

1.1 ..... moves to amend H.F. No. 2230 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 CHILD CARE ASSISTANCE

1.5 Section 1. Minnesota Statutes 2020, section 119B.03, subdivision 4, is amended to read:

1.6 Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic  
1.7 sliding fee program must be given to eligible non-MFIP families who do not have a high  
1.8 school diploma or commissioner of education-selected high school equivalency certification  
1.9 or who need remedial and basic skill courses in order to pursue employment or to pursue  
1.10 education leading to employment and who need child care assistance to participate in the  
1.11 education program. This includes student parents as defined under section 119B.011,  
1.12 subdivision 19b. Within this priority, the following subpriorities must be used:

1.13 (1) child care needs of minor parents;

1.14 (2) child care needs of parents under 21 years of age; and

1.15 (3) child care needs of other parents within the priority group described in this paragraph.

1.16 (b) Second priority must be given to ~~parents who have completed their MFIP or DWP~~  
1.17 ~~transition year, or parents who are no longer receiving or eligible for diversionary work~~  
1.18 ~~program supports~~ families in which at least one parent is a veteran, as defined under section  
1.19 197.447.

1.20 (c) Third priority must be given to eligible families who are eligible for portable basic  
1.21 ~~sliding fee assistance through the portability pool under subdivision 9~~ do not meet the  
1.22 specifications of paragraph (a), (b), (d), or (e).

2.1 (d) Fourth priority must be given to families ~~in which at least one parent is a veteran as~~  
 2.2 ~~defined under section 197.447~~ who are eligible for portable basic sliding fee assistance  
 2.3 through the portability pool under subdivision 9.

2.4 (e) Fifth priority must be given to eligible families receiving services under section  
 2.5 119B.01, subdivision 20a, if the parents have completed their MFIP or DWP transition year,  
 2.6 or if the parents are no longer receiving or eligible for DWP supports.

2.7 (e) (f) Families under paragraph (b) (e) must be added to the basic sliding fee waiting  
 2.8 list on the date they ~~begin the~~ complete their transition year under section 119B.011,  
 2.9 subdivision 20, ~~and must be moved into the basic sliding fee program as soon as possible~~  
 2.10 ~~after they complete their transition year.~~

2.11 **EFFECTIVE DATE.** This section is effective July 1, 2021.

2.12 Sec. 2. Minnesota Statutes 2020, section 119B.03, subdivision 6, is amended to read:

2.13 Subd. 6. **Allocation formula.** The allocation component of basic sliding fee state and  
 2.14 federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in  
 2.15 amounts equal to each county's guaranteed floor according to subdivision 8, with any  
 2.16 remaining available funds allocated according to the following formula:

2.17 (a) One-fourth of the funds shall be allocated in proportion to each county's total  
 2.18 expenditures for the basic sliding fee child care program reported during the most recent  
 2.19 fiscal year completed at the time of the notice of allocation.

2.20 (b) Up to one-fourth of the funds shall be allocated in proportion to the number of families  
 2.21 participating in the transition year child care program as reported during and averaged over  
 2.22 the most recent six months completed at the time of the notice of allocation. Funds in excess  
 2.23 of the amount necessary to serve all families in this category shall be allocated according  
 2.24 to paragraph (f) (e).

2.25 (e) ~~Up to one-fourth of the funds shall be allocated in proportion to the average of each~~  
 2.26 ~~county's most recent six months of reported first, second, and third priority waiting list as~~  
 2.27 ~~defined in subdivision 2 and the reinstatement list of those families whose assistance was~~  
 2.28 ~~terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183,~~  
 2.29 ~~subpart 1. Funds in excess of the amount necessary to serve all families in this category~~  
 2.30 ~~shall be allocated according to paragraph (f).~~

2.31 (d) (c) Up to ~~one-fourth~~ one-half of the funds shall be allocated in proportion to the  
 2.32 average of each county's most recent ~~six~~ 12 months of reported waiting list as defined in  
 2.33 subdivision 2 and the reinstatement list of those families whose assistance was terminated

3.1 with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1.  
3.2 Funds in excess of the amount necessary to serve all families in this category shall be  
3.3 allocated according to paragraph ~~(f)~~ (e).

3.4 ~~(e)~~ (d) The amount necessary to serve all families in paragraphs (b), ~~(e)~~, and ~~(d)~~ (c) shall  
3.5 be calculated based on the basic sliding fee average cost of care per family in the county  
3.6 with the highest cost in the most recently completed calendar year.

3.7 ~~(f)~~ (e) Funds in excess of the amount necessary to serve all families in paragraphs (b),  
3.8 ~~(e)~~, and ~~(d)~~ (c) shall be allocated in proportion to each county's total expenditures for the  
3.9 basic sliding fee child care program reported during the most recent fiscal year completed  
3.10 at the time of the notice of allocation.

3.11 **EFFECTIVE DATE.** This section is effective January 1, 2022. The 2022 calendar year  
3.12 shall be a phase-in year for the allocation formula in this section using phase-in provisions  
3.13 determined by the commissioner of human services.

3.14 Sec. 3. Minnesota Statutes 2020, section 119B.09, subdivision 4, is amended to read:

3.15 Subd. 4. **Eligibility; annual income; calculation.** (a) Annual income of the applicant  
3.16 family is the current monthly income of the family multiplied by 12 or the income for the  
3.17 12-month period immediately preceding the date of application, or income calculated by  
3.18 the method which provides the most accurate assessment of income available to the family.

3.19 (b) Self-employment income must be calculated based on gross receipts less operating  
3.20 expenses.

3.21 (c) Income changes are processed under section 119B.025, subdivision 4. Included lump  
3.22 sums counted as income under section ~~256P.06, subdivision 3~~ 119B.011, subdivision 15,  
3.23 must be annualized over 12 months. Income must be verified with documentary evidence.  
3.24 If the applicant does not have sufficient evidence of income, verification must be obtained  
3.25 from the source of the income.

3.26 **EFFECTIVE DATE.** This section is effective March 1, 2023.

3.27 Sec. 4. Minnesota Statutes 2020, section 119B.11, subdivision 2a, is amended to read:

3.28 Subd. 2a. **Recovery of overpayments.** (a) An amount of child care assistance paid to a  
3.29 recipient or provider in excess of the payment due is recoverable by the county agency or  
3.30 commissioner under paragraphs (b) and (c), even when the overpayment was caused by  
3.31 agency error or circumstances outside the responsibility and control of the family or provider.

4.1 (b) An overpayment must be recouped or recovered from the family if the overpayment  
4.2 benefited the family by causing the family to pay less for child care expenses than the family  
4.3 otherwise would have been required to pay under child care assistance program requirements.  
4.4 If the family remains eligible for child care assistance, the overpayment must be recovered  
4.5 through recoupment as identified in Minnesota Rules, part 3400.0187, except that the  
4.6 overpayments must be calculated and collected on a service period basis. If the family no  
4.7 longer remains eligible for child care assistance, the county or commissioner may choose  
4.8 to initiate efforts to recover overpayments from the family for overpayment less than \$50.  
4.9 If the overpayment is greater than or equal to \$50, the county or commissioner shall seek  
4.10 voluntary repayment of the overpayment from the family. If the county or commissioner is  
4.11 unable to recoup the overpayment through voluntary repayment, the county or commissioner  
4.12 shall initiate civil court proceedings to recover the overpayment unless the county's or  
4.13 commissioner's costs to recover the overpayment will exceed the amount of the overpayment.  
4.14 A family with an outstanding debt under this subdivision is not eligible for child care  
4.15 assistance until: (1) the debt is paid in full; ~~or~~ (2) satisfactory arrangements are made with  
4.16 the county or commissioner to retire the debt consistent with the requirements of this chapter  
4.17 and Minnesota Rules, chapter 3400, and the family is in compliance with the arrangements;  
4.18 or (3) the commissioner determines that it is in the best interests of the state to compromise  
4.19 debts owed to the state pursuant to section 16D.15. The commissioner's authority to recoup  
4.20 and recover overpayments from families in this paragraph is limited to investigations  
4.21 conducted under chapter 245E.

4.22 (c) The county or commissioner must recover an overpayment from a provider if the  
4.23 overpayment did not benefit the family by causing it to receive more child care assistance  
4.24 or to pay less for child care expenses than the family otherwise would have been eligible  
4.25 to receive or required to pay under child care assistance program requirements, and benefited  
4.26 the provider by causing the provider to receive more child care assistance than otherwise  
4.27 would have been paid on the family's behalf under child care assistance program  
4.28 requirements. If the provider continues to care for children receiving child care assistance,  
4.29 the overpayment must be recovered through ~~reductions in child care assistance payments~~  
4.30 ~~for services as described in an agreement with the county~~ recoupment as identified in  
4.31 Minnesota Rules, part 3400.0187. The provider may not charge families using that provider  
4.32 more to cover the cost of recouping the overpayment. If the provider no longer cares for  
4.33 children receiving child care assistance, the county or commissioner may choose to initiate  
4.34 efforts to recover overpayments of less than \$50 from the provider. If the overpayment is  
4.35 greater than or equal to \$50, the county or commissioner shall seek voluntary repayment  
4.36 of the overpayment from the provider. If the county or commissioner is unable to recoup

5.1 the overpayment through voluntary repayment, the county or commissioner shall initiate  
 5.2 civil court proceedings to recover the overpayment unless the county's or commissioner's  
 5.3 costs to recover the overpayment will exceed the amount of the overpayment. A provider  
 5.4 with an outstanding debt under this subdivision is not eligible to care for children receiving  
 5.5 child care assistance until:

5.6 (1) the debt is paid in full; ~~or~~

5.7 (2) satisfactory arrangements are made with the county or commissioner to retire the  
 5.8 debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400,  
 5.9 and the provider is in compliance with the arrangements; or

5.10 (3) the commissioner determines that it is in the best interests of the state to compromise  
 5.11 debts owed to the state pursuant to section 16D.15.

5.12 (d) When both the family and the provider acted together to intentionally cause the  
 5.13 overpayment, both the family and the provider are jointly liable for the overpayment  
 5.14 regardless of who benefited from the overpayment. The county or commissioner must  
 5.15 recover the overpayment as provided in paragraphs (b) and (c). When the family or the  
 5.16 provider is in compliance with a repayment agreement, the party in compliance is eligible  
 5.17 to receive child care assistance or to care for children receiving child care assistance despite  
 5.18 the other party's noncompliance with repayment arrangements.

5.19 **EFFECTIVE DATE.** This section is effective August 1, 2021.

5.20 Sec. 5. Minnesota Statutes 2020, section 119B.125, subdivision 1, is amended to read:

5.21 Subdivision 1. **Authorization.** ~~Except as provided in subdivision 5,~~ A county or the  
 5.22 commissioner must authorize the provider chosen by an applicant or a participant before  
 5.23 the county can authorize payment for care provided by that provider. The commissioner  
 5.24 must establish the requirements necessary for authorization of providers. A provider must  
 5.25 be reauthorized every two years. A legal, nonlicensed family child care provider also must  
 5.26 be reauthorized when another person over the age of 13 joins the household, a current  
 5.27 household member turns 13, or there is reason to believe that a household member has a  
 5.28 factor that prevents authorization. The provider is required to report all family changes that  
 5.29 would require reauthorization. When a provider has been authorized for payment for  
 5.30 providing care for families in more than one county, the county responsible for  
 5.31 reauthorization of that provider is the county of the family with a current authorization for  
 5.32 that provider and who has used the provider for the longest length of time.

5.33 **EFFECTIVE DATE.** This section is effective August 1, 2021.

6.1 Sec. 6. Minnesota Statutes 2020, section 119B.13, subdivision 1, is amended to read:

6.2 Subdivision 1. **Subsidy restrictions.** (a) The maximum rate paid for child care assistance  
6.3 in any county or county price cluster under the child care fund shall be ~~the greater of the~~  
6.4 ~~25th percentile of the 2018 child care provider rate survey or the rates in effect at the time~~  
6.5 ~~of the update.~~ set in accordance with rates and policies established by the commissioner,  
6.6 dependent on federal funds, and consistent with federal law, up to a maximum of the 75th  
6.7 percentile of the most recent child care provider rate survey, but in no event shall the  
6.8 maximum rate be less than the greater of the 50th percentile of the most recent child care  
6.9 provider rate survey or the rates in effect at the time of the update. The rate increase is  
6.10 effective the first full service period on or after January 1 of the year following the provider  
6.11 rate survey. For a child care provider located within the boundaries of a city located in two  
6.12 or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child  
6.13 care assistance shall be equal to the maximum rate paid in the county with the highest  
6.14 maximum reimbursement rates or the provider's charge, whichever is less. The commissioner  
6.15 may: (1) assign a county with no reported provider prices to a similar price cluster; and (2)  
6.16 consider county level access when determining final price clusters.

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

6.19 (c) The department shall monitor the effect of this paragraph on provider rates. The  
6.20 county shall pay the provider's full charges for every child in care up to the maximum  
6.21 established. The commissioner shall determine the maximum rate for each type of care on  
6.22 an hourly, full-day, and weekly basis, including special needs and disability care.

6.23 (d) If a child uses one provider, the maximum payment for one day of care must not  
6.24 exceed the daily rate. The maximum payment for one week of care must not exceed the  
6.25 weekly rate.

6.26 (e) If a child uses two providers under section 119B.097, the maximum payment must  
6.27 not exceed:

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

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

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

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

7.1 (g) If the provider charge is greater than the maximum provider rate allowed, the parent  
 7.2 is responsible for payment of the difference in the rates in addition to any family co-payment  
 7.3 fee.

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

7.6 ~~(i) Beginning September 21, 2020, (h)~~ The maximum registration fee paid for child care  
 7.7 assistance in any county or county price cluster under the child care fund shall be ~~the greater~~  
 7.8 ~~of the 25th percentile of the 2018 child care provider rate survey or the registration fee in~~  
 7.9 ~~effect at the time of the update.~~ set in accordance with rates and policies established by the  
 7.10 commissioner, dependent on federal funds, and consistent with federal law, up to a maximum  
 7.11 of the 75th percentile of the most recent child care provider rate survey, but in no event  
 7.12 shall the maximum registration fee be less than the greater of the 50th percentile of the most  
 7.13 recent child care provider rate survey or the registration fee in effect at the time of the update.  
 7.14 Each maximum registration fee update must be implemented on the same schedule as  
 7.15 maximum child care assistance rate increases under paragraph (a). Maximum registration  
 7.16 fees must be set for licensed family child care and for child care centers. For a child care  
 7.17 provider located in the boundaries of a city located in two or more of the counties of Benton,  
 7.18 Sherburne, and Stearns, the maximum registration fee paid for child care assistance shall  
 7.19 be equal to the maximum registration fee paid in the county with the highest maximum  
 7.20 registration fee or the provider's charge, whichever is less.

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

7.22 Sec. 7. Minnesota Statutes 2020, section 119B.13, subdivision 1a, is amended to read:

7.23 Subd. 1a. **Legal nonlicensed family child care provider rates.** (a) Legal nonlicensed  
 7.24 family child care providers receiving reimbursement under this chapter must be paid on an  
 7.25 hourly basis for care provided to families receiving assistance.

