

1.1 moves to amend H.F. No. 669 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[119C.01] DEFINITIONS.**

1.4 Subdivision 1. **Definitions.** The terms defined in this section apply to this chapter.

1.5 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of education.

1.6 Subd. 3. **Eligible program.** "Eligible program" means a Head Start program under
1.7 section 119A.50, school readiness program under section 124D.15, licensed center-based
1.8 child care program under chapter 245A, or licensed family child care program under
1.9 chapter 245A.

1.10 Subd. 4. **Income.** "Income" has the meaning given in section 119B.011, subdivision
1.11 15.

1.12 Subd. 5. **Parent Aware.** "Parent Aware" means the voluntary evidence-based quality
1.13 rating and improvement system for early childhood education under section 119C.02.

1.14 Subd. 6. **Parent Aware Plus regions.** "Parent Aware Plus regions" means Parent
1.15 Aware regions as designated by the commissioner under section 119C.03, subdivision 5.

1.16 Subd. 7. **Parent Aware region.** "Parent Aware region" means a geographic area
1.17 approved by the commissioner under section 119C.03.

1.18 Subd. 8. **Rated program.** "Rated program" means an eligible program in a Parent
1.19 Aware region that receives one, two, three, or four stars.

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

1.21 Sec. 2. **[119C.02] PARENT AWARE.**

1.22 Subdivision 1. **Department of Education; request for proposal.** The Department
1.23 of Education must develop a request for proposal for an organization to: (1) develop the
1.24 methods used to verify, assess, and monitor program compliance with the standards,
1.25 including review of and action on applications; (2) conduct on-site assessments, if

2.1 applicable; (3) develop and maintain a data quality management system for compiling all
2.2 data used to calculate program ratings and related procedures for ensuring data quality and
2.3 integrity; and (4) coordinate a system for sharing ratings and related quality information
2.4 with the public. The commissioner must consult with the Minnesota Early Learning
2.5 Foundation to design the request for proposal. Eligible responders include units of state
2.6 and local governments, nonprofit organizations, research organizations, and educational
2.7 institutions. The commissioner shall issue a request for proposal by July 30, 2011. The
2.8 commissioner shall issue a contract by October 31, 2011. The contract is valid for three
2.9 years. By July 30, 2014, and every three years thereafter, the commissioner must consult
2.10 with the Minnesota Early Learning Foundation or its designated successor organization to
2.11 review and update the request for proposal. The contract must be issued by October 31 of
2.12 that year and every three years thereafter. The Minnesota Early Learning Foundation and
2.13 its designated successor organization are consultants to the commissioner on the request
2.14 for proposal and are not eligible responders.

2.15 Subd. 2. **Criteria; measure.** (a) Parent Aware must use quality ratings shown to
2.16 be linked to improving children's school readiness outcomes and must evaluate, at a
2.17 minimum, how programs perform in the following areas:

2.18 (1) family partnerships;

2.19 (2) tracking learning;

2.20 (3) teacher training and education; and

2.21 (4) teaching materials and strategies.

2.22 (b) The commissioner must establish and regularly update the standards and
2.23 indicators that determine program quality for the quality rating system. In fiscal year
2.24 2012 and later, the commissioner must use the Minnesota quality rating system tool in
2.25 use in fiscal year 2011, the results of the evaluations of that quality rating system, and the
2.26 recommendations in the report required under section 124D.142.

2.27 (c) Ratings must be indicated using stars. Four stars is the best possible rating. No
2.28 stars means the program has not been rated.

2.29 Subd. 3. **Rated programs.** At least twice each year, beginning June 30, 2012, the
2.30 contract entity awarded the contract in subdivision 1 must submit a list of rated programs
2.31 to the commissioner. The list of rated programs serves as the commissioner's rating. The
2.32 commissioner's decision is final.

