the voluntary prekindergarten program under this section to not more than 3,160.~~

~~(d) Notwithstanding paragraph (c),~~ the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9 to not more than ~~6,160 participants for fiscal year 2018 and~~ 7,160 participants ~~for~~ per fiscal year ~~2019~~.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2020 and later.

Sec. 7. Minnesota Statutes 2018, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have an eligible child; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or Child and Adult Care Food Program, National School

Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212. Parents or guardians are not required to provide income verification under this clause if the child is an eligible child under paragraph (b), clause (4) or (5).

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

(1) ~~at least~~ from birth to age three ~~but not yet five years of age~~ on September 1 of the current school year;

(2) a sibling from birth to age ~~five~~ four of a child who has been awarded a scholarship under this section provided the sibling attends the same program as long as funds are available;

(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; ~~or~~

~~(4) homeless, in foster care, or in need of child protective services.~~

(4) a child in need of protective services or in foster care; or

(5) designated as homeless under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

(c) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available. This paragraph applies notwithstanding the age requirements under paragraph (b).

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(e) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,

and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

Sec. 8. Minnesota Statutes 2018, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner must give highest priority to applications from children who:

(1) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;

(2) are in foster care or otherwise in need of protection or services; or

(3) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) The commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. ~~For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016,~~ A school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child over the age of three who receives a scholarship ~~who~~ and has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program. A child who receives a scholarship before the age of three must complete the developmental screening no later than 90 days after the child's third birthday.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

Sec. 9. Minnesota Statutes 2018, section 124D.165, subdivision 4, is amended to read:

Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an early learning scholarship, a program must:

(1) participate in the quality rating and improvement system under section 124D.142; and

(2) beginning July 1, 2020, have a three- or four-star rating in the quality rating and improvement system.

(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.

~~(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section.~~

Sec. 10. Minnesota Statutes 2018, section 124D.165, is amended by adding a subdivision to read:

Subd. 6. **Early learning scholarship account.** (a) An account is established in the special revenue fund known as the "early learning scholarship account."

(b) Funds appropriated for early learning scholarships under this section must be transferred to the early learning scholarship account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for early learning scholarships under this section. Money in the account is available until spent. Any returned funds are available to be regranted.

(d) Up to $950,000 annually is available to the commissioner for costs associated with administering and monitoring early learning scholarships.

Sec. 11. Minnesota Statutes 2018, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individualized education program to 875, but not more than one.

(d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

(e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

(i) ~~For fiscal years 2018 and 2019 only,~~ A prekindergarten pupil who:

(1) is not included in paragraph (a), (b), or (d);

(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program,

is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same manner as a voluntary prekindergarten student for all general education and other school funding formulas.

Sec. 12. Minnesota Statutes 2018, section 245C.12, is amended to read:

245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.

Subdivision 1. **Access to data.** ~~(a)~~ For the purposes of background studies completed by tribal organizations performing licensing activities otherwise required of the commissioner under this chapter, after obtaining consent from the background study subject, tribal licensing agencies shall have access to criminal history data in the same manner as county licensing agencies and private licensing agencies under this chapter.

Subd. 2. **Adoptions; child foster care.** ~~(b)~~ Tribal organizations may contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to adoptions according to section 245C.34. Tribal organizations may also contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to child foster care according to section 245C.34.

Subd. 3. **Nursing facility.** ~~(c)~~ For the purposes of background studies completed to comply with a tribal organization's licensing requirements for individuals affiliated with a tribally licensed nursing facility, the commissioner shall obtain criminal history data from the National Criminal Records Repository in accordance with section 245C.32.

Subd. 4. **Child care.** (a) Tribal organizations may contract with the commissioner to:

(1) conduct background studies on individuals affiliated with a child care program sponsored, managed, or licensed by a tribal organization; and

(2) obtain background study data on individuals affiliated with a child care program sponsored, managed, or licensed by a tribal organization.

(b) The commissioner must include a national criminal history record check in a background study conducted under paragraph (a).

(c) A tribally affiliated child care program that does not contract with the commissioner to conduct background studies is exempt from the relevant requirements in this chapter. For a background study conducted under this subdivision to be transferable to other child care entities, the study must include all components of studies for a certified license-exempt child care center under this chapter.