7.26 (b) The maximum rate paid to legal nonlicensed family child care providers must be ~~68~~  
 7.27 90 percent of the county maximum hourly rate for licensed family child care providers. The  
 7.28 rate increase is effective the first full service period on or after January 1 of the year following  
 7.29 the provider rate survey. In counties or county price clusters where the maximum hourly  
 7.30 rate for licensed family child care providers is higher than the maximum weekly rate for  
 7.31 those providers divided by 50, the maximum hourly rate that may be paid to legal nonlicensed  
 7.32 family child care providers is the rate equal to the maximum weekly rate for licensed family  
 7.33 child care providers divided by 50 and then multiplied by ~~0.68~~ 0.90. The maximum payment  
 7.34 to a provider for one day of care must not exceed the maximum hourly rate times ten. The

8.1 maximum payment to a provider for one week of care must not exceed the maximum hourly  
8.2 rate times 50.

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

8.5 (d) Legal nonlicensed family child care providers receiving reimbursement under this  
8.6 chapter may not be paid registration fees for families receiving assistance.

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

8.8 Sec. 8. Minnesota Statutes 2020, section 119B.13, subdivision 6, is amended to read:

8.9 Subd. 6. **Provider payments.** (a) A provider shall bill only for services documented  
8.10 according to section 119B.125, subdivision 6. The provider shall bill for services provided  
8.11 within ten days of the end of the service period. Payments under the child care fund shall  
8.12 be made within 21 days of receiving a complete bill from the provider. Counties or the state  
8.13 may establish policies that make payments on a more frequent basis.

8.14 (b) If a provider has received an authorization of care and been issued a billing form for  
8.15 an eligible family, the bill must be submitted within 60 days of the last date of service on  
8.16 the bill. A bill submitted more than 60 days after the last date of service must be paid if the  
8.17 county determines that the provider has shown good cause why the bill was not submitted  
8.18 within 60 days. Good cause must be defined in the county's child care fund plan under  
8.19 section 119B.08, subdivision 3, and the definition of good cause must include county error.  
8.20 Any bill submitted more than a year after the last date of service on the bill must not be  
8.21 paid.

8.22 (c) If a provider provided care for a time period without receiving an authorization of  
8.23 care and a billing form for an eligible family, payment of child care assistance may only be  
8.24 made retroactively for a maximum of ~~six~~ three months from the date the provider is issued  
8.25 an authorization of care and billing form. For a family at application, if a provider provided  
8.26 child care during a time period without receiving an authorization of care and a billing form,  
8.27 a county may only make child care assistance payments to the provider retroactively from  
8.28 the date that child care began, or from the date that the family's eligibility began under  
8.29 section 119B.09, subdivision 7, or from the date that the family meets authorization  
8.30 requirements, not to exceed six months from the date the provider is issued an authorization  
8.31 of care and billing form, whichever is later.

8.32 (d) A county or the commissioner may refuse to issue a child care authorization to a  
8.33 certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization

9.1 to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,  
9.2 licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified,  
9.3 licensed, or legal nonlicensed provider if:

9.4 (1) the provider admits to intentionally giving the county materially false information  
9.5 on the provider's billing forms;

9.6 (2) a county or the commissioner finds by a preponderance of the evidence that the  
9.7 provider intentionally gave the county materially false information on the provider's billing  
9.8 forms, or provided false attendance records to a county or the commissioner;

9.9 (3) the provider is in violation of child care assistance program rules, until the agency  
9.10 determines those violations have been corrected;

9.11 (4) the provider is operating after:

9.12 (i) an order of suspension of the provider's license issued by the commissioner;

9.13 (ii) an order of revocation of the provider's license issued by the commissioner; or

9.14 (iii) ~~a final order of conditional license issued by the commissioner for as long as the~~  
9.15 ~~conditional license is in effect~~ an order of decertification issued to the provider;

9.16 (5) the provider submits false attendance reports or refuses to provide documentation  
9.17 of the child's attendance upon request;

9.18 (6) the provider gives false child care price information; or

9.19 (7) the provider fails to report decreases in a child's attendance as required under section  
9.20 119B.125, subdivision 9.

9.21 (e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), the county or the  
9.22 commissioner may withhold the provider's authorization or payment for a period of time  
9.23 not to exceed three months beyond the time the condition has been corrected.

9.24 (f) A county's payment policies must be included in the county's child care plan under  
9.25 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in  
9.26 compliance with this subdivision, the payments must be made in compliance with section  
9.27 16A.124.

9.28 (g) If the commissioner or responsible county agency suspends or refuses payment to a  
9.29 provider under paragraph (d), clause (1) or (2), or chapter 245E and the provider has:

9.30 (1) a disqualification for wrongfully obtaining assistance under section 256.98,  
9.31 subdivision 8, paragraph (c);

10.1 (2) an administrative disqualification under section 256.046, subdivision 3; or

10.2 (3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or  
10.3 245E.06;

10.4 then the provider forfeits the payment to the commissioner or the responsible county agency,  
10.5 regardless of the amount assessed in an overpayment, charged in a criminal complaint, or  
10.6 ordered as criminal restitution.

10.7 **EFFECTIVE DATE.** This section is effective August 1, 2021.

10.8 Sec. 9. Minnesota Statutes 2020, section 119B.13, subdivision 7, is amended to read:

10.9 Subd. 7. **Absent days.** (a) Licensed child care providers and license-exempt centers  
10.10 must not be reimbursed for more than 25 full-day absent days per child, excluding holidays,  
10.11 in a calendar year, or for more than ten consecutive full-day absent days. "Absent day"  
10.12 means any day that the child is authorized and scheduled to be in care with a licensed  
10.13 provider or license-exempt center, and the child is absent from the care for the entire day.  
10.14 Legal nonlicensed family child care providers must not be reimbursed for absent days. If a  
10.15 child attends for part of the time authorized to be in care in a day, but is absent for part of  
10.16 the time authorized to be in care in that same day, the absent time must be reimbursed but  
10.17 the time must not count toward the absent days limit. Child care providers must only be  
10.18 reimbursed for absent days if the provider has a written policy for child absences and charges  
10.19 all other families in care for similar absences.

10.20 (b) Notwithstanding paragraph (a), children with documented medical conditions that  
10.21 cause more frequent absences may exceed the 25 absent days limit, or ten consecutive  
10.22 full-day absent days limit. Absences due to a documented medical condition of a parent or  
10.23 sibling who lives in the same residence as the child receiving child care assistance do not  
10.24 count against the absent days limit in a calendar year. Documentation of medical conditions  
10.25 must be on the forms and submitted according to the timelines established by the  
10.26 commissioner. A public health nurse or school nurse may verify the illness in lieu of a  
10.27 medical practitioner. If a provider sends a child home early due to a medical reason,  
10.28 including, but not limited to, fever or contagious illness, the child care center director or  
10.29 lead teacher may verify the illness in lieu of a medical practitioner.

10.30 (c) Notwithstanding paragraph (a), children in families may exceed the absent days limit  
10.31 if at least one parent: (1) is under the age of 21; (2) does not have a high school diploma or  
10.32 commissioner of education-selected high school equivalency certification; and (3) is a  
10.33 student in a school district or another similar program that provides or arranges for child

11.1 care, parenting support, social services, career and employment supports, and academic  
11.2 support to achieve high school graduation, upon request of the program and approval of the  
11.3 county. If a child attends part of an authorized day, payment to the provider must be for the  
11.4 full amount of care authorized for that day.

11.5 (d) Child care providers must be reimbursed for up to ten federal or state holidays or  
11.6 designated holidays per year when the provider charges all families for these days and the  
11.7 holiday or designated holiday falls on a day when the child is authorized to be in attendance.  
11.8 Parents may substitute other cultural or religious holidays for the ten recognized state and  
11.9 federal holidays. Holidays do not count toward the absent days limit.

11.10 (e) A family ~~or child care provider~~ must not be assessed an overpayment for an absent  
11.11 day payment unless (1) there was an error in the amount of care authorized for the family,  
11.12 or (2) all of the allowed full-day absent payments for the child have been paid, ~~or (3) the~~  
11.13 ~~family or provider did not timely report a change as required under law.~~

11.14 (f) The provider and family shall receive notification of the number of absent days used  
11.15 upon initial provider authorization for a family and ongoing notification of the number of  
11.16 absent days used as of the date of the notification.

11.17 (g) For purposes of this subdivision, "absent days limit" means 25 full-day absent days  
11.18 per child, excluding holidays, in a calendar year; and ten consecutive full-day absent days.

11.19 (h) For purposes of this subdivision, "holidays limit" means ten full-day holidays per  
11.20 child, excluding absent days, in a calendar year.

11.21 (i) If a day meets the criteria of an absent day or a holiday under this subdivision, the  
11.22 provider must bill that day as an absent day or holiday. A provider's failure to properly bill  
11.23 an absent day or a holiday results in an overpayment, regardless of whether the child reached,  
11.24 or is exempt from, the absent days limit or holidays limit for the calendar year.

11.25 **EFFECTIVE DATE.** This section is effective August 1, 2021.

11.26 Sec. 10. Minnesota Statutes 2020, section 119B.25, subdivision 3, is amended to read:

11.27 Subd. 3. **Financing program.** A nonprofit corporation that receives a grant under this  
11.28 section shall use the money to:

11.29 (1) establish a revolving loan fund to make loans to existing, expanding, and new licensed  
11.30 and legal unlicensed child care and early childhood education sites;

11.31 (2) establish a fund to guarantee private loans to improve or construct a child care or  
11.32 early childhood education site;

12.1 (3) establish a fund to provide forgivable loans or grants to match all or part of a loan  
 12.2 made under this section;

12.3 (4) establish a fund as a reserve against bad debt; ~~and~~

12.4 (5) establish a fund to provide business planning assistance for child care providers;  
 12.5 and

12.6 (6) provide training and consultation for child care providers to build and strengthen  
 12.7 their businesses and acquire key business skills.

12.8 The nonprofit corporation shall establish the terms and conditions for loans and loan  
 12.9 guarantees including, but not limited to, interest rates, repayment agreements, private match  
 12.10 requirements, and conditions for loan forgiveness. The nonprofit corporation shall establish  
 12.11 a minimum interest rate for loans to ensure that necessary loan administration costs are  
 12.12 covered. The nonprofit corporation may use interest earnings for administrative expenses.

12.13 Sec. 11. **REPEALER.**

12.14 Minnesota Statutes 2020, sections 119B.04; and 119B.125, subdivision 5, are repealed.

12.15 **EFFECTIVE DATE.** This section is effective August 1, 2021.

## 12.16 **ARTICLE 2**

### 12.17 **CHILD CARE LICENSING**

12.18 Section 1. **[245.975] OMBUDSPERSON FOR FAMILY CHILD CARE PROVIDERS.**

12.19 Subdivision 1. **Appointment.** The governor shall appoint an ombudsperson in the  
 12.20 classified service to assist family child care providers with licensing, compliance, and other  
 12.21 issues facing family child care providers. The ombudsperson must be selected without regard  
 12.22 to the person's political affiliation.

12.23 Subd. 2. **Duties.** (a) The ombudsperson's duties shall include:

12.24 (1) advocating on behalf of a family child care provider to address all areas of concern  
 12.25 related to the provision of child care services, including licensing monitoring activities,  
 12.26 licensing actions, and other interactions with state and county licensing staff;

12.27 (2) providing recommendations for family child care improvement or family child care  
 12.28 provider education;

13.1 (3) operating a telephone line to answer questions, receive complaints, and discuss  
13.2 agency actions when a family child care provider believes their rights or program may have  
13.3 been adversely affected; and

13.4 (4) assisting family child care license applicants with navigating the application process.

13.5 (b) The ombudsperson must report annually by December 31 to the commissioner and  
13.6 the chairs and ranking minority members of the legislative committees with jurisdiction  
13.7 over child care on the services provided by the ombudsperson to child care providers,  
13.8 including the number, types, and locations of child care providers served, and the activities  
13.9 of the ombudsperson to carry out the duties under this section. The commissioner shall  
13.10 determine the form of the report and may specify additional reporting requirements.

13.11 Subd. 3. **Staff.** The ombudsperson may appoint and compensate out of available funds  
13.12 a deputy, confidential secretary, and other employees in the unclassified service as authorized  
13.13 by law. The ombudsperson and the full-time staff are members of the Minnesota State  
13.14 Retirement Association. The ombudsperson may delegate to members of the staff any  
13.15 authority or duties of the office except the duty to provide reports to the governor,  
13.16 commissioner, or the legislature.

13.17 Subd. 4. **Access to records.** (a) The ombudsperson or designee, excluding volunteers,  
13.18 has access to data of a state agency necessary for the discharge of the ombudsperson's duties,  
13.19 including records classified as confidential data on individuals or private data on individuals  
13.20 under chapter 13 or any other law. The ombudsperson's data request must relate to a specific  
13.21 case and is subject to section 13.03, subdivision 4. If the data concerns an individual, the  
13.22 ombudsperson or designee shall first obtain the individual's consent. If the individual cannot  
13.23 consent and has no parent or legal guardian, then access to the data is authorized by this  
13.24 section.

13.25 (b) The ombudsperson and designees must adhere to the Minnesota Government Data  
13.26 Practices Act and may not disseminate any private or confidential data on individuals unless  
13.27 specifically authorized by state, local, or federal law or pursuant to a court order.

13.28 (c) The commissioner and county agency must provide the ombudsperson copies of all  
13.29 fix-it tickets, and licensing actions issued to family child care providers.

13.30 Subd. 5. **Independence of action.** In carrying out the duties under this section, the  
13.31 ombudsperson may act independently of the department to provide testimony to the  
13.32 legislature, make periodic reports to the legislature, and address areas of concern to child  
13.33 care providers.

14.1 Subd. 6. **Civil actions.** The ombudsperson or designee is not civilly liable for any action  
14.2 taken under this section if the action was taken in good faith, was within the scope of the  
14.3 ombudsperson's authority, and did not constitute willful or reckless misconduct.

14.4 Subd. 7. **Qualifications.** The ombudsperson must be a person who has knowledge and  
14.5 experience concerning the provision of family child care. The ombudsperson must be  
14.6 experienced in dealing with governmental entities, interpretation of laws and regulations,  
14.7 investigations, record keeping, report writing, public speaking, and management. A person  
14.8 is not eligible to serve as the ombudsperson while holding public office or while holding a  
14.9 family child care license.

14.10 Subd. 8. **Office support.** The commissioner shall provide the ombudsperson with the  
14.11 necessary office space, supplies, equipment, and clerical support to effectively perform the  
14.12 duties under this section.

14.13 Subd. 9. **Posting.** (a) The commissioner shall post on the department's website the  
14.14 mailing address, e-mail address, and telephone number for the office of the ombudsperson.  
14.15 The commissioner shall provide family child care providers with the mailing address, e-mail  
14.16 address, and telephone number of the office on the family child care licensing website and  
14.17 upon request from a family child care applicant or provider. Counties must provide family  
14.18 child care applicants and providers with the name, mailing address, e-mail address, and  
14.19 telephone number of the office upon request.

14.20 (b) The ombudsperson must approve all posting and notice required by the department  
14.21 and counties under this subdivision.

