

1.1 moves to amend H.F. No. 2463 as follows:

1.2 Page 6, after line 15, insert:

1.3 "Sec. 7. Minnesota Statutes 2018, section 124D.165, is amended by adding a subdivision
1.4 to read:

1.5 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
1.6 meanings given.

1.7 (b) "Commissioner" means the commissioner of human services.

1.8 (c) "Kindergarten" has the meaning given in section 120A.05, subdivision 10a.

1.9 **EFFECTIVE DATE.** This section is effective July 1, 2020.

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

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

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

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

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

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

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

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

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

2.19 ~~(e)~~ (d) A child who receives a scholarship who has not completed development screening
2.20 under sections 121A.16 to 121A.19 must complete that screening within 90 days of first
2.21 attending an eligible program.

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

2.28 **EFFECTIVE DATE.** This section is effective July 1, 2020.

2.29 Sec. 9. Minnesota Statutes 2018, section 124D.165, is amended by adding a subdivision
2.30 to read:

2.31 **Subd. 3a. Pathway I and II; distribution of funds.** (a) The commissioner may categorize
2.32 funds made available under this section into Pathway I and Pathway II. For Pathway I, the
2.33 commissioner may enter into agreements with area administrators for purposes of regional

3.1 scholarship administration and awarding of scholarships. For Pathway II, the authority and
3.2 requirements of paragraphs (b) to (d) apply.

3.3 (b) A four-star rated program that has children eligible for a scholarship enrolled in or
3.4 on a waiting list for a program beginning in July, August, or September may notify the
3.5 commissioner, in the form and manner prescribed by the commissioner, each year of the
3.6 program's desire to enhance program services or to serve more children than current funding
3.7 provides. The commissioner may designate a predetermined number of scholarship slots
3.8 for that program and notify the program of that number. A school district or Head Start
3.9 program qualifying under this paragraph may use its established registration process to
3.10 enroll scholarship recipients and may verify a scholarship recipient's family income in the
3.11 same manner as for other program participants.

3.12 (c) A school district or Head Start program enrolling scholarship recipients under
3.13 paragraph (a) may apply to the commissioner of human services, in the form and manner
3.14 prescribed by the commissioner of human services, for direct payment in the manner that
3.15 state aid is provided by the commissioner of education. Upon receipt of a valid application,
3.16 direct payments must be made as follows:

3.17 (1) the commissioner of human services must notify the commissioner of education
3.18 regarding programs receiving direct aid and the amounts; and

3.19 (2) the commissioner of education must distribute the specified funds directly to each
3.20 program, according to the metered payment system or another schedule established by the
3.21 commissioner of education.

3.22 (d) An appropriation to the commissioner of human services under this section is available
3.23 to the commissioner of education for the purposes specified in paragraphs (b) and (c).

3.24 **EFFECTIVE DATE.** This section is effective July 1, 2020.

3.25 **Sec. 10. ADMINISTRATIVE TRANSFER OF EARLY LEARNING**
3.26 **SCHOLARSHIPS PROGRAM.**

3.27 Subdivision 1. **Transfer.** Effective July 1, 2020, responsibilities related to administration
3.28 of early learning scholarships under Minnesota Statutes, section 124D.165, is transferred
3.29 to the commissioner of human services. Minnesota Statutes, section 15.039, governs the
3.30 transfer of responsibilities under this section.

3.31 Subd. 2. **Requirements.** (a) The commissioner of education must provide information,
3.32 materials, and administrative and technical assistance to the commissioner of human services
3.33 to facilitate the early learning scholarships program transfer.

4.1 (b) Prior to July 1, 2021, the commissioner of human services is prohibited from making
4.2 any substantial modification to the design or policies of the early learning scholarships
4.3 program, including but not limited to application timelines, scholarship award limit amounts,
4.4 prioritization of recipients, and the Pathway I and Pathway II program structure. Nothing
4.5 in this paragraph prevents administrative actions to reduce applicant and family burdens or
4.6 to increase program efficiency.

4.7 Subd. 3. **Report.** By February 1, 2021, the commissioner of human services in
4.8 consultation with the commissioner of education must submit a report on the early learning
4.9 scholarships transfer to the members and staff of the legislative committees with jurisdiction
4.10 over early childhood, education finance, and human services finance. At a minimum, the
4.11 report must:

4.12 (1) summarize activities and implementation related to the transfer;

4.13 (2) identify anticipated or proposed programmatic modifications; and

4.14 (3) provide any recommendations for legislative changes.

4.15 Subd. 4. **Revisor's instruction.** The revisor of statutes must recodify Minnesota Statutes,
4.16 section 124D.165, as a new section in Minnesota Statutes, chapter 256. The revisor must
4.17 correct any cross-references made necessary by this recodification. This recodification is
4.18 effective July 1, 2020.

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

4.20 Amend the title accordingly