Sec. 13. **[245C.125] BACKGROUND STUDY; HEAD START PROGRAMS.**

(a) Head Start programs that receive funds under section 119A.52 may contract with the commissioner to:

(1) conduct background studies on individuals affiliated with a Head Start program; and

(2) obtain background study data on individuals affiliated with a Head Start program.

(b) The commissioner must include a national criminal history record check in a background study conducted under paragraph (a).

(c) A Head Start program site that does not contract with the commissioner, is not licensed, and is not registered to receive payments under chapter 119B is exempt from the relevant requirements in this chapter. Nothing in this section supersedes requirements for background studies in this chapter or chapter 119B or 245H that relate to licensed child care programs or programs registered to receive payments under chapter 119B. For a background study conducted under this section to be transferable to other child care entities, the study must include all components of studies for a certified license-exempt child care center under this chapter.

Sec. 14. Laws 2017, First Special Session chapter 5, article 8, section 8, the effective date, is amended to read:

EFFECTIVE DATE. Paragraph (i) of this section ~~expires at the end of fiscal year 2019~~ does not expire.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 15. **LEGISLATIVE REPORT ON EARLY CARE AND EDUCATION COORDINATION.**

(a) By February 15, 2020, the commissioners of education and human services must jointly submit a report on enhancing coordination of the child care assistance programs under Minnesota Statutes, chapter 119B, and the early learning scholarship program under Minnesota Statutes, section 124D.165, to the members and staff of the legislative committees with jurisdiction over early childhood, human services, and education.

(b) As part of forming recommendations in the report, the commissioners must consult with interested stakeholders, including child care providers, families using the programs, program administrators, school districts, and early care and education advocacy groups. Stakeholders must be representative of perspectives throughout the state and different racial, cultural, and ethnic groups.

(c) At a minimum, the report must:

(1) review and evaluate changes to child care assistance and early learning scholarship program quality and administration, including eligibility, billing, payment, and child and family identification;

(2) identify challenges and concerns among providers and among recipients of child care assistance and early learning scholarships;

(3) consider the goals outlined in the Department of Human Services' early childhood systems reform effort;

(4) develop recommendations for a consolidated universal application process;

(5) analyze layering and duplication of funds; and

(6) develop preliminary estimates of costs and uses of funds for identified options and recommendations.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 16. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. For appropriations under this section, any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

$ 76,709,000 2020

$ 76,709,000 2021

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

(c) The base appropriation is $73,434,000 in each year for fiscal year 2022 and after.

Subd. 3. **Metro Deaf Charter School.** (a) For a grant to a charter school that enrolls students as provided under Minnesota Statutes, section 124E.11, paragraph (h), to provide services to additional children with a disability ages birth to five:

$ 100,000 2020

$ 100,000 2021

(b) Notwithstanding any other law to the contrary, a charter school that receives a grant under this subdivision may not bill or seek reimbursement from a resident school district for any portion of costs for a child served as a result of grant funds.

Subd. 4. **Reach Out and Read Minnesota.** (a) For a grant to support Reach Out and Read Minnesota to expand a program that encourages early childhood development through a network of health care clinics, and for the purchase of culturally and developmentally appropriate books to sustain and expand the program in partnership with health clinics statewide:

$ 105,000 2020

$ 100,000 2021

(b) The grant recipient must implement a program that includes:

(1) integrating children's books and parent education into well-child visits;

(2) creating literacy-rich environments at clinics, including books for visits outside of Reach Out and Read Minnesota parameters or for waiting room use or volunteer readers to model read-aloud techniques for parents where possible;

(3) working with public health clinics, federally qualified health centers, tribal sites, community health centers, and clinics that belong to health care systems, as well as independent clinics in underserved areas; and

(4) training medical professionals on speaking with parents of infants, toddlers, and preschoolers on the importance of early literacy and numeracy.

(c) This is a onetime appropriation.

Subd. 5. **College savings account pilot program.** (a) For a matching grant to the city of St. Paul to establish a pilot program that (1) creates a college savings account for every child born in the city of St. Paul over the time period for which funds are available, and (2) performs analysis of potential establishment of a statewide program or program duplication by other cities.

