

Subject Scholarships for early care and learning; data-sharing arrangement

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Overview

H.F. 3681 establishes the great start affordability scholarship program to assist families with the cost of child care and early education. The scholarships are for families with income below 150 percent of state median income (\$188,468 for a family of four in federal fiscal year 2023) who have children under five years of age who are not recipients of child care assistance or an early learning scholarship. The bill provides an unspecified, ongoing appropriation for the program, starting in fiscal year 2024.

The bill allows the commissioner of revenue to provide to the commissioner of education the minimum tax return information necessary to verify an individual's income for purposes of determining the individual's eligibility for child care and early education programs administered by the Department of Education. The commissioner of revenue may enter into a data sharing agreement with the commissioner of education to make the disclosures.

The bill transfers the scholarship program and the commissioner of education's authorities and responsibilities under the data sharing arrangement to the new Department of Children, Youth, and Families once the new department is operational.

Summary

Section	Description
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| 1 | Development.
Amends § 119B.99, subdivision 2. Provides that the great start affordability scholarship program should be included under the plan for transitioning early care and learning programs to the great start scholarship program. |
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Section	Description
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2	Great start affordability scholarships.
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Establishes § 124D.1651.

Subd. 1. Establishment; purpose. Directs the Department of Education to establish the program for the purpose of increasing the affordability of high-quality early care and learning for families with children from birth to kindergarten entry.

Subd. 2. Family and child eligibility. Makes a family eligible for the program if the family has income less than 150 percent of state median income and has at least one child who is under five years of age and is not concurrently receiving child care assistance or an early learning scholarship.

Subd. 3. Early care and learning program eligibility. Makes an early care and learning program eligible to accept a scholarship under this section if the program participates in the state's quality rating and improvement system (Parent Aware).

Subd. 4. Administration. Directs the department to establish application timelines and procedures. Provides that scholarships are awarded for a 12-month period, requires a family to renew a scholarship prior to the end of an award period, and directs the department to establish a process a family may use to request a modification in scholarship amount prior to renewing a scholarship. Specifies circumstances when the department must cancel a scholarship.

Subd. 5. Scholarship amounts. Directs the department to establish monthly scholarship amounts based on family income, with a minimum per-child scholarship of \$25 per month.

Subd. 6. Payment practices. Directs the department to establish a system for making scholarship payments to early care and learning programs that:

- includes a written agreement between a program and a family that identifies the scholarship as a state-provided benefit;
- pays prospectively;
- makes payments based on a child's enrollment; and
- includes a process for transferring scholarship awards between early care and learning programs when initiated by a scholarship recipient.

Requires that payments under the program must start no later than September 1, 2024.

Subd. 7. Family notifications. Requires that the department notify families in the state about potential eligibility for the program. Directs early care and learning

Section	Description
	<p>programs to identify as state-provided assistance the portion of a scholarship recipient's tuition that is paid for with a scholarship on any tuition billing statements provided to the recipient's family.</p> <p>Subd. 8. Great start affordability scholarship account. Creates an account in the special revenue fund for the program. Allows the department to use up to seven percent of annual appropriations for costs associated with administering and monitoring the program, including making payments to early care and learning programs for the administrative costs associated with accepting the scholarships.</p>
3	<p>Disclosure to Department of Education.</p> <p>Adds a subdivision to § 270B.14. Allows the commissioner of revenue to disclose to the commissioner of education the minimum tax return information necessary to verify an individual's income for purposes of determining the individual's eligibility for early care and learning programs administered by the Department of Education. Allows the commissioners of revenue and education to enter into data sharing agreements to make the disclosures.</p>
4	<p>Transfer of scholarship responsibilities to Department of Children, Youth, and Families.</p> <p>Transfers administration of the great start affordability scholarship program under section 124D.1651 to the Department of Children, Youth, and Families once the department is operational.</p>
5	<p>Transfer of data sharing responsibilities to Department of Children, Youth, and Families.</p> <p>Transfers the responsibilities and authorities assigned to the commissioner of education under section 270B.14 to the commissioner of children, youth, and families, once the Department of Children, Youth, and Families is operational.</p>
6	<p>Appropriation; Department of Education.</p> <p>Appropriates unspecified amounts from the general fund to the Department of Education for the great start affordability scholarship program in fiscal years 2024, 2025, and 2026. Provides that the appropriation transfers to the Department of Children, Youth, and Families once the department is operational.</p>



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