14.22 Sec. 2. Minnesota Statutes 2020, section 245A.14, subdivision 4, is amended to read:

14.23 Subd. 4. **Special family ~~day~~ child care homes.** (a) Nonresidential child care programs  
14.24 servicing 14 or fewer children that are conducted at a location other than the license holder's  
14.25 own residence shall be licensed under this section and the rules governing family ~~day~~ child  
14.26 care or group family ~~day~~ child care if:

14.27 (a) the license holder is the primary provider of care and the nonresidential child care  
14.28 program is conducted in a dwelling that is located on a residential lot;

14.29 (b) the license holder is an employer who may or may not be the primary provider of  
14.30 care, and the purpose for the child care program is to provide child care services to children  
14.31 of the license holder's employees;

14.32 (c) the license holder is a church or religious organization;

15.1 (d) the license holder is a community collaborative child care provider. For purposes of  
15.2 this subdivision, a community collaborative child care provider is a provider participating  
15.3 in a cooperative agreement with a community action agency as defined in section 256E.31;

15.4 (e) the license holder is a not-for-profit agency that provides child care in a dwelling  
15.5 located on a residential lot and the license holder maintains two or more contracts with  
15.6 community employers or other community organizations to provide child care services.  
15.7 The county licensing agency may grant a capacity variance to a license holder licensed  
15.8 under this paragraph to exceed the licensed capacity of 14 children by no more than five  
15.9 children during transition periods related to the work schedules of parents, if the license  
15.10 holder meets the following requirements:

15.11 (1) the program does not exceed a capacity of 14 children more than a cumulative total  
15.12 of four hours per day;

15.13 (2) the program meets a one to seven staff-to-child ratio during the variance period;

15.14 (3) all employees receive at least an extra four hours of training per year than required  
15.15 in the rules governing family child care each year;

15.16 (4) the facility has square footage required per child under Minnesota Rules, part  
15.17 9502.0425;

15.18 (5) the program is in compliance with local zoning regulations;

15.19 (6) the program is in compliance with the applicable fire code as follows:

15.20 (i) if the program serves more than five children older than 2-1/2 years of age, but no  
15.21 more than five children 2-1/2 years of age or less, the applicable fire code is educational  
15.22 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2015,  
15.23 Section 202; or

15.24 (ii) if the program serves more than five children 2-1/2 years of age or less, the applicable  
15.25 fire code is Group I-4 Occupancies, as provided in the Minnesota State Fire Code 2015,  
15.26 Section 202, unless the rooms in which the children are cared for are located on a level of  
15.27 exit discharge and each of these child care rooms has an exit door directly to the exterior,  
15.28 then the applicable fire code is Group E occupancies, as provided in the Minnesota State  
15.29 Fire Code 2015, Section 202; and

15.30 (7) any age and capacity limitations required by the fire code inspection and square  
15.31 footage determinations shall be printed on the license; or

16.1 (f) the license holder is the primary provider of care and has located the licensed child  
16.2 care program in a commercial space, if the license holder meets the following requirements:

16.3 (1) the program is in compliance with local zoning regulations;

16.4 (2) the program is in compliance with the applicable fire code as follows:

16.5 (i) if the program serves more than five children older than 2-1/2 years of age, but no  
16.6 more than five children 2-1/2 years of age or less, the applicable fire code is educational  
16.7 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2015,  
16.8 Section 202; or

16.9 (ii) if the program serves more than five children 2-1/2 years of age or less, the applicable  
16.10 fire code is Group I-4 Occupancies, as provided under the Minnesota State Fire Code 2015,  
16.11 Section 202;

16.12 (3) any age and capacity limitations required by the fire code inspection and square  
16.13 footage determinations are printed on the license; and

16.14 (4) the license holder prominently displays the license issued by the commissioner which  
16.15 contains the statement "This special family child care provider is not licensed as a child  
16.16 care center."

16.17 ~~(g) The commissioner may approve two or more licenses under paragraphs (a) to (f) to~~  
16.18 ~~be issued at the same location or under one contiguous roof, if each license holder is able~~  
16.19 ~~to demonstrate compliance with all applicable rules and laws. Each license holder must~~  
16.20 ~~operate the license holder's respective licensed program as a distinct program and within~~  
16.21 ~~the capacity, age, and ratio distributions of each license. Notwithstanding Minnesota Rules,~~  
16.22 ~~part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization~~  
16.23 ~~licensed under paragraphs (b), (c), or (e). Each license must have its own primary provider~~  
16.24 ~~of care as required under paragraph (i). Each license must operate as a distinct and separate~~  
16.25 ~~program in compliance with all applicable laws and regulations.~~

16.26 ~~(h) The commissioner may grant variances to this section to allow a primary provider~~  
16.27 ~~of care, a not-for-profit organization, a church or religious organization, an employer, or a~~  
16.28 ~~community collaborative to be licensed to provide child care under paragraphs (e) and (f)~~  
16.29 ~~if the license holder meets the other requirements of the statute. For licenses issued under~~  
16.30 ~~paragraphs (b), (c), (d), (e), or (f), the commissioner may approve up to four licenses at the~~  
16.31 ~~same location or under one contiguous roof if each license holder is able to demonstrate~~  
16.32 ~~compliance with all applicable rules and laws. Each licensed program must operate as a~~  
16.33 ~~distinct program and within the capacity, age, and ratio distributions of each license.~~

17.1 (i) For a license issued under paragraphs (b), (c), or (e), the license holder must designate  
17.2 a person to be the primary provider of care at the licensed location on a form and in a manner  
17.3 prescribed by the commissioner. The license holder shall notify the commissioner in writing  
17.4 before there is a change of the person designated to be the primary provider of care. The  
17.5 primary provider of care:

17.6 (1) must be the person who will be the provider of care at the program and present during  
17.7 the hours of operation;

17.8 (2) must operate the program in compliance with applicable laws and regulations under  
17.9 chapter 245A and Minnesota Rules, chapter 9502;

17.10 (3) is considered a child care background study subject as defined in section 245C.02,  
17.11 subdivision 6a, and must comply with background study requirements in chapter 245C; and

17.12 (4) must complete the training that is required of license holders in section 245A.50.

17.13 (j) For any license issued under this subdivision, the license holder must ensure that any  
17.14 other caregiver, substitute, or helper who assists in the care of children meets the training  
17.15 requirements in section 245A.50 and background study requirements under chapter 245C.

17.16 Sec. 3. Minnesota Statutes 2020, section 245A.50, subdivision 7, is amended to read:

17.17 **Subd. 7. Training requirements for family and group family child care.** (a) For  
17.18 purposes of family and group family child care, the license holder and each second adult  
17.19 caregiver must complete 16 hours of ongoing training each year. Repeat of topical training  
17.20 requirements in subdivisions 2 to 8 shall count toward the annual 16-hour training  
17.21 requirement. Additional ongoing training subjects to meet the annual 16-hour training  
17.22 requirement must be selected from the following areas:

17.23 (1) child development and learning training in understanding how a child develops  
17.24 physically, cognitively, emotionally, and socially, and how a child learns as part of the  
17.25 child's family, culture, and community;

17.26 (2) developmentally appropriate learning experiences, including training in creating  
17.27 positive learning experiences, promoting cognitive development, promoting social and  
17.28 emotional development, promoting physical development, promoting creative development;  
17.29 and behavior guidance;

17.30 (3) relationships with families, including training in building a positive, respectful  
17.31 relationship with the child's family;

18.1 (4) assessment, evaluation, and individualization, including training in observing,  
18.2 recording, and assessing development; assessing and using information to plan; and assessing  
18.3 and using information to enhance and maintain program quality;

18.4 (5) historical and contemporary development of early childhood education, including  
18.5 training in past and current practices in early childhood education and how current events  
18.6 and issues affect children, families, and programs;

18.7 (6) professionalism, including training in knowledge, skills, and abilities that promote  
18.8 ongoing professional development; and

18.9 (7) health, safety, and nutrition, including training in establishing healthy practices;  
18.10 ensuring safety; and providing healthy nutrition.

18.11 (b) A provider who is approved as a trainer through the Develop data system may count  
18.12 up to two hours of training instruction toward the annual 16-hour training requirement in  
18.13 paragraph (a). The provider may only count training instruction hours for the first instance  
18.14 in which they deliver a particular content-specific training during each licensing year. Hours  
18.15 counted as training instruction must be approved through the Develop data system with  
18.16 attendance verified on the trainer's individual learning record and must be in Knowledge  
18.17 and Competency Framework content area VII A (Establishing Healthy Practices) or B  
18.18 (Ensuring Safety).

18.19 Sec. 4. Minnesota Statutes 2020, section 245A.50, subdivision 9, is amended to read:

18.20 Subd. 9. **Supervising for safety; training requirement.** (a) Courses required by this  
18.21 subdivision must include the following health and safety topics:

18.22 (1) preventing and controlling infectious diseases;

18.23 (2) administering medication;

18.24 (3) preventing and responding to allergies;

18.25 (4) ensuring building and physical premises safety;

18.26 (5) handling and storing biological contaminants;

18.27 (6) preventing and reporting child abuse and maltreatment; and

18.28 (7) emergency preparedness.

18.29 (b) Before initial licensure and before caring for a child, all family child care license  
18.30 holders and each second adult caregiver shall complete and document the completion of

19.1 the six-hour Supervising for Safety for Family Child Care course developed by the  
19.2 commissioner.

19.3 (c) The license holder must ensure and document that, before caring for a child, all  
19.4 substitutes have completed the four-hour Basics of Licensed Family Child Care for  
19.5 Substitutes course developed by the commissioner, which must include health and safety  
19.6 topics as well as child development and learning.

19.7 (d) The family child care license holder and each second adult caregiver shall complete  
19.8 and document:

19.9 (1) the annual completion of either:

19.10 (i) a two-hour active supervision course developed by the commissioner; or

19.11 (ii) any courses in the ensuring safety competency area under the health, safety, and  
19.12 nutrition standard of the Knowledge and Competency Framework that the commissioner  
19.13 has identified as an active supervision training course; and

19.14 (2) the completion at least once every five years of the two-hour courses Health and  
19.15 Safety I and Health and Safety II. When the training is due for the first time or expires, it  
19.16 must be taken no later than the day before the anniversary of the license holder's license  
19.17 effective date. A license holder's or second adult caregiver's completion of either training  
19.18 in a given year meets the annual active supervision training requirement in clause (1).

19.19 (e) At least once every three years, license holders must ensure and document that  
19.20 substitutes have completed the four-hour Basics of Licensed Family Child Care for  
19.21 Substitutes course. When the training expires, it must be retaken no later than the day before  
19.22 the anniversary of the license holder's license effective date.

19.23 **Sec. 5. CHILD CARE CENTER REGULATION MODERNIZATION.**

19.24 (a) The commissioner of human services shall contract with an experienced and  
19.25 independent organization or individual consultant to conduct the work outlined in this  
19.26 section. If practicable, the commissioner must contract with the National Association for  
19.27 Regulatory Administration.

19.28 (b) The consultant must develop a proposal for revised licensing standards that includes  
19.29 a risk-based model for monitoring compliance with child care center licensing standards,  
19.30 grounded in national regulatory best practices. Violations in the new model must be weighted  
19.31 to reflect the potential risk that the violations pose to children's health and safety, and  
19.32 licensing sanctions must be tied to the potential risk. The proposed new model must protect

20.1 the health and safety of children in child care centers and be child-centered, family-friendly,  
20.2 and fair to providers.

20.3 (c) The consultant shall develop and implement a stakeholder engagement process that  
20.4 solicits input from parents, licensed child care centers, staff of the Department of Human  
20.5 Services, and experts in child development about appropriate licensing standards, appropriate  
20.6 tiers for violations of the standards based on the potential risk of harm that each violation  
20.7 poses, and appropriate licensing sanctions for each tier.

20.8 (d) The consultant shall solicit input from parents, licensed child care centers, and staff  
20.9 of the Department of Human Services about which child care centers should be eligible for  
20.10 abbreviated inspections that predict compliance with other licensing standards for licensed  
20.11 child care centers using key indicators previously identified by an empirically based statistical  
20.12 methodology developed by the National Association for Regulatory Administration and the  
20.13 Research Institute for Key Indicators.

20.14 (e) No later than February 1, 2024, the commissioner shall submit a report and proposed  
20.15 legislation required to implement the new licensing model to the chairs and ranking minority  
20.16 members of the legislative committees with jurisdiction over child care regulation.

20.17 **Sec. 6. FAMILY CHILD CARE REGULATION MODERNIZATION.**

20.18 (a) The commissioner of human services shall contract with an experienced and  
20.19 independent organization or individual consultant to conduct the work outlined in this  
20.20 section. If practicable, the commissioner must contract with the National Association for  
20.21 Regulatory Administration.

20.22 (b) The consultant must develop a proposal for updated family child care licensing  
20.23 standards and solicit input from stakeholders as described in paragraph (d).

20.24 (c) The consultant must develop a proposal for a risk-based model for monitoring  
20.25 compliance with family child care licensing standards, grounded in national regulatory best  
20.26 practices. Violations in the new model must be weighted to reflect the potential risk they  
20.27 pose to children's health and safety, and licensing sanctions must be tied to the potential  
20.28 risk. The proposed new model must protect the health and safety of children in family child  
20.29 care programs and be child-centered, family-friendly, and fair to providers.

20.30 (d) The consultant shall develop and implement a stakeholder engagement process that  
20.31 solicits input from parents, licensed family child care providers, county licensors, staff of  
20.32 the Department of Human Services, and experts in child development about licensing

21.1 standards, tiers for violations of the standards based on the potential risk of harm that each  
21.2 violation poses, and licensing sanctions for each tier.

21.3 (e) The consultant shall solicit input from parents, licensed family child care providers,  
21.4 county licensors, and staff of the Department of Human Services about which family child  
21.5 care providers should be eligible for abbreviated inspections that predict compliance with  
21.6 other licensing standards for licensed family child care providers using key indicators  
21.7 previously identified by an empirically based statistical methodology developed by the  
21.8 National Association for Regulatory Administration and the Research Institute for Key  
21.9 Indicators.

21.10 (f) No later than February 1, 2024, the commissioner shall submit a report and proposed  
21.11 legislation required to implement the new licensing model and the new licensing standards  
21.12 to the chairs and ranking minority members of the legislative committees with jurisdiction  
21.13 over child care regulation.

21.14 **Sec. 7. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FAMILY**  
21.15 **CHILD CARE ONE-STOP ASSISTANCE NETWORK.**

21.16 By January 1, 2022, the commissioner of human services shall, in consultation with  
21.17 county agencies, providers, and other relevant stakeholders, develop a proposal to create,  
21.18 advertise, and implement a one-stop regional assistance network comprised of individuals  
21.19 who have experience starting a licensed family or group family child care program or  
21.20 technical expertise regarding the applicable licensing statutes and procedures, in order to  
21.21 assist individuals with matters relating to starting or sustaining a licensed family or group  
21.22 family child care program. The proposal shall include an estimated timeline for  
21.23 implementation of the assistance network, an estimated budget of the cost of the assistance  
21.24 network, and any necessary legislative proposals to implement the assistance network. The  
21.25 proposal shall also include a plan to raise awareness and distribute contact information for  
21.26 the assistance network to all licensed family or group family child care providers.

21.27 **Sec. 8. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**  
21.28 **RECOMMENDED FAMILY CHILD CARE ORIENTATION TRAINING.**

21.29 (a) By July 1, 2022, the commissioner of human services shall develop, in consultation  
21.30 with licensed family child care providers and representatives from counties, recommended  
21.31 orientation training for family child care license applicants to ensure that all family child  
21.32 care license applicants have access to information about Minnesota Statutes, chapters 245A  
21.33 and 245C, and Minnesota Rules, chapter 9502.