$ 250,000 2020

$ 250,000 2021

(b) The city must administer the pilot program and partner with a qualified financial institution to support current and potential pilot program participants and their families. The city is the owner of an account established under this pilot program, but the beneficiary must be the individual child.

(c) The city must use the grant money to establish and fund the accounts, to provide incentives to current and potential pilot program participants and their families, and to provide outreach and education to current and potential pilot program participants and their families. The city may not use grant funds for the administrative costs of managing and operating the pilot program.

(d) By February 15, 2021, the city must submit a report on the pilot program to the commissioner of education and to the chairs, ranking minority members, and staff of the legislative committees with primary jurisdiction over early childhood and education policy and finance. At a minimum, the report must:

(1) provide a detailed review of pilot program design and features, including program requirements, funding, and outreach and education activities;

(2) identify the number of accounts created in the pilot program, including basic demographic information about account beneficiaries;

(3) provide analysis of savings program development throughout the state, which at a minimum must examine:

(i) methods for program replication in other cities; and

(ii) options, models, or frameworks for implementation on a statewide basis, including review of alternative policy approaches; and

(4) make recommendations regarding program expansion, if any, based on the analysis under clause (3).

(e) The commissioner of education must provide reasonable technical assistance as requested by the city for the analysis and recommendations under paragraph (d), clauses (3) and (4).

(f) This is a onetime appropriation. Grant money provided under this subdivision must be matched with money from nonstate sources. This appropriation is available until December 30, 2022."

Delete the title and insert:

"A bill for an act

relating to early education finance; modifying early childhood education programs; providing funding for early childhood education programs; requiring reports; amending Minnesota Statutes 2018, sections 121A.45, subdivision 2; 124D.151, subdivisions 2, 4, 5, 6; 124D.165, subdivisions 2, 3, 4, by adding a subdivision; 126C.05, subdivision 1; 245C.12; Laws 2017, First Special Session chapter 5, article 8, section 8; proposing coding for new law in Minnesota Statutes, chapters 122A; 245C."

With the recommendation that when so amended the bill be re-referred to the Education Finance Division.

This Division action taken March 28, 2019

Dave Pinto ....., Chair

A bill for an act

relating to early education finance; modifying early childhood education programs; providing funding for early childhood education programs; requiring reports; amending Minnesota Statutes 2018, sections 121A.45, subdivision 2; 124D.151, subdivisions 2, 4, 5, 6; 124D.165, subdivisions 2, 3, 4, by adding a subdivision; 126C.05, subdivision 1; 245C.12; Laws 2017, First Special Session chapter 5, article 8, section 8; proposing coding for new law in Minnesota Statutes, chapters 122A; 245C.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2018, section 121A.45, subdivision 2, is amended to read:

Subd. 2. **Grounds for dismissal.** A school district must not dismiss a child participating or enrolled in a prekindergarten program. A school district may dismiss a pupil ~~may be dismissed on any of the following grounds~~ in kindergarten through grade 12 for:

~~(a)~~ (1) willful violation of any reasonable school board regulation. Such regulation must be clear and definite to provide notice to pupils that they must conform their conduct to its requirements;

~~(b)~~ (2) willful conduct that significantly disrupts the rights of others to an education, or the ability of school personnel to perform their duties, or school sponsored extracurricular activities; or

~~(c)~~ (3) willful conduct that endangers the pupil or other pupils, or surrounding persons, including school district employees, or property of the school.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 2. **[122A.261] PREKINDERGARTEN, SCHOOL READINESS, PRESCHOOL, AND EARLY EDUCATION PROGRAMS; LICENSURE REQUIREMENTS.**

Subdivision 1. **Licensure requirement.** A school district or charter school that operates a preschool, school readiness, school readiness plus, prekindergarten, or other similar early education program must employ a qualified teacher, as defined in section 122A.16, to provide instruction in such a program.

Subd. 2. **Exemption from licensure.** A person employed by a school district or charter school as a teacher in an early education program during the 2018-2019 school year, who does not have a Minnesota teaching license issued in accordance with chapter 122A, is exempt from the teacher licensure requirement until July 1, 2024, or until the teacher obtains a Minnesota teaching license, whichever occurs first. Notwithstanding the licensure exemption under this subdivision, a person employed as a teacher in a school district or charter school based early education program is a teacher, as defined in section 179A.03, subdivision 18.