2.33 Subd. 4. **Evaluation.** The commissioner shall contract with an independent private
2.34 organization to use private funds to evaluate the Parent Aware quality rating system if
2.35 sufficient private funding is available. The evaluation must incorporate rating levels and
2.36 outcome-based data reflecting child progress toward school readiness. The evaluation

3.1 must also include recommendations on continued monitoring and improvement of the
3.2 correlation between rating levels and outcome-based child progress toward school
3.3 readiness. The commissioner shall make available to the independent private organization
3.4 any data requested by the organization consistent with chapter 13 and at no cost to the
3.5 organization.

3.6 **Sec. 3. [119C.03] SELECTION PROCESS FOR PARENT AWARE REGIONS.**

3.7 **Subdivision 1. Designation of Parent Aware regions.** For the purposes of this
3.8 section, Parent Aware regions are the economic development regions as designated by the
3.9 governor under section 462.385.

3.10 **Subd. 2. Application process.** The commissioner of education, in consultation with
3.11 the commissioner of human services, shall develop an application process to select new
3.12 Parent Aware regions using the following criteria:

3.13 (1) the percentage of preschool-aged children who are from families with income
3.14 equal to or less than 47 percent of the state median income;

3.15 (2) the region's demonstrated efforts to use existing public and private resources to
3.16 improve program quality in alignment with Parent Aware quality standards;

3.17 (3) the level of community support, especially support of the school districts, Head
3.18 Start programs, counties, and local representatives of child care centers and licensed
3.19 family child care homes; and

3.20 (4) the demonstration of quality improvement support from local nonprofits and
3.21 foundations.

3.22 **Subd. 3. Application preparation.** A resource and referral organization under
3.23 section 119B.19, or other entities designated by the commissioner of education, must
3.24 prepare and submit the application for their region for approval under subdivision 4 to
3.25 become a Parent Aware region in coordination with local partners.

3.26 **Subd. 4. Region approval.** The commissioner shall develop an application process
3.27 by December 1, 2011. A region may apply beginning February 1, 2012, to become a
3.28 Parent Aware region. Economic development regions 9, 10, and 11 are automatically
3.29 approved as Parent Aware regions beginning in fiscal year 2012. The commissioner shall
3.30 approve the first Parent Aware region by June 30, 2012, and shall approve all regions as
3.31 Parent Aware regions by June 30, 2015.

3.32 **Subd. 5. Parent Aware Plus regions; commissioner approval.** The commissioner
3.33 of education must designate a Parent Aware region as a Parent Aware Plus region when
3.34 there is a sufficient number of programs rated for each program type. The commissioner
3.35 must also consider, at a minimum, the following criteria when designating Parent Aware

4.1 Plus regions: (1) the distribution of rated programs by eligible program type within a
4.2 region; (2) the amount of funding available for scholarships in the region; and (3) the
4.3 distribution of the population of low-income preschool-aged children in the region. The
4.4 commissioner must also designate Hennepin County, the city of St. Paul, Blue Earth
4.5 County, and Nicollet County as Parent Aware Plus regions beginning in fiscal year 2012
4.6 and allow those regions to continue using the existing model of the Parent Aware quality
4.7 rating system in fiscal year 2012. For the purposes of provider choice under section
4.8 119B.09, subdivision 5, Parent Aware Plus regions would not be implemented prior to
4.9 January 1 of the year in which the region is approved as a Parent Aware Plus region.

4.10 **Sec. 4. [119C.04] EARLY CHILDHOOD EDUCATION SCHOLARSHIPS.**

4.11 **Subdivision 1. Early childhood education scholarship locations.** In fiscal year
4.12 2012 and later, the commissioner shall make scholarships available in the Parent Aware
4.13 Plus regions. In fiscal year 2013 and later, the commissioner shall establish additional
4.14 locations where early childhood education scholarships may be used to pay for services
4.15 provided by rated programs. The additional early childhood education scholarship
4.16 locations must be located in Parent Aware Plus regions. The commissioner may assign
4.17 duties as described in subdivisions 5 and 7 to approved Parent Aware Plus regions,
4.18 as appropriate.