22.1 (b) The orientation training is voluntary and completion of the orientation is not required  
22.2 to receive or maintain a family child care license.

22.3 Sec. 9. **FAMILY CHILD CARE TRAINING ADVISORY COMMITTEE.**

22.4 Subdivision 1. **Formation; duties.** (a) The Family Child Care Training Advisory  
22.5 Committee shall advise the commissioner of human services on the training requirements  
22.6 for licensed family and group family child care providers. Beginning January 1, 2022, the  
22.7 advisory committee shall meet at least twice per year. The advisory committee shall annually  
22.8 elect a chair from among its members who shall establish the agenda for each meeting. The  
22.9 commissioner or commissioner's designee shall attend all advisory committee meetings.

22.10 (b) The Family Child Care Training Advisory Committee shall advise and make  
22.11 recommendations to the commissioner of human services and the contractors working on  
22.12 the family child care licensing modernization project on:

22.13 (1) updates to the rules and statutes governing family child care training, including  
22.14 technical updates to facilitate providers' understanding of training requirements;

22.15 (2) difficulties facing family child care providers in completing training requirements,  
22.16 including proposed solutions to provider difficulties; and

22.17 (3) other ideas for improving access to and quality of training for family child care  
22.18 providers.

22.19 (c) The Family Child Care Training Advisory Committee shall expire December 1, 2025.

22.20 Subd. 2. **Advisory committee members.** (a) The Family Child Care Training Advisory  
22.21 Committee consists of:

22.22 (1) four members representing family child care providers from greater Minnesota,  
22.23 including two appointed by the speaker of the house and two appointed by the senate majority  
22.24 leader;

22.25 (2) two members representing family child care providers from the metropolitan area  
22.26 as defined in Minnesota Statutes, section 473.121, subdivision 2, including one appointed  
22.27 by the speaker of the house and one appointed by the senate majority leader;

22.28 (3) one member appointed by the Minnesota Association of Child Care Professionals;

22.29 (4) one member appointed by the Minnesota Child Care Provider Information Network;

23.1 (5) two members appointed by the Association of Minnesota Child Care Licensors,  
 23.2 including one from greater Minnesota and one from the metropolitan area, as defined in  
 23.3 Minnesota Statutes, section 473.121, subdivision 2; and

23.4 (6) five members with experience in child development, instructional design, and training  
 23.5 delivery, with:

23.6 (i) one member appointed by Child Care Aware of Minnesota;

23.7 (ii) one member appointed by the Minnesota Initiative Foundations;

23.8 (iii) one member appointed by the Center for Inclusive Child Care;

23.9 (iv) one member appointed by the Greater Minnesota Partnership; and

23.10 (v) one member appointed by Achieve, the Minnesota Center for Professional  
 23.11 Development.

23.12 (b) Advisory committee members shall not be employed by the Department of Human  
 23.13 Services. Advisory committee members shall receive no compensation for their participation  
 23.14 in the advisory committee.

23.15 (c) Advisory committee members must include representatives of diverse cultural  
 23.16 communities.

23.17 (d) Advisory committee members shall serve two-year terms. Initial appointments to  
 23.18 the advisory committee must be made by December 1, 2021. Subsequent appointments to  
 23.19 the advisory committee must be made by December 1 of the year in which the member's  
 23.20 term expires.

23.21 Subd. 3. **Commissioner report.** The commissioner of human services shall report  
 23.22 annually by November 1 to the chairs and ranking minority members of the legislative  
 23.23 committees with jurisdiction over early care and education programs on any recommendations  
 23.24 from the Family Child Care Training Advisory Committee.

### 23.25 **ARTICLE 3**

#### 23.26 **MISCELLANEOUS HEALTH AND HUMAN SERVICES POLICIES**

23.27 **Section 1. [119B.195] RETAINING EARLY EDUCATORS THROUGH ATTAINING**  
 23.28 **INCENTIVES NOW (REETAIN) GRANT PROGRAM.**

23.29 Subdivision 1. **Establishment; purpose.** The retaining early educators through attaining  
 23.30 incentives now (REETAIN) grant program is established to provide competitive grants to

24.1 incentivize well-trained child care professionals to remain in the workforce. The overall  
24.2 goal of the REETAIN grant program is to create more consistent care for children over time.

24.3 Subd. 2. **Administration.** The commissioner shall administer the REETAIN grant  
24.4 program through a grant to a nonprofit with the demonstrated ability to manage benefit  
24.5 programs for child care professionals. Up to ten percent of grant money may be used for  
24.6 administration of the grant program.

24.7 Subd. 3. **Application.** Applicants must apply for the REETAIN grant program using  
24.8 the forms and according to timelines established by the commissioner.

24.9 Subd. 4. **Eligibility.** (a) To be eligible for a grant, an applicant must:

24.10 (1) be licensed to provide child care or work for a licensed child care program;

24.11 (2) work directly with children at least 30 hours per week;

24.12 (3) have worked in the applicant's current position for at least 12 months;

24.13 (4) agree to work in the early childhood care and education field for at least 12 months  
24.14 upon receiving a grant under this section;

24.15 (5) have a career lattice step of five or higher;

24.16 (6) have a current membership with the Minnesota quality improvement and registry  
24.17 tool;

24.18 (7) not be a current teacher education and compensation helps scholarship recipient; and

24.19 (8) meet any other requirements determined by the commissioner.

24.20 (b) Grant recipients must sign a contract agreeing to remain in the early childhood care  
24.21 and education field for 12 months.

24.22 Subd. 5. **Grant awards.** Grant awards must be made annually and may be made up to  
24.23 an amount per recipient determined by the commissioner. Grant recipients may use grant  
24.24 money for program supplies, training, or personal expenses.

24.25 Subd. 6. **Report.** By January 1 each year, the commissioner must report to the legislative  
24.26 committees with jurisdiction over child care about the number of grants awarded to recipients  
24.27 and outcomes of the grant program since the last report.

24.28 Sec. 2. Minnesota Statutes 2020, section 136A.128, subdivision 2, is amended to read:

24.29 Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

25.1 (1) tuition scholarships up to ~~\$5,000~~ \$10,000 per year for courses leading to the nationally  
 25.2 recognized child development associate credential or college-level courses leading to an  
 25.3 associate's degree or bachelor's degree in early childhood development and school-age care;  
 25.4 and

25.5 (2) education incentives of a minimum of ~~\$100~~ \$250 to participants in the tuition  
 25.6 scholarship program if they complete a year of working in the early care and education  
 25.7 field.

25.8 (b) Applicants for the scholarship must be employed by a licensed early childhood or  
 25.9 child care program and working directly with children, a licensed family child care provider,  
 25.10 employed by a public prekindergarten program, or an employee in a school-age program  
 25.11 exempt from licensing under section 245A.03, subdivision 2, paragraph (a), clause (12).  
 25.12 Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship  
 25.13 recipients must contribute at least ten percent of the total scholarship and must be sponsored  
 25.14 by their employers, who must also contribute ~~ten~~ at least five percent of the total scholarship.  
 25.15 Scholarship recipients who are self-employed must contribute 20 percent of the total  
 25.16 scholarship.

25.17 Sec. 3. Minnesota Statutes 2020, section 136A.128, subdivision 4, is amended to read:

25.18 Subd. 4. **Administration.** A nonprofit organization that receives a grant under this  
 25.19 section may use ~~five~~ ten percent of the grant amount to administer the program.

25.20 Sec. 4. Minnesota Statutes 2020, section 144.225, subdivision 2, is amended to read:

25.21 Subd. 2. **Data about births.** (a) Except as otherwise provided in this subdivision, data  
 25.22 pertaining to the birth of a child to a woman who was not married to the child's father when  
 25.23 the child was conceived nor when the child was born, including the original record of birth  
 25.24 and the certified vital record, are confidential data. At the time of the birth of a child to a  
 25.25 woman who was not married to the child's father when the child was conceived nor when  
 25.26 the child was born, the mother may designate demographic data pertaining to the birth as  
 25.27 public. Notwithstanding the designation of the data as confidential, it may be disclosed:

25.28 (1) to a parent or guardian of the child;

25.29 (2) to the child when the child is 16 years of age or older;

25.30 (3) under paragraph (b), (e), ~~or~~ (f), or (g); or

25.31 (4) pursuant to a court order. For purposes of this section, a subpoena does not constitute  
 25.32 a court order.

26.1 (b) Unless the child is adopted, data pertaining to the birth of a child that are not accessible  
26.2 to the public become public data if 100 years have elapsed since the birth of the child who  
26.3 is the subject of the data, or as provided under section 13.10, whichever occurs first.

26.4 (c) If a child is adopted, data pertaining to the child's birth are governed by the provisions  
26.5 relating to adoption records, including sections 13.10, subdivision 5; 144.218, subdivision  
26.6 1; 144.2252; and 259.89.

26.7 (d) The name and address of a mother under paragraph (a) and the child's date of birth  
26.8 may be disclosed to the county social services, tribal health department, or public health  
26.9 member of a family services collaborative for purposes of providing services under section  
26.10 124D.23.

26.11 (e) The commissioner of human services shall have access to birth records for:

26.12 (1) the purposes of administering medical assistance and the MinnesotaCare program;

26.13 (2) child support enforcement purposes; and

26.14 (3) other public health purposes as determined by the commissioner of health.

26.15 (f) Tribal child support programs shall have access to birth records for child support  
26.16 enforcement purposes.

26.17 (g) An entity administering a children's savings program that starts at birth shall have  
26.18 access to birth records for the purpose of opening an account in the program for the child  
26.19 as a beneficiary. For purposes of this paragraph, "children's savings program" means a  
26.20 long-term savings or investment program that helps children and their families build savings  
26.21 for the future.

26.22 **Sec. 5. REPORT ON PARTICIPATION IN EARLY CHILDHOOD PROGRAMS**  
26.23 **BY CHILDREN IN FOSTER CARE.**

26.24 Subdivision 1. Reporting requirement. (a) The commissioner of human services shall  
26.25 report on the participation in early care and education programs by children under age six  
26.26 who have experienced foster care, as defined in Minnesota Statutes, section 260C.007,  
26.27 subdivision 18, at any time during the reporting period.

26.28 (b) For purposes of this section, "early care and education program" means Early Head  
26.29 Start and Head Start under the federal Improving Head Start for School Readiness Act of  
26.30 2007; special education programs under Minnesota Statutes, chapter 125A; early learning  
26.31 scholarships under Minnesota Statutes, section 124D.165; school readiness under Minnesota  
26.32 Statutes, sections 124D.15 and 124D.16; school readiness plus under Laws 2017, First

27.1 Special Session chapter 5, article 8, section 9; voluntary prekindergarten under Minnesota  
27.2 Statutes, section 124D.151; child care assistance under Minnesota Statutes, chapter 119B;  
27.3 and other programs as determined by the commissioner.

27.4 Subd. 2. **Report content.** (a) The report shall provide counts and rates of participation  
27.5 by early care and education program and child's race, ethnicity, age, and county of residence.  
27.6 The report shall use the most current administrative data and systems, including the Early  
27.7 Childhood Longitudinal Data System, and include recommendations for collecting any  
27.8 other administrative data listed in this paragraph that is not currently available.

27.9 (b) The report shall include recommendations to:

27.10 (1) provide the data described in paragraph (a) on an annual basis as part of the report  
27.11 required under Minnesota Statutes, section 257.0725;

27.12 (2) facilitate children's continued participation in early care and education programs  
27.13 after reunification, adoption, or transfer of permanent legal and physical custody; and

27.14 (3) regularly report measures of early childhood well-being for children who have  
27.15 experienced foster care. "Measures of early childhood well-being" include administrative  
27.16 data from developmental screenings, school readiness assessments, well-child medical visits,  
27.17 and other sources as determined by the commissioner, in consultation with the commissioners  
27.18 of health, education, and management and budget, county social service and public health  
27.19 agencies, and school districts.

27.20 (c) The report shall include an implementation plan to increase the rates of participation  
27.21 among children and their foster families in early care and education programs, including  
27.22 processes for referrals and follow-up. The plan shall be developed in collaboration with  
27.23 affected communities and families, incorporating their experiences and feedback.

27.24 Representatives from county public health agencies; county social service agencies, including  
27.25 child protection services; early childhood care and education providers; the judiciary; and  
27.26 school districts must collaborate on the plan's development and implementation strategy.

27.27 (d) The report shall identify barriers to be addressed to ensure that early care and  
27.28 education programs are responsive to the cultural, logistical, and racial equity concerns and  
27.29 needs of children's foster families and families of origin, and the report shall identify methods  
27.30 to ensure the experiences and feedback from children's foster families and families of origin  
27.31 are included in the ongoing implementation of early care and education programs.

27.32 Subd. 3. **Submission to legislature.** By January 15, 2022, the commissioner shall submit  
27.33 an interim progress report, including identification of potential administrative data sources

28.1 and barriers and a listing of plan development participants, and by June 30, 2022, the  
28.2 commissioner shall submit the final report required under this section to the legislative  
28.3 committees with jurisdiction over early care and education programs.

28.4 **Sec. 6. CHILDREN WITH DISABILITIES INCLUSIVE CHILD CARE ACCESS**  
28.5 **EXPANSION GRANT PROGRAM.**

28.6 Subdivision 1. **Establishment.** (a) The commissioner of human services shall establish  
28.7 a competitive grant program to expand access to licensed family child care providers or  
28.8 licensed child care centers for children with disabilities including medical complexities.  
28.9 The commissioner shall award grants to counties or tribes, including at least one county  
28.10 from the seven-county metropolitan area and at least one county or tribe outside the  
28.11 seven-county metropolitan area, and grant funds shall be used to enable child care providers  
28.12 to develop an inclusive child care setting and offer care to children with disabilities and  
28.13 children without disabilities. Grants shall be awarded to at least two applicants beginning  
28.14 no later than December 1, 2021.

28.15 (b) For purposes of this section, "child with a disability" means a child who has a  
28.16 substantial delay or has an identifiable physical, medical, emotional, or mental condition  
28.17 that hinders development.

28.18 (c) For purposes of this section, "inclusive child care setting" means child care provided  
28.19 in a manner that serves children with disabilities in the same setting as children without  
28.20 disabilities.

28.21 Subd. 2. **Commissioner's duties.** To administer the grant program, the commissioner  
28.22 shall:

28.23 (1) consult with relevant stakeholders to develop a request for proposals that at least  
28.24 requires grant applicants to identify the items or services, and estimated accompanying costs  
28.25 where possible, needed to expand access to inclusive child care settings for children with  
28.26 disabilities;

28.27 (2) develop procedures for data collection, qualitative and quantitative measurement of  
28.28 grant program outcomes, and reporting requirements for grant recipients;

28.29 (3) convene a working group of grant recipients, partner child care providers, and  
28.30 participating families to assess progress on grant activities, share best practices, and collect  
28.31 and review data on grant activities; and

28.32 (4) by February 1, 2023, provide a report to the chairs and ranking minority members  
28.33 of the legislative committees with jurisdiction over early childhood programs on the activities

29.1 and outcomes of the grant program, with legislative recommendations for implementing  
29.2 inclusive child care settings statewide. The report shall be made available to the public.