Sec. 3. Minnesota Statutes 2018, section 124D.151, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program provider must:

(1) provide instruction through play-based learning to foster children's social and emotional development, cognitive development, physical and motor development, and language and literacy skills, including the native language and literacy skills of English learners, to the extent practicable;

(2) measure each child's cognitive and social skills using a formative measure aligned to the state's early learning standards when the child enters and again before the child leaves the program, screening and progress monitoring measures, and ~~others~~ other age-appropriate versions from the state-approved menu of kindergarten entry profile measures;

(3) provide comprehensive program content including the implementation of curriculum, assessment, and instructional strategies aligned with the state early learning standards, and kindergarten through grade 3 academic standards;

(4) provide instructional content and activities that are of sufficient length and intensity to address learning needs including offering a program with at least 350 hours of instruction per school year for a prekindergarten student;

(5) provide voluntary prekindergarten instructional staff salaries comparable to the salaries of local kindergarten through grade 12 instructional staff;

(6) coordinate appropriate kindergarten transition with families, community-based prekindergarten programs, and school district kindergarten programs;

(7) involve parents in program planning and transition planning by implementing parent engagement strategies that include culturally and linguistically responsive activities in prekindergarten through third grade that are aligned with early childhood family education under section 124D.13;

(8) coordinate with relevant community-based services, including health and social service agencies, to ensure children have access to comprehensive services;

(9) coordinate with all relevant school district programs and services including early childhood special education, homeless students, and English learners;

(10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

(11) provide high-quality coordinated professional development, training, and coaching for both school district and community-based early learning providers that is informed by a measure of adult-child interactions and enables teachers to be highly knowledgeable in early childhood curriculum content, assessment, native and English language development programs, and instruction; and

(12) implement strategies that support the alignment of professional development, instruction, assessments, and prekindergarten through grade 3 curricula.

(b) A voluntary prekindergarten program must have teachers knowledgeable in early childhood curriculum content, assessment, native and English language programs, and instruction.

(c) Districts and charter schools must include their strategy for implementing and measuring the impact of their voluntary prekindergarten program under section 120B.11 and provide results in their world's best workforce annual summary to the commissioner of education.

Sec. 4. Minnesota Statutes 2018, section 124D.151, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the calendar year in which the school year commences is eligible to participate in a voluntary prekindergarten program free of charge. An eligible four-year-old child served in a mixed-delivery system by a child care center, family child care program licensed under section 245A.03, or community-based organization may be charged a fee as long as the mixed-delivery partner was not awarded a seat for that child. Each eligible child must

complete a health and developmental screening within 90 days of program enrollment under sections 121A.16 to 121A.19, and provide documentation of required immunizations under section 121A.15.

Sec. 5. Minnesota Statutes 2018, section 124D.151, subdivision 5, is amended to read:

Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for program approval for fiscal year 2017, a district or charter school must submit an application to the commissioner by July 1, 2016.~~ To qualify for program approval ~~for fiscal year 2018 and later~~, a district or charter school must submit an application to the commissioner by January 30 of the fiscal year prior to the fiscal year in which the program will be implemented. The application must include:

(1) a description of the proposed program, including the number of hours per week the program will be offered at each school site or mixed-delivery location;

(2) an estimate of the number of eligible children to be served in the program at each school site or mixed-delivery location; and

(3) a statement of assurances signed by the superintendent or charter school director that the proposed program meets the requirements of subdivision 2.

(b) The commissioner must review all applications submitted ~~for fiscal year 2017 by August 1, 2016, and must review all applications submitted for fiscal year 2018 and later~~ by March 1 of the fiscal year in which the applications are received and determine whether each application meets the requirements of paragraph (a).

