

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1058  
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**Subject:** Early Learning Scholarships; Program Created and Funded

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### Overview

This bill establishes an early learning scholarship program. The program is designed to expand access to high-quality early learning programs for children from families with low income.

The bill builds on two earlier scholarship grants, including a 2011 program that authorized \$2 million for scholarships in fiscal year 2013 and established a funding base of \$3 million per year for later years. This bill proposes funding of \$78 million in fiscal year 2014 and \$105 million in fiscal year 2015.

### Section

#### **1 Early learning scholarships.**

**Subd. 1. Early learning scholarship established.** Requires the Office of Early Learning to oversee the early learning scholarship program in consultation with the Departments of Education, Health and Human Services.

**Subd. 2. Duties.** Requires the Office of Early Learning to administer the early learning scholarship program, establish participation standards, develop criteria for providers and contract for services as necessary.

**Subd. 3. Definitions.** Defines terms including “prospective program” as an eligible program that has not yet been rated but wishes to pursue rating and “rated program” as a program that has received at least one star under the quality rating and improvement system.

## Section

**Subd. 4. Participant eligibility.** Qualifies a participant for eligibility if the family's income is below 185 percent of the federal poverty level. Requires a parent to apply in the form and manner determined by the director of the Office of Early Learning. Authorizes a parent to document participation in other named public funding programs in order to verify income.

**Subd. 5. Scholarship amount.** Authorizes the director of the Office of Early Learning to set the scholarship amount based on market rate surveys, geographic location, and the child's level of need.

**Subd. 6. Award of scholarships.** Requires the director to set timelines and award scholarships. Allows the director to prioritize applicants on family income, geographic location, and needs of the child. Allows a child's scholarship, once awarded to continue until that child enrolls in school. Includes scholarships for siblings that attend the same program. Requires a child who has not been screened to undergo early childhood developmental screening within 45 days of enrolling in the program.

**Subd. 7. Scholarship recipient choice of programs.** Allows a scholarship recipient to choose among qualifying early learning programs. Requires that the recipient begin using the scholarship within ten months of its receipt.

**Subd. 8. Building quality.** Requires the director to develop a stream-lined process to encourage more programs to become rated. Allows a scholarship recipient to select a prospective program for fiscal years 2014 and 2015 only.

**Subd. 9. Provider reimbursement.** Allows the director to determine the form and manner of payment to qualifying providers.

**Subd. 10. Earned income calculation.** Clarifies that an early learning scholarship must not be counted as income for other public assistance programs.

**Subd. 11. Student identification numbers.** Allows the director to collect certain demographic and socioeconomic data from program participants. Requires data collected under this section to be private. Requires participating programs to treat the student identification numbers in a confidential manner.

**Subd. 12. Report required.** Requires the director, in consultation with the children's cabinet, to develop and implement a plan to create parent awareness of the scholarships. Requires the director to annually report the results of outreach efforts to the legislature.

**2 Fiscal year 2014 only.** Requires the director to establish an expedited process to award scholarships for fiscal year 2014 to participants attending three- or four-start rated programs.

**3 Early childhood scholarships; appropriation.** Appropriates \$78 million in fiscal year 2014 and \$105 million in fiscal year 2015 for early learning scholarships. Establishes a budget base of \$150 million per year for each subsequent fiscal year.