29.3 Subd. 3. **Grant activities.** Grant recipients shall use grant funds for the cost of facility  
29.4 modifications, resources, or services necessary to expand access to inclusive child care  
29.5 settings for children with disabilities, including:

29.6 (1) onetime needs to equip a child care setting to serve children with disabilities, including  
29.7 but not limited to environmental modifications; accessibility modifications; sensory  
29.8 adaptation; training materials and staff time for training, including for substitutes; or  
29.9 equipment purchases, including durable medical equipment;

29.10 (2) ongoing medical or disability-related services for children with disabilities in inclusive  
29.11 child care settings, including but not limited to mental health supports; inclusion specialist  
29.12 services; home care nursing; behavioral supports; coaching or training for staff and  
29.13 substitutes; substitute teaching time; or additional child care staff, an enhanced rate, or  
29.14 another mechanism to increase staff-to-child ratio; and

29.15 (3) other expenses determined by the grant recipient and each partner child care provider  
29.16 to be necessary to establish an inclusive child care setting and serve children with disabilities  
29.17 at the provider's location.

29.18 Subd. 4. **Requirements for grant recipients.** Upon receipt of grant funds and throughout  
29.19 the grant period, grant recipients shall:

29.20 (1) partner with at least two but no more than five child care providers, each of which  
29.21 must meet one of the following criteria:

29.22 (i) serve 29 or fewer children, including at least two children with a disability who are  
29.23 not a family member of the child care provider if the participating child care provider is a  
29.24 family child care provider; or

29.25 (ii) serve more than 30 children, including at least three children with a disability;

29.26 (2) develop and follow a process to ensure that grant funding is used to support children  
29.27 with disabilities who, without the additional supports made available through the grant,  
29.28 would have difficulty accessing an inclusive child care setting;

29.29 (3) pursue funding for ongoing services needed for children with disabilities in inclusive  
29.30 child care settings, such as Medicaid or private health insurance coverage; additional grant  
29.31 funding; or other funding sources;

30.1 (4) explore and seek opportunities to use existing federal funds to provide ongoing  
30.2 support to family child care providers or child care centers serving children with disabilities.  
30.3 Grant recipients shall seek to minimize family financial obligations for child care for a child  
30.4 with disabilities beyond what child care would cost for a child without disabilities; and

30.5 (5) identify and utilize training resources for child care providers, where available and  
30.6 applicable, for at least one of the grant recipient's partner child care providers.

30.7 Subd. 5. **Reporting.** Grant recipients shall report to the commissioner every six months,  
30.8 in a manner specified by the commissioner, on the following:

30.9 (1) the number, type, and cost of additional supports needed to serve children with  
30.10 disabilities in inclusive child care settings;

30.11 (2) best practices for billing;

30.12 (3) availability and use of funding sources other than through the grant program;

30.13 (4) processes for identifying families of children with disabilities who could benefit  
30.14 from grant activities and connecting them with a child care provider interested in serving  
30.15 them;

30.16 (5) processes and eligibility criteria used to determine whether a child is a child with a  
30.17 disability and means of prioritizing grant funding to serve children with significant support  
30.18 needs associated with their disability; and

30.19 (6) any other information deemed relevant by the commissioner.

30.20 Sec. 7. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FAMILY**  
30.21 **CHILD CARE SHARED SERVICES INNOVATION GRANTS.**

30.22 The commissioner of human services shall establish a grant program to test strategies  
30.23 by which family child care providers could share services and thereby achieve economies  
30.24 of scale. The commissioner shall report the results of the grant program to the legislative  
30.25 committees with jurisdiction over early care and education programs.

30.26 Sec. 8. **REVISOR INSTRUCTION.**

30.27 The revisor of statutes shall renumber Minnesota Statutes, section 136A.128, as a section  
30.28 in Minnesota Statutes, chapter 119B. The revisor shall also make necessary cross-reference  
30.29 changes consistent with the renumbering.

## ARTICLE 4

## EARLY EDUCATION

Section 1. Minnesota Statutes 2020, section 119A.52, is amended to read:

**119A.52 DISTRIBUTION OF APPROPRIATION.**

(a) The commissioner of education must distribute money appropriated for that purpose to federally designated Head Start programs to expand services and to serve additional low-income children. ~~Migrant and Indian reservation programs must be initially allocated money based on the programs' share of federal funds.~~ in the following order: (1) 10.72 percent of the total Head Start appropriation shall be allocated to federally designated tribal Head Start programs; (2) the tribal Head Start portion of the appropriation shall be allocated to tribal Head Start programs based on the programs' share of federal funds; and (3) migrant programs must then be initially allocated funding based on the programs' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start program must be funded at a per child rate equal to its contracted, federally funded base level at the start of the fiscal year. For all agencies without a federal Early Head Start rate, the state average federal cost per child for Early Head Start applies. In allocating funds under this paragraph, the commissioner of education must assure that each Head Start program in existence in 1993 is allocated no less funding in any fiscal year than was allocated to that program in fiscal year 1993. Before paying money to the programs, the commissioner must notify each program of its initial allocation and how the money must be used. Each program must present a plan under section 119A.535. For any program that cannot utilize its full allocation at the beginning of the fiscal year, the commissioner must reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible programs.

(b) The commissioner must develop procedures to make payments to programs based upon the number of children reported to be enrolled during the required time period of program operations. Enrollment is defined by federal Head Start regulations. The procedures must include a reporting schedule, corrective action plan requirements, and financial consequences to be imposed on programs that do not meet full enrollment after the period of corrective action. Programs reporting chronic underenrollment, as defined by the commissioner, will have their subsequent program year allocation reduced proportionately. Funds made available by prorating payments and allocations to programs with reported

32.1 underenrollment will be made available to the extent funds exist to fully enrolled Head Start  
32.2 programs through a form and manner prescribed by the department.

32.3 (c) Programs with approved innovative initiatives that target services to high-risk  
32.4 populations, including homeless families and families living in homeless shelters and  
32.5 transitional housing, are exempt from the procedures in paragraph (b). This exemption does  
32.6 not apply to entire programs. The exemption applies only to approved innovative initiatives  
32.7 that target services to high-risk populations, including homeless families and families living  
32.8 in homeless shelters, transitional housing, and permanent supportive housing.

32.9 Sec. 2. 122A.261 PREKINDERGARTEN, SCHOOL READINESS, PRESCHOOL,  
32.10 AND EARLY EDUCATION PROGRAMS; LICENSURE REQUIREMENT.

32.11 Subdivision 1. Licensure requirement. A school district or charter school must employ  
32.12 a qualified teacher, as defined in section 122A.16, to provide instruction in a preschool,  
32.13 school readiness, school readiness plus, prekindergarten, or other school district or charter  
32.14 school-based early education program.

32.15 Subd. 2. Exemptions. A person employed by a school district or charter school as a  
32.16 teacher in an early education program during the 2020-2021 school year who does not have  
32.17 a Minnesota teaching license is exempt from the licensure requirement until July 1, 2026,  
32.18 or until such time as the teacher is able to obtain a Minnesota teaching license, whichever  
32.19 occurs first. Notwithstanding this exemption from the licensure requirement, these individuals  
32.20 are teachers under section 179A.03, subdivision 18.

32.21 Sec. 3. Minnesota Statutes 2020, section 124D.1158, is amended to read:

32.22 **124D.1158 SCHOOL BREAKFAST PROGRAM.**

32.23 Subdivision 1. **Purpose.** The purpose of the school breakfast program is to provide  
32.24 affordable morning nutrition to children so that they can effectively learn. Public and  
32.25 nonpublic schools that participate in the federal school breakfast program may receive state  
32.26 breakfast aid. Schools shall encourage all children to eat a nutritious breakfast, either at  
32.27 home or at school, and shall work to eliminate barriers to breakfast participation at school  
32.28 such as inadequate facilities and transportation.

32.29 Subd. 2. **Program; eligibility.** Each school year, public and nonpublic schools that  
32.30 participate in the federal school breakfast program are eligible for the state breakfast program.

32.31 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse each  
32.32 participating school 30 cents for each reduced-price breakfast, 55 cents for each fully paid

33.1 breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast served  
33.2 to a prekindergarten student enrolled in an approved voluntary prekindergarten program  
33.3 under section 124D.151, early childhood special education students participating in a program  
33.4 authorized under section 124D.151, or a kindergarten student.

33.5 Subd. 4. **No fees.** A school that receives school breakfast aid under this section must  
33.6 make breakfast available without charge to all participating students in grades 1 to 12 who  
33.7 qualify for free or reduced-price meals and to all prekindergarten students enrolled in an  
33.8 approved voluntary prekindergarten program under section 124D.151, early childhood  
33.9 special education students participating in a program authorized under section 124D.151,  
33.10 and all kindergarten students.

33.11 Sec. 4. Minnesota Statutes 2020, section 124D.13, subdivision 2, is amended to read:

33.12 Subd. 2. **Program requirements.** (a) Early childhood family education programs are  
33.13 programs for children in the period of life from birth to kindergarten, for the parents and  
33.14 other relatives of these children, ~~and~~ for expectant parents, and for alloparents. To the extent  
33.15 that funds are insufficient to provide programs for all children, early childhood family  
33.16 education programs should emphasize programming for a child from birth to age three and  
33.17 encourage parents and other relatives to involve four- and five-year-old children in school  
33.18 readiness programs, and other public and nonpublic early learning programs. A district may  
33.19 not limit participation to school district residents. Early childhood family education programs  
33.20 must provide:

33.21 (1) programs to educate parents and other relatives about the physical, cognitive, social,  
33.22 and emotional development of children and to enhance the skills of parents and other relatives  
33.23 in providing for their children's learning and development;

33.24 (2) structured learning activities requiring interaction between children and their parents  
33.25 or relatives;

33.26 (3) structured learning activities for children that promote children's development and  
33.27 positive interaction with peers, which are held while parents or relatives attend parent  
33.28 education classes;

33.29 (4) information on related community resources;

33.30 (5) information, materials, and activities that support the safety of children, including  
33.31 prevention of child abuse and neglect;

34.1 (6) a community needs assessment that identifies new and underserved populations,  
34.2 identifies child and family risk factors, particularly those that impact children's learning and  
34.3 development, and assesses family and parenting education needs in the community;

34.4 (7) programming and services that are tailored to the needs of families and parents  
34.5 prioritized in the community needs assessment; and

34.6 (8) information about and, if needed, assist in making arrangements for an early childhood  
34.7 health and developmental screening under sections 121A.16 and 121A.17, when the child  
34.8 nears the third birthday.

34.9 Early childhood family education programs should prioritize programming and services  
34.10 for families and parents identified in the community needs assessment, particularly those  
34.11 families and parents with children with the most risk factors birth to age three.

34.12 Early childhood family education programs are encouraged to provide parents of English  
34.13 learners with translated oral and written information to monitor the program's impact on  
34.14 their children's English language development, to know whether their children are progressing  
34.15 in developing their English and native language proficiency, and to actively engage with  
34.16 and support their children in developing their English and native language proficiency.

34.17 The programs must include learning experiences for children, parents, and other relatives  
34.18 that promote children's early literacy and, where practicable, their native language skills  
34.19 and activities for children that require substantial involvement of the children's parents or  
34.20 other relatives. The program may provide parenting education programming or services to  
34.21 anyone identified in the community needs assessment. Providers must review the program  
34.22 periodically to assure the instruction and materials are not racially, culturally, or sexually  
34.23 biased. The programs must encourage parents to be aware of practices that may affect  
34.24 equitable development of children.

34.25 (b) For the purposes of this section, "relative" or "relatives" means noncustodial  
34.26 grandparents or other persons related to a child by blood, marriage, adoption, or foster  
34.27 placement, excluding parents.

34.28 Sec. 5. Minnesota Statutes 2020, section 124D.142, is amended to read:

34.29 **124D.142 QUALITY RATING AND IMPROVEMENT SYSTEM.**

34.30 Subdivision 1. System established. ~~(a)~~ There is established a quality rating and  
34.31 improvement system (QRIS) framework, known as Parent Aware, to ensure that Minnesota's  
34.32 children have access to high-quality early learning and care programs in a range of settings

35.1 so that they are fully ready for kindergarten ~~by 2020. Creation of a standards-based voluntary~~  
 35.2 ~~quality rating and improvement system includes:~~

35.3 Subd. 2. System components. The standards-based, voluntary quality rating and  
 35.4 improvement system includes:

35.5 (1) quality opportunities in order to improve the educational outcomes of children so  
 35.6 that they are ready for school. ~~The;~~

35.7 (2) a framework ~~shall be~~ based on the Minnesota quality rating system rating tool and  
 35.8 a common set of child outcome and program standards and informed by evaluation results;

35.9 ~~(2)~~ (3) a tool to increase the number of publicly funded and regulated early learning and  
 35.10 care services in both public and private market programs that are high quality.;

35.11 (4) voluntary participation that ensures that if a program or provider chooses to participate,  
 35.12 the program or provider will be rated and may receive public funding associated with the  
 35.13 rating. ~~The state shall develop a plan to link future early learning and care state funding to~~  
 35.14 ~~the framework in a manner that complies with federal requirements; and~~

35.15 ~~(3)~~ (5) tracking progress toward statewide access to high-quality early learning and care  
 35.16 programs, progress toward the number of low-income children whose parents can access  
 35.17 quality programs, and progress toward increasing the number of children who are fully  
 35.18 prepared to enter kindergarten.

35.19 ~~(b) In planning a statewide quality rating and improvement system framework in~~  
 35.20 ~~paragraph (a), the state shall use evaluation results of the Minnesota quality rating system~~  
 35.21 ~~rating tool in use in fiscal year 2008 to recommend:~~

35.22 ~~(1) a framework of a common set of child outcome and program standards for a voluntary~~  
 35.23 ~~statewide quality rating and improvement system;~~

35.24 ~~(2) a plan to link future funding to the framework described in paragraph (a), clause (2);~~  
 35.25 ~~and~~

35.26 ~~(3) a plan for how the state will realign existing state and federal administrative resources~~  
 35.27 ~~to implement the voluntary quality rating and improvement system framework. The state~~  
 35.28 ~~shall provide the recommendation in this paragraph to the early childhood education finance~~  
 35.29 ~~committees of the legislature by March 15, 2011.~~

35.30 ~~(c) Prior to the creation of a statewide quality rating and improvement system in paragraph~~  
 35.31 ~~(a), the state shall employ the Minnesota quality rating system rating tool in use in fiscal~~  
 35.32 ~~year 2008 in the original Minnesota Early Learning Foundation pilot areas and additional~~

36.1 ~~pilot areas supported by private or public funds with its modification as a result of the~~  
36.2 ~~evaluation results of the pilot project.~~

36.3 Subd. 3. **Evaluation.** (a) By February 1, 2022, the commissioner of human services  
36.4 must arrange an independent evaluation of the quality rating and improvement system's  
36.5 effectiveness and impact on:

36.6 (1) children's progress toward school readiness;

36.7 (2) the quality of the early learning and care system supply and workforce;

36.8 (3) parents' ability to access and use meaningful information about early learning and  
36.9 care program quality; and

36.10 (4) providers' ability to serve children and families, particularly those from racially,  
36.11 ethnically, or culturally diverse backgrounds.

36.12 (b) The evaluation must be performed by a staff member from another agency or a  
36.13 consultant. An evaluator must have experience in program evaluation and must not be  
36.14 regularly involved in implementation of the quality rating and improvement system.