(c) The commissioner must divide all applications for new or expanded voluntary prekindergarten programs under this section meeting the requirements of paragraph (a) and school readiness plus programs into ~~four~~ five groups as follows: the Minneapolis ~~and~~ school district; the St. Paul school ~~districts~~ district; other school districts located in the metropolitan equity region as defined in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the applications must be ordered by rank using a sliding scale based on the following criteria:

(1) concentration of kindergarten students eligible for free or reduced-price lunches by school site on October 1 of the previous school year. A school site may contract to partner with a community-based provider or Head Start under subdivision 3 or establish an early childhood center and use the concentration of kindergarten students eligible for free or reduced-price meals from a specific school site as long as those eligible children are

prioritized and guaranteed services at the mixed-delivery site or early education center. For school district programs to be operated at locations that do not have free and reduced-price lunch concentration data for kindergarten programs for October 1 of the previous school year, including mixed-delivery programs, the school district average concentration of kindergarten students eligible for free or reduced-price lunches must be used for the rank ordering;

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price lunches that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price lunches that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority; and

(3) whether the district has implemented a ~~mixed-delivery~~ mixed-delivery system.

(d) If the participation limit under subdivision 6 is higher than the participation limit for the previous year, the limit on participation for the programs as specified in subdivision 6 must initially be allocated among the ~~four~~ five groups based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year. If the participation limit is the same as the participation limit for the previous year, the participation limit must initially be allocated among the five groups based on each group's participation limit for the previous school year. Within each group, the participation limit ~~for fiscal years 2018 and 2019~~ must first be allocated to school sites approved for aid in the previous year to ensure that those sites are funded for the same number of participants as approved for the previous year. The remainder of the participation limit for each group must be allocated among school sites in priority order until that region's share of the participation limit is reached. If the participation limit is not reached for all groups, the remaining amount must be allocated to the highest priority school sites, as designated under this section, not funded in the initial allocation on a statewide basis. ~~For fiscal year 2020 and later, the participation limit must first be allocated to school sites approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year 2018 based on the statewide rankings under paragraph (c).~~

(e) Once a school site or a ~~mixed-delivery~~ mixed-delivery site under subdivision 3 is approved for aid under this subdivision, it shall remain eligible for aid if it continues to

meet program requirements, regardless of changes in the concentration of students eligible for free or reduced-price lunches.

(f) If the total number of participants approved based on applications submitted under paragraph (a) is less than the participation limit under subdivision 6, the commissioner must notify all school districts and charter schools of the amount that remains available within 30 days of the initial application deadline under paragraph (a), and complete a second round of allocations based on applications received within 60 days of the initial application deadline.

(g) Procedures for approving applications submitted under paragraph (f) shall be the same as specified in paragraphs (a) to (d), except that the allocations shall be made to the highest priority school sites not funded in the initial allocation on a statewide basis.

EFFECTIVE DATE. This section is effective for applications for fiscal year 2020 and later.

Sec. 6. Minnesota Statutes 2018, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, ~~the commissioner must limit the estimated state aid entitlement approved under this section to $27,092,000 for fiscal year 2017. If the actual state aid entitlement based on final data exceeds the limit in any year, the aid of the participating districts must be prorated so as not to exceed the limit.~~

~~(c) The commissioner must limit the total number of funded participants in the voluntary prekindergarten program under this section to not more than 3,160.~~

~~(d) Notwithstanding paragraph (c),~~ the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9 to not more than ~~6,160 participants for fiscal year 2018 and~~ 7,160 participants ~~for~~ per fiscal year ~~2019~~.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2020 and later.

Sec. 7. Minnesota Statutes 2018, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have an eligible child; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or Child and Adult Care Food Program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212. Parents or guardians are not required to provide income verification under this clause if the child is an eligible child under paragraph (b), clause (4) or (5).

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

(1) ~~at least~~ from birth to age three ~~but not yet five years of age~~ on September 1 of the current school year;

(2) a sibling from birth to age ~~five~~ four of a child who has been awarded a scholarship under this section provided the sibling attends the same program as long as funds are available;

(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; ~~or~~

~~(4) homeless, in foster care, or in need of child protective services.~~

(4) a child in need of protective services or in foster care; or

(5) designated as homeless under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

(c) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available. This paragraph applies notwithstanding the age requirements under paragraph (b).

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(e) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

Sec. 8. Minnesota Statutes 2018, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner must give highest priority to applications from children who:

(1) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;

(2) are in foster care or otherwise in need of protection or services; or

(3) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) The commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. ~~For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016,~~ A school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the

awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child over the age of three who receives a scholarship ~~who~~ and has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program. A child who receives a scholarship before the age of three must complete the developmental screening no later than 90 days after the child's third birthday.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

Sec. 9. Minnesota Statutes 2018, section 124D.165, subdivision 4, is amended to read:

Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an early learning scholarship, a program must:

(1) participate in the quality rating and improvement system under section 124D.142; and

(2) beginning July 1, 2020, have a three- or four-star rating in the quality rating and improvement system.