4.19 **Subd. 2. Scholarship eligibility.** (a) All children whose parents or legal guardians
4.20 meet the eligibility requirements of paragraph (b) are eligible to receive early childhood
4.21 education scholarships under this section.

4.22 (b) A parent or legal guardian is eligible for an early childhood education scholarship
4.23 if the parent or legal guardian:

4.24 (i) has a child three or four years of age on September 1, beginning in calendar
4.25 year 2011;

4.26 (ii) lives in one of the early childhood education scholarship locations according to
4.27 subdivision 1; and

4.28 (A) has income equal to or less than 47 percent of the state median income in the
4.29 current calendar year; or

4.30 (B) can document their child's identification through another public funding
4.31 eligibility process, including the Free and Reduced Lunch Program, National School
4.32 Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal
4.33 Improving Head Start for School Readiness Act of 2007; Minnesota family investment
4.34 program under chapter 256J; and child care assistance programs under chapter 119B.

5.1 Subd. 3. **Eligibility determination.** The commissioner of education shall develop a
5.2 simple application process that families may use to apply for early childhood education
5.3 scholarships based on the criteria in subdivision 2.

5.4 Subd. 4. **Scholarship value.** For fiscal year 2012 and later, the early childhood
5.5 education scholarship is equal to \$4,000 each year for each eligible child according to
5.6 subdivision 2.

5.7 Subd. 5. **Scholarship use.** (a) The early childhood education scholarship must be
5.8 used during the 13 months after July 1, 2011, and each year thereafter by the parent or
5.9 legal guardian on behalf of their child for services designed to promote school readiness at
5.10 a rated program in a Parent Aware Plus region. A parent or legal guardian may use the
5.11 early childhood education scholarship to pay fees or charges associated with their eligible
5.12 child's education at a rated program, according to subdivision 6.

5.13 (b) To maintain an eligible child's early childhood education scholarship, a parent or
5.14 legal guardian must begin to use the scholarship within six months following the receipt
5.15 of the scholarship or October 1.

5.16 (c) For the purpose of dividing the early childhood education scholarship between
5.17 two or more rated programs, a parent or legal guardian may reduce the early childhood
5.18 education scholarship value paid to an individual rated program. The commissioner must
5.19 determine a method to allow a parent or legal guardian to reduce or divide an early
5.20 childhood education scholarship.

5.21 Subd. 6. **Quality standard; transition.** (a) A rated program is eligible to receive
5.22 early childhood education scholarships if the program has received a three- or four-star
5.23 rating under Parent Aware under section 119C.02 and is located in a Parent Aware Plus
5.24 region. An eligible program must agree to accept early childhood education scholarships
5.25 to pay for services.

5.26 (b) Notwithstanding paragraph (a), for the first two fiscal years after a Parent
5.27 Aware region has become a Parent Aware Plus region, a rated program located in the
5.28 Parent Aware Plus region is eligible to receive early childhood education scholarships
5.29 to pay for its services if the program has received a one-star or better rating under the
5.30 Parent Aware rating system. An eligible program must agree to accept early childhood
5.31 education scholarships to pay for services. This paragraph does not apply to the Parent
5.32 Aware Plus regions located in the city of Saint Paul, Hennepin County, Nicollet County,
5.33 and Blue Earth County.

5.34 Subd. 7. **Redeeming a scholarship.** (a) A rated program that has received an early
5.35 childhood education scholarship on behalf of an eligible child to pay for services must
5.36 remit the scholarship in a manner determined by the commissioner.

6.1 (b) The commissioner must pay rated programs the value of the early childhood
 6.2 education scholarship within 30 days of receiving the scholarship from a program.

6.3 (c) The commissioner must determine a method for paying rated programs if a parent
 6.4 or legal guardian has divided or reduced a scholarship under subdivision 5, paragraph (b).