36.15 (c) The evaluation findings, along with the commissioner's recommendations for  
36.16 revisions, potential future evaluations, and plans for continuous improvement, must be  
36.17 reported to the chairs and ranking members of the legislative committees with jurisdiction  
36.18 over early childhood programs by December 31, 2024.

36.19 (d) At a minimum, the evaluation must:

36.20 (1) analyze the effectiveness of the quality rating and improvement system, including  
36.21 but not limited to reviewing:

36.22 (i) whether quality indicators and measures used in the quality rating and improvement  
36.23 system are consistent with evidence and research findings on early learning and care program  
36.24 quality; and

36.25 (ii) patterns or differences in observed quality of participating early learning and care  
36.26 programs in comparison to programs at other quality rating and improvement system star  
36.27 rating levels and accounting for other factors;

36.28 (2) perform evidence-based assessments of children's developmental gains in ways that  
36.29 are appropriate for children's linguistic and cultural backgrounds and are aligned with the  
36.30 state early childhood indicators of progress;

37.1 (3) analyze the extent to which differences in developmental gains among children  
37.2 correspond to the star ratings of the early learning and care programs, providing disaggregated  
37.3 findings by:

37.4 (i) children's demographic factors, including geographic area, family income level, and  
37.5 racial and ethnic groups;

37.6 (ii) type of provider, including family child care providers, child care centers, Head Start  
37.7 and Early Head Start, and school-based early childhood providers; and

37.8 (iii) any other categories identified by the commissioner, in consultation with the  
37.9 commissioners of health and education or entity performing the evaluation;

37.10 (4) analyze the accessibility for providers to participate in the quality rating and  
37.11 improvement system, including ease of application and supports for a provider to receive  
37.12 or improve a rating, and provide disaggregated findings by children's demographic factors  
37.13 and type of provider, as each is defined in clause (3);

37.14 (5) analyze the availability of providers participating in the quality rating and  
37.15 improvement system to families, and provide disaggregated findings by children's  
37.16 demographic factors and type of provider, as each is defined in clause (3);

37.17 (6) analyze the degree to which the quality rating and improvement system does or does  
37.18 not account for racial, cultural, linguistic, and ethnic diversity when measuring quality; and

37.19 (7) analyze the impact of financial or administrative requirements of the quality rating  
37.20 and improvement system on family child care providers and child care providers serving  
37.21 racially, ethnically, and culturally diverse communities.

37.22 (e) The evaluation must include a comparison of the quality rating and improvement  
37.23 system with at least three other quality metric systems used in other states. The other metric  
37.24 systems chosen must incorporate methods of assessing and monitoring developmental and  
37.25 achievement benchmarks in early care and education settings to assess kindergarten readiness,  
37.26 including for racially, ethnically, and culturally diverse populations.

37.27 Sec. 6. Minnesota Statutes 2020, section 124D.151, subdivision 2, is amended to read:

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

37.30 (1) provide instruction through play-based learning to foster children's social and  
37.31 emotional development, cognitive development, physical and motor development, and

38.1 language and literacy skills, including the native language and literacy skills of English  
38.2 learners, to the extent practicable;

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

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

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

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

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

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

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

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

38.25 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children  
38.26 with at least one licensed teacher;

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

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

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

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

39.10 Sec. 7. Minnesota Statutes 2020, section 124D.151, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

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

40.21 (d) The limit on participation for the programs as specified in subdivision 6 must initially  
40.22 be allocated among the four groups based on each group's percentage share of the statewide  
40.23 kindergarten enrollment on October 1 of the previous school year. Within each group, the  
40.24 participation limit for fiscal years 2018 and 2019 must first be allocated to school sites  
40.25 approved for aid in the previous year to ensure that those sites are funded for the same  
40.26 number of participants as approved for the previous year. The remainder of the participation  
40.27 limit for each group must be allocated among school sites in priority order until that region's  
40.28 share of the participation limit is reached. If the participation limit is not reached for all  
40.29 groups, the remaining amount must be allocated to the highest priority school sites, as  
40.30 designated under this section, not funded in the initial allocation on a statewide basis. For  
40.31 fiscal year 2020 and later, the participation limit must first be allocated to school sites  
40.32 approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year  
40.33 2018 based on the statewide rankings under paragraph (c).

40.34 (e) ~~One~~ A school site or a mixed delivery site under subdivision 3 is offering a voluntary  
40.35 prekindergarten or a school readiness plus program approved for aid under this subdivision;

41.1 ~~it~~ in fiscal year 2021 shall remain eligible for aid if it continues to meet program  
 41.2 requirements, regardless of changes in the concentration of students eligible for free or  
 41.3 reduced-price lunches.

41.4 (f) If the total number of participants approved based on applications submitted under  
 41.5 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must  
 41.6 notify all school districts and charter schools of the amount that remains available within  
 41.7 30 days of the initial application deadline under paragraph (a), and complete a second round  
 41.8 of allocations based on applications received within 60 days of the initial application deadline.

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

41.12 Sec. 8. Minnesota Statutes 2020, section 124D.151, subdivision 6, is amended to read:

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

41.17 (b) In reviewing applications under subdivision 5, the commissioner must limit the total  
 41.18 number of participants in the voluntary prekindergarten ~~and school readiness plus programs~~  
 41.19 ~~under Laws 2017, First Special Session chapter 5, article 8, section 9, program~~ to not more  
 41.20 than 7,160 participants for fiscal years 2019, 2020, and 2021, and 3,160 participants for  
 41.21 fiscal years 2022 and later.

41.22 Sec. 9. Minnesota Statutes 2020, section 124D.162, is amended to read:

41.23 **124D.162 KINDERGARTEN READINESS ASSESSMENT.**

41.24 Subdivision 1. **Implementation.** (a) The commissioner of education ~~may~~ must implement  
 41.25 a kindergarten readiness assessment ~~representative~~ to:

41.26 (1) identify preparedness of a child for success in school;

41.27 (2) inform instructional decision making;

41.28 (3) improve understanding of connections between kindergarten readiness and later  
 41.29 academic achievement; and

41.30 (4) produce data that can assist in evaluation of the effectiveness of early childhood  
 41.31 programs.

42.1 (b) The commissioner must provide districts and charter schools with a process for  
 42.2 measuring the kindergarten readiness of incoming kindergartners on a comparable basis.  
 42.3 The commissioner must approve one or more measurement tools for district and charter  
 42.4 school use.

42.5 Subd. 2. **Assessment development.** The measurement tools used for assessment must  
 42.6 be based on the Department of Education Kindergarten Readiness Assessment at kindergarten  
 42.7 entrance study research-based, developmentally appropriate, valid and reliable, and aligned  
 42.8 to the state early childhood indicators of progress and kindergarten academic standards.

42.9 Subd. 3. **Reporting.** Beginning in the 2022-2023 school year, every district and charter  
 42.10 school must use the commissioner-provided process. Every district and charter school must  
 42.11 annually report kindergarten readiness results under this section to the department in the  
 42.12 form and manner determined by the commissioner concurrent with the district's and charter  
 42.13 school's world's best workforce report under section 120B.11. The commissioner must  
 42.14 publicly report kindergarten readiness results as part of the performance reports required  
 42.15 under section 120B.36 and consistent with section 120B.35, subdivision 3, paragraph (a),  
 42.16 clause (2).

42.17 Subd. 4. **Longitudinal data system.** Beginning with data reported on incoming  
 42.18 kindergartners in the 2022-2023 school year, the commissioner must integrate kindergarten  
 42.19 readiness data under this section into statewide longitudinal educational data systems.

42.20 Sec. 10. Minnesota Statutes 2020, section 124D.165, subdivision 2, is amended to read:

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

42.23 (1) have an eligible child; and

42.24 (2) have income equal to or less than 185 percent of federal poverty level income in the  
 42.25 current calendar year, or be able to document their child's current participation in the free  
 42.26 and reduced-price lunch program or Child and Adult Care Food Program, National School  
 42.27 Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution  
 42.28 Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections  
 42.29 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act  
 42.30 of 2007; Minnesota family investment program under chapter 256J; child care assistance  
 42.31 programs under chapter 119B; the supplemental nutrition assistance program; or placement  
 42.32 in foster care under section 260C.212.

43.1 (b) An "eligible child" means a child who has not yet enrolled in kindergarten and is;  
 43.2 not yet five years of age on September 1 of the current school year.

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

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

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

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

43.9 (c) Notwithstanding the priorities outlined in subdivision 3 of this section, a child who  
 43.10 has received a scholarship under this section must continue to receive a scholarship each  
 43.11 year until that child is eligible for kindergarten under section 120A.20 and as long as funds  
 43.12 are available.

43.13 (d) Early learning scholarships may not be counted as earned income for the purposes  
 43.14 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota  
 43.15 family investment program under chapter 256J, child care assistance programs under chapter  
 43.16 119B, or Head Start under the federal Improving Head Start for School Readiness Act of  
 43.17 2007.

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

43.23 Sec. 11. Minnesota Statutes 2020, section 124D.165, subdivision 3, is amended to read:

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

43.28 (1) first priority is children who have a parent under age 21 who is pursuing a high school  
 43.29 diploma or a course of study for a high school equivalency test, are in foster care or otherwise  
 43.30 in need of protection or services, or have experienced homelessness in the last 24 months,  
 43.31 as defined under the federal McKinney-Vento Homeless Assistance Act, United States  
 43.32 Code, title 42, section 11434a;

44.1 (2) ~~are in foster care or otherwise in need of protection or services; or~~ second priority  
44.2 is children who are from birth through age two; and

44.3 (3) ~~have experienced homelessness in the last 24 months, as defined under the federal~~  
44.4 ~~McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.~~  
44.5 third priority is children who are age three or four.

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

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

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

44.22 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not  
44.23 been accepted and subsequently enrolled in a rated program within ~~ten~~ three months of the  
44.24 awarding of the scholarship, the scholarship cancels and the recipient must reapply in order  
44.25 to be eligible for another scholarship. If a family is unable to enroll in an eligible program  
44.26 within three months, they may request an extension based on an established set of criteria  
44.27 that would be developed under the commissioner's authority. A child may not be awarded  
44.28 more than one scholarship in a 12-month period.

44.29 (e) A child who receives a scholarship who has not completed development screening  
44.30 under sections 121A.16 to 121A.19 must complete that screening within 90 days of first  
44.31 attending an eligible program or within 90 days after the child's third birthday if awarded  
44.32 a scholarship under the age of three.

44.33 (f) For fiscal year 2017 and later, a school district or Head Start program enrolling  
44.34 scholarship recipients under paragraph (c) may apply to the commissioner, in the form and

45.1 manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of  
45.2 the application, the commissioner must pay each program directly for each approved  
45.3 scholarship recipient enrolled under paragraph (c) according to the metered payment system  
45.4 or another schedule established by the commissioner.

45.5 Sec. 12. **[124D.166] LIMIT ON SCREEN TIME FOR CHILDREN IN PRESCHOOL**  
45.6 **AND KINDERGARTEN.**

45.7 A child in a publicly funded preschool or kindergarten program may not use an  
45.8 individual-use screen, such as a tablet, smartphone, or other digital media, without  
45.9 engagement from a teacher or other students. This section does not apply to a child for  
45.10 whom the school has in effect an individualized family service plan or an individualized  
45.11 education program.

45.12 Sec. 13. Minnesota Statutes 2020, section 124D.59, subdivision 2, is amended to read:

45.13 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten through  
45.14 grade 12, an early childhood special education student under Part B, section 619 of IDEA,  
45.15 or a prekindergarten student enrolled in an approved voluntary prekindergarten program  
45.16 under section 124D.151 or a school readiness plus program who meets the requirements  
45.17 under subdivision 2a or the following requirements:

45.18 (1) the pupil, as declared by a parent or guardian first learned a language other than  
45.19 English, comes from a home where the language usually spoken is other than English, or  
45.20 usually speaks a language other than English; and

45.21 (2) the pupil is determined by a valid assessment measuring the pupil's English language  
45.22 proficiency and by developmentally appropriate measures, which might include observations,  
45.23 teacher judgment, parent recommendations, or developmentally appropriate assessment  
45.24 instruments, to lack the necessary English skills to participate fully in academic classes  
45.25 taught in English.

45.26 (b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in the  
45.27 previous school year took a commissioner-provided assessment measuring the pupil's  
45.28 emerging academic English, shall be counted as an English learner in calculating English  
45.29 learner pupil units under section 126C.05, subdivision 17, and shall generate state English  
45.30 learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff  
45.31 score or is otherwise counted as a nonproficient participant on the assessment measuring  
45.32 the pupil's emerging academic English, or, in the judgment of the pupil's classroom teachers,  
45.33 consistent with section 124D.61, clause (1), the pupil is unable to demonstrate academic

46.1 language proficiency in English, including oral academic language, sufficient to successfully  
46.2 and fully participate in the general core curriculum in the regular classroom.

46.3 (c) Notwithstanding paragraphs (a) and (b), a pupil in early childhood special education  
46.4 or prekindergarten under section 124D.151, through grade 12 shall not be counted as an  
46.5 English learner in calculating English learner pupil units under section 126C.05, subdivision  
46.6 17, and shall not generate state English learner aid under section 124D.65, subdivision 5,  
46.7 if:

46.8 (1) the pupil is not enrolled during the current fiscal year in an educational program for  
46.9 English learners under sections 124D.58 to 124D.64; or

46.10 (2) the pupil has generated seven or more years of average daily membership in Minnesota  
46.11 public schools since July 1, 1996.

46.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2022 and later.

46.13 Sec. 14. Minnesota Statutes 2020, section 126C.05, subdivision 1, is amended to read:

46.14 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age  
46.15 of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in  
46.16 average daily membership enrolled in the district of residence, in another district under  
46.17 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under  
46.18 chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22,  
46.19 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03  
46.20 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

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

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

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

46.31 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled  
46.32 in an approved voluntary prekindergarten program under section 124D.151 is counted as

47.1 the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil  
47.2 units.

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

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

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

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

47.12 ~~(i) For fiscal years 2018 through 2021, A prekindergarten pupil who:~~

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

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

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

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

47.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2022 and later.

47.23 Sec. 15. Minnesota Statutes 2020, section 126C.05, subdivision 3, is amended to read:

47.24 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units for  
47.25 fiscal year 1998 and thereafter must be computed according to this subdivision.

47.26 (a) The compensation revenue concentration percentage for each building in a district  
47.27 equals the product of 100 times the ratio of:

47.28 (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch  
47.29 plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the  
47.30 previous fiscal year; to

48.1 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal  
48.2 year.

48.3 (b) The compensation revenue pupil weighting factor for a building equals the lesser of  
48.4 one or the quotient obtained by dividing the building's compensation revenue concentration  
48.5 percentage by 80.0.

48.6 (c) The compensation revenue pupil units for a building equals the product of:

48.7 (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch  
48.8 and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the  
48.9 previous fiscal year; times

48.10 (2) the compensation revenue pupil weighting factor for the building; times

48.11 (3) .60.

48.12 (d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs under  
48.13 section 124D.151, charter schools, and contracted alternative programs in the first year of  
48.14 operation, compensation revenue pupil units shall be computed using data for the current  
48.15 fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative  
48.16 program begins operation after October 1, compensatory revenue pupil units shall be  
48.17 computed based on pupils enrolled on an alternate date determined by the commissioner,  
48.18 and the compensation revenue pupil units shall be prorated based on the ratio of the number  
48.19 of days of student instruction to 170 days.