(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.

~~(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section.~~

Sec. 10. Minnesota Statutes 2018, section 124D.165, is amended by adding a subdivision to read:

Subd. 6. **Early learning scholarship account.** (a) An account is established in the special revenue fund known as the "early learning scholarship account."

(b) Funds appropriated for early learning scholarships under this section must be transferred to the early learning scholarship account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for early learning scholarships under this section. Money in the account is available until spent. Any returned funds are available to be regranted.

(d) Up to $950,000 annually is available to the commissioner for costs associated with administering and monitoring early learning scholarships.

Sec. 11. Minnesota Statutes 2018, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individualized education program to 875, but not more than one.

(d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

(e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

(i) ~~For fiscal years 2018 and 2019 only,~~ A prekindergarten pupil who:

(1) is not included in paragraph (a), (b), or (d);

(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program,

is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same manner as a voluntary prekindergarten student for all general education and other school funding formulas.

Sec. 12. Minnesota Statutes 2018, section 245C.12, is amended to read:

245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.

Subdivision 1. **Access to data.** ~~(a)~~ For the purposes of background studies completed by tribal organizations performing licensing activities otherwise required of the commissioner under this chapter, after obtaining consent from the background study subject, tribal licensing agencies shall have access to criminal history data in the same manner as county licensing agencies and private licensing agencies under this chapter.

Subd. 2. **Adoptions; child foster care.** ~~(b)~~ Tribal organizations may contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to adoptions according to section 245C.34. Tribal organizations may also contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to child foster care according to section 245C.34.

Subd. 3. **Nursing facility.** ~~(c)~~ For the purposes of background studies completed to comply with a tribal organization's licensing requirements for individuals affiliated with a tribally licensed nursing facility, the commissioner shall obtain criminal history data from the National Criminal Records Repository in accordance with section 245C.32.

Subd. 4. **Child care.** (a) Tribal organizations may contract with the commissioner to:

(1) conduct background studies on individuals affiliated with a child care program sponsored, managed, or licensed by a tribal organization; and

(2) obtain background study data on individuals affiliated with a child care program sponsored, managed, or licensed by a tribal organization.

(b) The commissioner must include a national criminal history record check in a background study conducted under paragraph (a).

(c) A tribally affiliated child care program that does not contract with the commissioner to conduct background studies is exempt from the relevant requirements in this chapter. For a background study conducted under this subdivision to be transferable to other child care entities, the study must include all components of studies for a certified license-exempt child care center under this chapter.

Sec. 13. **[245C.125] BACKGROUND STUDY; HEAD START PROGRAMS.**

(a) Head Start programs that receive funds under section 119A.52 may contract with the commissioner to:

(1) conduct background studies on individuals affiliated with a Head Start program; and

(2) obtain background study data on individuals affiliated with a Head Start program.

(b) The commissioner must include a national criminal history record check in a background study conducted under paragraph (a).

(c) A Head Start program site that does not contract with the commissioner, is not licensed, and is not registered to receive payments under chapter 119B is exempt from the relevant requirements in this chapter. Nothing in this section supersedes requirements for background studies in this chapter or chapter 119B or 245H that relate to licensed child care programs or programs registered to receive payments under chapter 119B. For a background study conducted under this section to be transferable to other child care entities, the study must include all components of studies for a certified license-exempt child care center under this chapter.

Sec. 14. Laws 2017, First Special Session chapter 5, article 8, section 8, the effective date, is amended to read:

EFFECTIVE DATE. Paragraph (i) of this section ~~expires at the end of fiscal year 2019~~ does not expire.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 15. **LEGISLATIVE REPORT ON EARLY CARE AND EDUCATION COORDINATION.**

(a) By February 15, 2020, the commissioners of education and human services must jointly submit a report on enhancing coordination of the child care assistance programs under Minnesota Statutes, chapter 119B, and the early learning scholarship program under Minnesota Statutes, section 124D.165, to the members and staff of the legislative committees with jurisdiction over early childhood, human services, and education.