6.5 Subd. 8. **Earned income calculation.** Scholarships paid to providers on behalf
 6.6 of eligible parents must not be counted as earned income for the purposes of medical
 6.7 assistance, MinnesotaCare, MFIP, diversionary work program, child care assistance, or
 6.8 Head Start programs. Scholarships paid to providers on behalf of eligible parents must
 6.9 not be considered child care funds for the purposes of the child care assistance program
 6.10 under chapter 119B.

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

6.12 Sec. 5. Minnesota Statutes 2010, section 124D.15, subdivision 3a, is amended to read:

6.13 Subd. 3a. **Application and reporting requirements.** ~~(a) A school readiness~~
 6.14 ~~program provider must submit a biennial plan for approval by the commissioner before~~
 6.15 ~~receiving aid under section 124D.16. The plan must describe how the program meets the~~
 6.16 ~~program requirements under subdivision 3. A school district by April 1 must submit~~
 6.17 ~~the plan for approval by the commissioner in the form and manner prescribed by the~~
 6.18 ~~commissioner. One-half the districts must first submit the plan by April 1, 2006, and~~
 6.19 ~~one-half the districts must first submit the plan by April 1, 2007, as determined by the~~
 6.20 ~~commissioner.~~

6.21 ~~(b) Programs receiving school readiness funds annually must submit a report to~~
 6.22 ~~the department.~~

6.23 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2012 and
 6.24 later.

6.25 Sec. 6. **PROGRAMMATIC STREAMLINING.**

6.26 By January 15, 2013, the commissioner of education, in consultation with the
 6.27 commissioner of human services, shall report to the legislative committees having
 6.28 jurisdiction over early childhood education and child care on a framework for incorporating
 6.29 the existing state programs that provide access to early learning and care programming
 6.30 into a single scholarship program that funds access to high-quality early learning and care
 6.31 programs for low-income children in Minnesota. The report must also identify barriers
 6.32 and impediments to applying federal child care assistance and Head Start program funds
 6.33 in the form of a scholarship, under Minnesota Statutes, section 119C.04. As part of the

7.1 framework, the commissioner must also take into consideration efforts for simplifying the
7.2 application and management procedures for participating families and providers.

7.3 Sec. 7. **PARENT AWARE DUTIES.**

7.4 The commissioner of education shall direct \$..... fiscal years 2012 and 2013 for the
7.5 purpose of implementing Parent Aware duties under section 2.

7.6 Sec. 8. **SCHOOL READINESS REPORT.**

7.7 The commissioner of education must report school district school readiness
7.8 outcomes by February 15 of each year to the education committees of the legislature. The
7.9 school readiness report must include program outcomes and demographic information on
7.10 program participants, including family income status, English language proficiency, and
7.11 the presence of early childhood special education needs.

7.12 Sec. 9. **APPROPRIATIONS.**

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

7.16 Subd. 2. **Early childhood education scholarships.** For grants to early childhood
7.17 education scholarships under Minnesota Statutes, section 119C.04:

7.18 \$ 2012

7.19 \$ 2013

7.20 In fiscal year 2012, this appropriation is for grants to projects located in the Parent
7.21 Aware Plus regions. In fiscal year 2013 and later, the appropriation is for scholarship
7.22 grants to fund eligible early childhood care and education programs located in Parent
7.23 Aware Plus regions that have received early childhood education scholarships from
7.24 eligible parents or legal guardians under Minnesota Statutes, section 119C.04, subdivision
7.25 2. The appropriation is available until expended. This appropriation is part of the base
7.26 budget for subsequent fiscal years.

7.27 Each year, if this appropriation is insufficient to provide early childhood education
7.28 scholarships to all eligible children, the Department of Education shall make scholarships
7.29 available on a first-come, first-served basis."

7.30 Amend the title accordingly