48.20 ~~(e) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten seats discontinued~~  
48.21 ~~in fiscal year 2022 due to the reduction in the participation limit under section 124D.151,~~  
48.22 ~~subdivision 6, those discontinued seats must not be used to calculate compensation revenue~~  
48.23 ~~pupil units for fiscal year 2022.~~

48.24 ~~(f)~~ (e) The percentages in this subdivision must be based on the count of individual  
48.25 pupils and not on a building average or minimum.

48.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2022 and later.

48.27 Sec. 16. **AFFORDABLE, HIGH-QUALITY EARLY CARE AND EDUCATION**  
48.28 **FOR ALL FAMILIES.**

48.29 It is the goal of the state for all families to have access to affordable, high-quality early  
48.30 care and education, for children from birth up to age five, that enriches, nurtures, and supports  
48.31 children and their families. The goal will be achieved by:

49.1 (1) creating a system under which no family pays more than seven percent of its income  
49.2 for early care and education;

49.3 (2) ensuring that a child's access to high-quality early care and education is not determined  
49.4 by the child's race, income, or zip code; and

49.5 (3) increasing compensation, credentials, and professional development opportunities  
49.6 for the early care and education workforce.

49.7 **Sec. 17. GREAT START FOR ALL MINNESOTA CHILDREN TASK FORCE.**

49.8 Subdivision 1. **Establishment.** The Great Start for All Minnesota Children Task Force  
49.9 is established to develop strategies that will meet the goal of all families in the state having  
49.10 access to affordable, high-quality early care and education, for children from birth up to  
49.11 age five, that enriches, nurtures, and supports children and their families.

49.12 Subd. 2. **Membership.** (a) The task force shall consist of the following 21 voting  
49.13 members, appointed by the governor or governor's designee, except as otherwise specified:

49.14 (1) two members of the house of representatives, appointed first from the majority party  
49.15 by the speaker of the house and second from the minority party by the minority leader. One  
49.16 of the members must represent a district outside of the seven-county metropolitan area, and  
49.17 one member must represent a district that includes the seven-county metropolitan area. The  
49.18 appointment by the minority leader must ensure that the requirement for geographic diversity  
49.19 in appointments is met;

49.20 (2) two members of the senate, appointed first from the majority party by the majority  
49.21 leader and second from the minority party by the minority leader. One of the members must  
49.22 represent a district outside of the seven-county metropolitan area, and one member must  
49.23 represent a district that includes the seven-county metropolitan area. The appointment by  
49.24 the minority leader must ensure that the requirement for geographic diversity in appointments  
49.25 is met;

49.26 (3) one individual who is the director of a licensed child care center with at least 50  
49.27 percent of its enrolled children eligible for or currently receiving public assistance for early  
49.28 care and education;

49.29 (4) two individuals who are license holders of family child care programs, one from  
49.30 greater Minnesota and one from the seven-county metropolitan area;

49.31 (5) one individual who is both a licensed early childhood teacher and a member of a  
49.32 licensed early childhood educator union;

50.1 (6) two parents of children under the age of five who are enrolled in early care and  
50.2 education programs, one parent from greater Minnesota and one parent from the seven-county  
50.3 metropolitan area;

50.4 (7) one representative of an organization that organizes licensed child care centers and  
50.5 employees;

50.6 (8) one representative from the statewide child care resource and referral network, known  
50.7 as Child Care Aware;

50.8 (9) one representative of a trade organization representing the interests of licensed child  
50.9 care centers;

50.10 (10) one representative of a federally recognized tribe;

50.11 (11) one representative from the Minnesota Association of County Social Service  
50.12 Administrators;

50.13 (12) one nationally recognized expert in early care and education financing;

50.14 (13) one representative from an association representing business interests;

50.15 (14) one representative of a statewide advocacy organization that supports and promotes  
50.16 early childhood education and welfare;

50.17 (15) one representative from the Minnesota Head Start Association;

50.18 (16) one representative from an organization representing community education directors;  
50.19 and

50.20 (17) one representative from the Children's Cabinet.

50.21 (b) One representative from each of the following state agencies shall serve as a nonvoting  
50.22 member of the task force who participates in meetings and provides data and information  
50.23 to the task force upon request:

50.24 (1) the Department of Education;

50.25 (2) the Department of Employment and Economic Development;

50.26 (3) the Department of Health;

50.27 (4) the Department of Human Services;

50.28 (5) the Department of Labor and Industry;

50.29 (6) the Department of Management and Budget; and

50.30 (7) the Department of Revenue.

51.1 Subd. 3. **Administration.** (a) The governor must select a chair or cochair for the task  
51.2 force from among the voting members. The first task force meeting shall be convened by  
51.3 the chair or cochair and held no later than September 1, 2021. Thereafter, the chair or  
51.4 cochair shall convene the task force at least monthly and may convene other meetings as  
51.5 necessary. The chair or cochair shall convene meetings in a manner to allow for access  
51.6 from diverse geographic locations in Minnesota.

51.7 (b) Members of the task force shall serve without compensation.

51.8 (c) The commissioner of management and budget shall provide staff and administrative  
51.9 services for the task force.

51.10 (d) The task force shall expire upon submission of the final report required under  
51.11 subdivision 8.

51.12 (e) The duties of the task force in this section shall be transferred to an applicable state  
51.13 agency if specifically authorized under law to carry out such duties.

51.14 (f) The task force is subject to Minnesota Statutes, chapter 13D.

51.15 Subd. 4. **Plan development.** (a) The task force must develop a plan to achieve the goal  
51.16 outlined in subdivision 1 by 2031. The plan must incorporate strategies that:

51.17 (1) create a system under which no family pays more than seven percent of its income  
51.18 for early care and education;

51.19 (2) ensure that a child's access to high-quality early care and education is not determined  
51.20 by the child's race, income, or zip code; and

51.21 (3) increase compensation to at least a livable wage and increase professional development  
51.22 and credentialing opportunities for the early care and education workforce, which includes  
51.23 but is not limited to early educators working in Head Start, family child care, child care  
51.24 centers, school-based programs, and early childhood special education.

51.25 (b) Development of the strategies must incorporate or otherwise take into account the  
51.26 factors identified in subdivisions 5 and 6.

51.27 Subd. 5. **Affordable, high-quality early care and education.** In developing the plan  
51.28 under subdivision 4, the task force must:

51.29 (1) identify the benefit mechanisms, financing mechanisms, and infrastructure under  
51.30 which families will access financial assistance so early care and education is affordable;

51.31 (2) describe how the plan will be administered, including the roles for state agencies,  
51.32 local government agencies, and community-based organizations;

52.1 (3) describe how the plan will maintain and encourage the further development of  
52.2 Minnesota's mixed-delivery system for early care and education;

52.3 (4) consider the recommendations from previous work including the Transforming  
52.4 Minnesota's Early Childhood Workforce project;

52.5 (5) consider how provider payment rates will be determined and updated under a seven  
52.6 percent cap; and

52.7 (6) consider how the state can develop and implement diverse methods of assessing and  
52.8 monitoring developmental and achievement benchmarks in early care and education settings  
52.9 to assess kindergarten readiness.

52.10 Subd. 6. **Workforce compensation.** In developing the plan under subdivision 4, the  
52.11 task force must:

52.12 (1) endeavor to preserve and increase racial and ethnic equity and diversity in the early  
52.13 care and education workforce and recognize the value of cultural competency and  
52.14 multilingualism;

52.15 (2) include a salary floor that supports recruitment and retention of a qualified workforce  
52.16 in every early care and education setting;

52.17 (3) consider the need for and development of a mechanism that ties provider  
52.18 reimbursement rates to employee compensation;

52.19 (4) consider how compensation standards for early educators will apply at both child  
52.20 care centers and family child care programs;

52.21 (5) increase compensation to incentivize advancements in relevant higher education  
52.22 credentials, training, years of experience, and credential equivalencies, including certified  
52.23 demonstrations of competencies developed through apprenticeships, peer learning models,  
52.24 and community-based training; and

52.25 (6) set compensation for the early care and education workforce by reference to  
52.26 compensation for licensed elementary school teachers, and consider differentiating base  
52.27 compensation for:

52.28 (i) varying levels of responsibility, including but not limited to center directors, assistant  
52.29 directors, lead teachers, assistant teachers, paraprofessionals, family child license holders,  
52.30 second adult caregivers, substitutes, and helpers; and

52.31 (ii) different geographic areas of the state.

53.1 Subd. 7. **Implementation timeline.** The task force must develop an implementation  
53.2 timeline for the plan developed under subdivision 4 that phases in the plan over a period of  
53.3 no more than six years, beginning in July 2025 and finishing no later than July 2031. In  
53.4 developing the implementation timeline, the task force must consider:

53.5 (1) how to simultaneously apply the seven percent cap to as many families as possible  
53.6 while minimizing disruptions in the availability and cost of currently available early care  
53.7 and education arrangements;

53.8 (2) the capacity for the state to increase the availability of different types of early care  
53.9 and education settings from which a family may choose;

53.10 (3) how the inability to afford and access early care and education settings  
53.11 disproportionately affects certain populations; and

53.12 (4) how to provide additional targeted investments for early care and education providers  
53.13 serving a high proportion of families currently eligible for or receiving public assistance  
53.14 for early care and education.

53.15 Subd. 8. **Required reports.** By July 1, 2022, the task force must submit to the governor  
53.16 and committees of the legislature with jurisdiction over early childhood programs preliminary  
53.17 findings and draft implementation plans pursuant to the plan required under subdivision 4.  
53.18 By February 1, 2023, the task force must submit to the governor and committees of the  
53.19 legislature with jurisdiction over early childhood programs final recommendations and  
53.20 implementation plans pursuant to subdivision 4.

53.21 Sec. 18. **DIRECTION TO THE CHILDREN'S CABINET; EARLY CHILDHOOD**  
53.22 **GOVERNANCE REPORT.**

53.23 Subdivision 1. **Recommendations.** The Children's Cabinet shall develop  
53.24 recommendations on the governance of programs relating to early childhood development,  
53.25 care, and learning, including how such programs could be consolidated into an existing  
53.26 state agency or a new state Department of Early Childhood. The recommendations shall  
53.27 address the impact of such a consolidation on:

53.28 (1) state efforts to ensure that all Minnesota children are kindergarten-ready, with race,  
53.29 income, and zip code no longer predictors of school readiness;

53.30 (2) coordination and alignment among programs;

53.31 (3) the effort required of families to receive services to which they are entitled;

53.32 (4) the effort required of service providers to participate in childhood programs; and

54.1 (5) the articulation between early care and education programs and the kindergarten  
54.2 through grade 12 system.

54.3 Subd. 2. **Public input.** In developing the recommendations required under subdivision  
54.4 1, the Children's Cabinet must provide for a community engagement process to seek input  
54.5 from the public and stakeholders.

54.6 Subd. 3. **Report.** (a) The Children's Cabinet shall produce a report that includes:

54.7 (1) the recommendations required under subdivision 1;

54.8 (2) the explanations and reasoning behind such recommendations;

54.9 (3) a description of the community engagement process required under subdivision 2;

54.10 and

54.11 (4) a summary of the feedback received from the public and early care and education  
54.12 stakeholders through the community engagement process.

54.13 (b) The Children's Cabinet may arrange for consultants to assist with the development  
54.14 of the report.

54.15 (c) By February 1, 2022, the Children's Cabinet shall submit the report to the governor  
54.16 and committees of the legislature with jurisdiction over early childhood programs.

54.17 Sec. 19. **DIRECTION TO THE CHILDREN'S CABINET; EVALUATION OF THE**  
54.18 **USE OF FEDERAL MONEY.**

54.19 (a) The Children's Cabinet, with the assistance of the commissioners of human services,  
54.20 education, and employment and economic development, shall conduct an evaluation of the  
54.21 use of federal money received pursuant to the American Rescue Plan Act of 2021 (Public  
54.22 Law 117-2), the Coronavirus Response and Relief Supplemental Appropriations Act of  
54.23 2020 (Public Law 116-260), and the Coronavirus Aid, Relief, and Economic Security Act  
54.24 (Public Law 116-136) to address the state's needs in the area of early care and education.  
54.25 The Children's Cabinet may arrange for consultants to assist with the evaluation.

54.26 (b) The evaluation shall address at least the following topics with results disaggregated,  
54.27 to the extent practicable, by age, race, ethnicity, and geographic areas of the state:

54.28 (1) changes in the number of children who are able to access early care and education  
54.29 programs, including children from the following categories: those from low-income families;  
54.30 those who have disabilities or developmental delays; those who are English language  
54.31 learners; those who are members of Indian tribes; and those who are migrant, homeless, in  
54.32 foster care, or are in need of child protective services;

55.1 (2) changes in the supply of early care and education, particularly in areas of the state  
55.2 with shortages of early care and education;

55.3 (3) changes in the quality of early care and education programs, as measured pursuant  
55.4 to the state's quality rating and improvement system under Minnesota Statutes, section  
55.5 124D.142; and

55.6 (4) changes in the average compensation and credentials of the early care and education  
55.7 workforce.

55.8 (c) The Children's Cabinet shall submit interim findings of the evaluation to the governor  
55.9 and committees of the legislature with jurisdiction over early childhood programs by February  
55.10 1 in each of calendar years 2022, 2023, and 2024. The Children's Cabinet shall submit a  
55.11 final report to the governor and the committees of the legislature with jurisdiction over early  
55.12 childhood programs by February 1, 2025.

55.13 Sec. 20. **REPEALER.**

55.14 Laws 2017, First Special Session chapter 5, article 8, section 9, is repealed.

55.15 **ARTICLE 5**

55.16 **APPROPRIATIONS; EARLY EDUCATION**

55.17 Section 1. **MINNESOTA MANAGEMENT AND BUDGET.**

55.18 (a) \$500,000 in fiscal year 2022 is appropriated from the general fund to the commissioner  
55.19 of management and budget for the Great Start for All Minnesota Children Task Force. This  
55.20 is a onetime appropriation.

55.21 (b) \$250,000 in fiscal year 2022 is appropriated from the general fund to the commissioner  
55.22 of management budget for the early childhood governance report. This is a onetime  
55.23 appropriation.

55.24 Sec. 2. **DEPARTMENT OF EDUCATION.**

55.25 Subdivision 1. **Department of Education.** The sums indicated in this section are  
55.26 appropriated from the general fund to the Department of Education for the fiscal years  
55.27 designated.

55.28 Subd. 2. **School readiness.** (a) For revenue for school readiness programs under  
55.29 Minnesota Statutes, sections 124D.15 and 124D.16:

56.1           \$     33,683,000     ..... 2022

56.2           \$     33,683,000     ..... 2023

56.3           (b) The 2022 appropriation includes \$3,368,000 for fiscal year 2021 and \$30,315,000  
56.4 for fiscal year 2022.

56.5           (c) The 2023 appropriation includes \$3,368,000 for fiscal year 2022 and \$30,315,000  
56.6 for fiscal year 2023.

56.7           Subd. 3. **Early learning scholarships.** (a) For the early learning scholarship program  
56.8 under Minnesota Statutes, section 124D.165:

56.9           \$     88,949,000     ..... 2022

56.10          \$     88,949,000     ..... 2023

56.11          (b) This appropriation is subject to the requirements under Minnesota Statutes, section  
56.12 124D.165, subdivision 6.