(b) As part of forming recommendations in the report, the commissioners must consult with interested stakeholders, including child care providers, families using the programs, program administrators, school districts, and early care and education advocacy groups. Stakeholders must be representative of perspectives throughout the state and different racial, cultural, and ethnic groups.

(c) At a minimum, the report must:

(1) review and evaluate changes to child care assistance and early learning scholarship program quality and administration, including eligibility, billing, payment, and child and family identification;

(2) identify challenges and concerns among providers and among recipients of child care assistance and early learning scholarships;

(3) consider the goals outlined in the Department of Human Services' early childhood systems reform effort;

(4) develop recommendations for a consolidated universal application process;

(5) analyze layering and duplication of funds; and

(6) develop preliminary estimates of costs and uses of funds for identified options and recommendations.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 16. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. For appropriations under this section, any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

$ 76,709,000 2020

$ 76,709,000 2021

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

(c) The base appropriation is $73,434,000 in each year for fiscal year 2022 and after.

Subd. 3. **Metro Deaf Charter School.** (a) For a grant to a charter school that enrolls students as provided under Minnesota Statutes, section 124E.11, paragraph (h), to provide services to additional children with a disability ages birth to five:

$ 100,000 2020

$ 100,000 2021

(b) Notwithstanding any other law to the contrary, a charter school that receives a grant under this subdivision may not bill or seek reimbursement from a resident school district for any portion of costs for a child served as a result of grant funds.

Subd. 4. **Reach Out and Read Minnesota.** (a) For a grant to support Reach Out and Read Minnesota to expand a program that encourages early childhood development through a network of health care clinics, and for the purchase of culturally and developmentally appropriate books to sustain and expand the program in partnership with health clinics statewide:

$ 105,000 2020

$ 100,000 2021

(b) The grant recipient must implement a program that includes:

(1) integrating children's books and parent education into well-child visits;

(2) creating literacy-rich environments at clinics, including books for visits outside of Reach Out and Read Minnesota parameters or for waiting room use or volunteer readers to model read-aloud techniques for parents where possible;

(3) working with public health clinics, federally qualified health centers, tribal sites, community health centers, and clinics that belong to health care systems, as well as independent clinics in underserved areas; and

(4) training medical professionals on speaking with parents of infants, toddlers, and preschoolers on the importance of early literacy and numeracy.

(c) This is a onetime appropriation.

Subd. 5. **College savings account pilot program.** (a) For a matching grant to the city of St. Paul to establish a pilot program that (1) creates a college savings account for every child born in the city of St. Paul over the time period for which funds are available, and (2) performs analysis of potential establishment of a statewide program or program duplication by other cities.

$ 250,000 2020

$ 250,000 2021

(b) The city must administer the pilot program and partner with a qualified financial institution to support current and potential pilot program participants and their families. The city is the owner of an account established under this pilot program, but the beneficiary must be the individual child.

(c) The city must use the grant money to establish and fund the accounts, to provide incentives to current and potential pilot program participants and their families, and to provide outreach and education to current and potential pilot program participants and their families. The city may not use grant funds for the administrative costs of managing and operating the pilot program.

(d) By February 15, 2021, the city must submit a report on the pilot program to the commissioner of education and to the chairs, ranking minority members, and staff of the legislative committees with primary jurisdiction over early childhood and education policy and finance. At a minimum, the report must:

(1) provide a detailed review of pilot program design and features, including program requirements, funding, and outreach and education activities;

(2) identify the number of accounts created in the pilot program, including basic demographic information about account beneficiaries;

(3) provide analysis of savings program development throughout the state, which at a minimum must examine:

(i) methods for program replication in other cities; and

(ii) options, models, or frameworks for implementation on a statewide basis, including review of alternative policy approaches; and

(4) make recommendations regarding program expansion, if any, based on the analysis under clause (3).

(e) The commissioner of education must provide reasonable technical assistance as requested by the city for the analysis and recommendations under paragraph (d), clauses (3) and (4).

(f) This is a onetime appropriation. Grant money provided under this subdivision must be matched with money from nonstate sources. This appropriation is available until December 30, 2022.