56.13          (c) The base for each of fiscal years 2024 and 2025 is \$89,997,000.

56.14          Subd. 4. **Head Start program.** For Head Start programs under Minnesota Statutes,  
56.15 section 119A.52:

56.16          \$     25,100,000     ..... 2022

56.17          \$     25,100,000     ..... 2023

56.18          Subd. 5. **Early childhood family education aid.** (a) For early childhood family education  
56.19 aid under Minnesota Statutes, section 124D.135:

56.20          \$     34,277,000     ..... 2022

56.21          \$     35,895,000     ..... 2023

56.22          (b) The 2022 appropriation includes \$3,339,000 for fiscal year 2021 and \$30,938,000  
56.23 for fiscal year 2022.

56.24          (c) The 2023 appropriation includes \$3,437,000 for fiscal year 2022 and \$32,458,000  
56.25 for fiscal year 2023.

56.26          Subd. 6. **Developmental screening aid.** (a) For developmental screening aid under  
56.27 Minnesota Statutes, sections 121A.17 and 121A.19:

56.28          \$     3,582,000     ..... 2022

56.29          \$     3,476,000     ..... 2023

56.30          (b) The 2022 appropriation includes \$360,000 for fiscal year 2021 and \$3,222,000 for  
56.31 fiscal year 2022.

57.1 (c) The 2023 appropriation includes \$358,000 for fiscal year 2022 and \$3,118,000 for  
 57.2 fiscal year 2023.

57.3 Subd. 7. **ParentChild+ program.** (a) For a grant to the ParentChild+ program:

57.4 \$ 1,500,000 ..... 2022

57.5 \$ 1,500,000 ..... 2023

57.6 (b) The ParentChild+ program must use the grant to implement its evidence-based and  
 57.7 research-validated early childhood literacy and school readiness program for children ages  
 57.8 16 months to four years. The program must be implemented at existing ParentChild+ program  
 57.9 locations, including Cass County, Hennepin County, and Rice County, and the cities of  
 57.10 Rochester and St. Cloud, or at any new rural, suburban, or urban locations.

57.11 Subd. 8. **Kindergarten readiness assessment.** (a) For the kindergarten readiness  
 57.12 assessment under Minnesota Statutes, section 124D.162:

57.13 \$ 1,781,000 ..... 2022

57.14 \$ 1,781,000 ..... 2023

57.15 (b) The base for each of fiscal years 2024 and 2025 is \$1,500,000.

57.16 Subd. 9. **Quality rating and improvement system.** (a) For transfer to the commissioner  
 57.17 of human services for the purposes of expanding the quality rating and improvement system  
 57.18 under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports  
 57.19 for providers participating in the quality rating and improvement system:

57.20 \$ 1,750,000 ..... 2022

57.21 \$ 1,750,000 ..... 2023

57.22 (b) The amounts in paragraph (a) must be in addition to any federal funding under the  
 57.23 child care and development block grant authorized under Public Law 101-508 in that year  
 57.24 for the system under Minnesota Statutes, section 124D.142.

57.25 (c) Any balance in the first year does not cancel but is available in the second year.

57.26 Subd. 10. **Early childhood programs at tribal contract schools.** For early childhood  
 57.27 family education programs at tribal contract schools under Minnesota Statutes, section  
 57.28 124D.83, subdivision 4:

57.29 \$ 68,000 ..... 2022

57.30 \$ 68,000 ..... 2023

57.31 Subd. 11. **Educate parents partnership.** For the educate parents partnership under  
 57.32 Minnesota Statutes, section 124D.129:

58.1           \$           49,000    ..... 2022

58.2           \$           49,000    ..... 2023

58.3           Subd. 12. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section  
58.4 124D.135:

58.5           \$           462,000    ..... 2022

58.6           \$           444,000    ..... 2023

58.7           (b) The 2022 appropriation includes \$47,000 for fiscal year 2021 and \$415,000 for fiscal  
58.8 year 2022.

58.9           (c) The 2023 appropriation includes \$46,000 for fiscal year 2022 and \$398,000 for fiscal  
58.10 year 2023.

58.11          Subd. 13. **Reach Out and Read Minnesota.** (a) For a grant to support Reach Out and  
58.12 Read Minnesota to expand its statewide program that encourages early childhood  
58.13 development through a network of health care clinics:

58.14         \$                    150,000                    .....                    2022

58.15         \$                    150,000                    .....                    2023

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

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

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

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

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

58.26          Subd. 14. **Early childhood tribal education and engagement grants.** (a) For grants  
58.27 to the 11 Tribal Nations located in Minnesota to provide programming and services for  
58.28 parents and children who are enrolled or eligible for enrollment in a federally recognized  
58.29 tribe. Admission may not be limited to those enrolled or eligible for enrollment in a federally  
58.30 recognized tribe:

58.31         \$           3,300,000    ..... 2022

58.32         \$           3,300,000    ..... 2023

59.1 (b) Grant funds must be used to support programming and services in one or more of  
59.2 three focus areas:

59.3 (1) implementing strategies to support comprehensive, authentic family engagement  
59.4 and education;

59.5 (2) implementing strategies to increase language and literacy outcomes through language  
59.6 revitalization efforts; or

59.7 (3) implementing strategies supporting the recruitment and retention of prospective  
59.8 American Indian teachers and enhancing the practice of current American Indian teachers  
59.9 and adults who work in tribal communities through deep pedagogical professional  
59.10 development.

59.11 (c) Each Tribal Nation may apply to the department for grants of up to \$100,000 per  
59.12 focus area for a maximum amount of \$285,000. Each Tribal Nation grant recipient must  
59.13 submit an annual proposal to the commissioner that outlines specific strategies for providing  
59.14 early childhood family engagement and education programs and outreach.

59.15 (d) The department will provide technical assistance to the grant recipients by designing,  
59.16 in collaboration with the 11 Tribal Nations, guidance that includes potential strategies and  
59.17 examples of comprehensive, coherent approaches.

59.18 (e) Each tribe awarded a grant will submit an annual report to the commissioner on July  
59.19 1 on the numbers of families and children participating and measurable outcomes on  
59.20 engagement, language revitalization, and supporting American Indian teachers in tribal  
59.21 communities.

59.22 (f) Up to five percent is reserved to the department for program and grant administration.

59.23 (g) Any balance in the first year does not cancel but is available in the second year.

## ARTICLE 6

### APPROPRIATIONS; HEALTH AND HUMAN SERVICES

#### Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS

59.27 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
59.28 and for the purposes specified in this article. The appropriations are from the general fund,  
59.29 or another named fund, and are available for the fiscal years indicated for each purpose.

59.30 The figures "2022" and "2023" used in this article mean that the appropriations listed under  
59.31 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

60.1 "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium"  
 60.2 is fiscal years 2022 and 2023.

60.3	<b><u>APPROPRIATIONS</u></b>		
60.4	<b><u>Available for the Year</u></b>		
60.5	<b><u>Ending June 30</u></b>		
60.6		<b><u>2022</u></b>	<b><u>2023</u></b>
60.7	<b><u>Sec. 2. COMMISSIONER OF HUMAN</u></b>		
60.8	<b><u>SERVICES</u></b>		
60.9	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 160,654,000</u></b>	<b><u>\$ 168,241,000</u></b>
60.10	<b><u>Appropriations by Fund</u></b>		
60.11		<b><u>2022</u></b>	<b><u>2023</u></b>
60.12	<b><u>General</u></b>	<b><u>160,654,000</u></b>	<b><u>168,241,000</u></b>
60.13	<u>The amounts that may be spent for each</u>		
60.14	<u>purpose are specified in the following</u>		
60.15	<u>subdivisions.</u>		
60.16	<b><u>Subd. 2. Central Office; Operations</u></b>		
60.17	<b><u>Appropriations by Fund</u></b>		
60.18	<b><u>General</u></b>	<b><u>1,185,000</u></b>	<b><u>1,511,000</u></b>
60.19	<b><u>(a) Ombudsperson for Child Care</u></b>		
60.20	<b><u>Providers.</u></b> \$120,000 in fiscal year 2022 and		
60.21	\$126,000 in fiscal year 2023 are for an		
60.22	ombudsperson for child care providers under		
60.23	<u>Minnesota Statutes, section 119B.27.</u>		
60.24	<b><u>(b) Base Level Adjustment.</u></b> The general fund		
60.25	<u>base is increased by \$1,511,000 in fiscal year</u>		
60.26	<u>2024 and \$152,000 in fiscal year 2025.</u>		
60.27	<b><u>Subd. 3. Forecasted Programs; MFIP Child Care</u></b>		
60.28	<b><u>Assistance</u></b>	<b><u>103,559,000</u></b>	<b><u>110,880,000</u></b>
60.29	<b><u>Subd. 4. Grant Programs; Basic Sliding Fee</u></b>		
60.30	<b><u>Child Care Assistance Grants</u></b>	<b><u>53,593,000</u></b>	<b><u>53,593,000</u></b>
60.31	<b><u>Subd. 5. Grant Programs; Child Care</u></b>		
60.32	<b><u>Development Grants</u></b>	<b><u>2,317,000</u></b>	<b><u>2,257,000</u></b>

61.1 (a) TEACH Grant Program. \$500,000 in  
61.2 fiscal year 2022 and \$500,000 in fiscal year  
61.3 2023 are for TEACH program grants under  
61.4 Minnesota Statutes, section 136A.128.

61.5 (b) Peer Mentoring Program for Licensed  
61.6 Family Child Care Providers. \$30,000 in  
61.7 fiscal year 2022 and \$20,000 in fiscal year  
61.8 2023 are for a grant to the Minnesota Child  
61.9 Care Provider Information Network for  
61.10 establishing a peer mentoring program for  
61.11 licensed family child care providers in the  
61.12 state. The grant money must be used to revise  
61.13 and update peer mentoring program curricula,  
61.14 recruit and train mentors and program  
61.15 participants, and support mentors and active  
61.16 mentoring. The Minnesota Child Care  
61.17 Provider Information Network must submit  
61.18 to the commissioner an initial report  
61.19 describing the program's implementation  
61.20 progress and financial accounting by  
61.21 September 1, 2022, and a final report must be  
61.22 submitted by June 30, 2023. Any unexpended  
61.23 balance in the first year of the biennium does  
61.24 not cancel and is available in the second year  
61.25 of the biennium. This is a onetime  
61.26 appropriation.

61.27 (c) Report on Foster Children Participation  
61.28 in Early Childhood Programs. \$50,000 in  
61.29 fiscal year 2022 is for interim and final reports  
61.30 on foster children's participation in early  
61.31 childhood programs. This is a onetime  
61.32 appropriation.

61.33 (d) Child Care Center Regulation  
61.34 Modernization. \$577,000 in fiscal year 2022  
61.35 and \$741,000 in fiscal year 2023 are for the

62.1 child care center regulation modernization  
62.2 project. This is a onetime appropriation and  
62.3 remains available until June 30, 2024.

62.4 **(e) Family Child Care Regulation**  
62.5 **Modernization.** \$478,000 in fiscal year 2022  
62.6 and \$642,000 in fiscal year 2023 are for the  
62.7 family child care regulation modernization  
62.8 project. This is a onetime appropriation and  
62.9 remains available until June 30, 2024.

62.10 **(f) Base Level Adjustment.** The general fund  
62.11 base is \$2,237,000 in fiscal year 2024 and  
62.12 \$2,237,000 in fiscal year 2025.

62.13 **Sec. 3. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; CHILD**  
62.14 **CARE AND DEVELOPMENT BLOCK GRANT ALLOCATION.**

62.15 (a) The commissioner of human services shall allocate \$212,400,000 from the child care  
62.16 development block grant amount in the federal fund as follows:

62.17 (1) \$1,650,000 for the quality rating and improvement system's evaluation under  
62.18 Minnesota Statutes, section 124D.142, subdivision 3; and

62.19 (2) the remaining amount to reprioritize the basic sliding fee program waiting list under  
62.20 Minnesota Statutes, section 119B.03, to increase child care assistance rates for legal,  
62.21 nonlicensed family child care providers under Minnesota Statutes, section 119B.13,  
62.22 subdivision 1a, and to increase child care assistance rates under Minnesota Statutes, section  
62.23 119B.13, subdivision 1, paragraph (a), to the 50th percentile of the most recent market rate  
62.24 survey. The commissioner may not increase the rate differential percentage established  
62.25 under Minnesota Statutes, section 119B.13, subdivision 3a or 3b.

62.26 (b) Each year, an amount equal to at least 88 percent of the federal discretionary funding  
62.27 in the Child Care Development Block Grant of 2014, Public Law 113-186, in federal fiscal  
62.28 year 2018 above the amounts authorized in federal fiscal year 2017, not to exceed the cost  
62.29 of rate adjustments, shall be allocated to pay the cost of rate adjustments based on the most  
62.30 recent market survey.

62.31 (c) When increased federal discretionary child care development block grant funding is  
62.32 used to pay for the rate increase under paragraph (a), the commissioner, in consultation with  
62.33 the commissioner of management and budget, may adjust the amount of working family

63.1 credit expenditures as needed to meet the state's maintenance of effort requirements for the  
63.2 TANF block grant.

63.3 **Sec. 4. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; CHILD**  
63.4 **CARE STABILIZATION.**

63.5 The commissioner shall allocate an amount estimated to be \$325,000,000 from the child  
63.6 care development block grant amount in the federal fund for the following purposes:

63.7 (1) \$1,500,000 for the Children's Cabinet to conduct an evaluation of the use of federal  
63.8 money on early care and learning programs;

63.9 (2) \$500,000 to award grants to community-based organizations working with family,  
63.10 friend, and neighbor caregivers, with a particular emphasis on such caregivers serving  
63.11 children from low-income families, families of color, tribal communities, or families with  
63.12 limited English language proficiency, to promote healthy development, social-emotional  
63.13 learning, early literacy, and school readiness;

63.14 (3) \$100,000 for a grant program to test strategies by which family child care providers  
63.15 could share services;

63.16 (4) \$500,000 for competitive grants to expand access to child care for children with  
63.17 disabilities;

63.18 (5) \$5,000,000 for child care improvement grants under Minnesota Statutes, section  
63.19 119B.25;

63.20 (6) \$5,000,000 for administering the monthly grants under clause (7); and

63.21 (7) the remaining amount to award monthly grants, between July 1, 2021, and June 30,  
63.22 2023, to providers of early care and education to support the stability of the sector, with  
63.23 providers required to direct 75 percent of such grants to employees or other individuals  
63.24 providing early care and education services.

63.25 **Sec. 5. FEDERAL FUNDS REPLACEMENT; APPROPRIATION.**

63.26 Notwithstanding any law to the contrary, the commissioner of management and budget  
63.27 must determine whether the expenditures authorized under this act are eligible uses of federal  
63.28 funding received under the Coronavirus State Fiscal Recovery Fund or any other federal  
63.29 funds received by the state under the American Rescue Plan Act, Public Law 117-2. If the  
63.30 commissioner of management and budget determines an expenditure is eligible for funding  
63.31 under Public Law 117-2, the amount of the eligible expenditure is appropriated from the

- 64.1 account where those amounts have been deposited and the corresponding general fund
- 64.2 amounts appropriated under this act are canceled to the general fund.
- 64.3 **EFFECTIVE DATE.** This section is effective the day following final enactment."
- 64.4 Amend the title accordingly