

1.1 moves to amend H.F. No. 5237, the first engrossment, as follows:

1.2 Page 80, after line 22, insert:

1.3 "Sec. Minnesota Statutes 2023 Supplement, section 124D.165, subdivision 3, is amended
1.4 to read:

1.5 Subd. 3. **Administration.** (a) The commissioner shall establish a schedule of tiered
1.6 per-child scholarship amounts based on the results of the rate survey conducted under section
1.7 119B.02, subdivision 7, the cost of providing high-quality early care and learning to children
1.8 in varying circumstances, a family's income, and geographic location.

1.9 (b) Notwithstanding paragraph (a), a program that has a four-star rating under section
1.10 124D.142 must receive, for each scholarship recipient who meets the criteria in subdivision
1.11 2a, paragraph (b) or (c), an amount not less than the cost to provide full-time care at the
1.12 75th percentile of the most recent market rate survey under section 119B.02, subdivision
1.13 7.

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

2.1 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not
2.2 been accepted and subsequently enrolled in a rated program within three months of the
2.3 awarding of the scholarship, the scholarship cancels and the recipient must reapply in order
2.4 to be eligible for another scholarship. An extension may be requested if a program is
2.5 unavailable for the child within the three-month timeline. A child may not be awarded more
2.6 than one scholarship in a 12-month period.

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

2.11 (f) For fiscal year 2017 ~~and later~~ through calendar year 2025, a school district or Head
2.12 Start program enrolling scholarship recipients under paragraph (c) may apply to the
2.13 commissioner, in the form and manner prescribed by the commissioner, for direct payment
2.14 of state aid. Upon receipt of the application, the commissioner must pay each program
2.15 directly for each approved scholarship recipient enrolled under paragraph (c) according to
2.16 the metered payment system or another schedule established by the commissioner.

2.17 (g) Beginning January 1, 2026, the commissioner must:

2.18 (1) make scholarship payments to eligible programs in advance of or at the beginning
2.19 of the delivery of services based on an approved scholarship recipient's enrollment; and

2.20 (2) implement a process for transferring scholarship awards between eligible programs,
2.21 when initiated by a scholarship recipient. Under the process, the commissioner:

2.22 (i) may adjust scholarship payment schedules for eligible programs to account for changes
2.23 in a scholarship recipient's enrollment; and

2.24 (ii) must specify a period of time for which scholarship payments must continue to an
2.25 eligible program for a scholarship recipient who transfers to a different eligible program.

2.26 (h) By January 1, 2026, the commissioner must have information technology systems
2.27 in place that prioritize efficiency and usability for families and early childhood programs
2.28 and that support the following:

2.29 (1) the ability for a family to apply for a scholarship through an online system that allows
2.30 the family to upload documents that demonstrate scholarship eligibility;

2.31 (2) the administration of scholarships, including but not limited to verification of family
2.32 and child eligibility, identification of programs eligible to accept scholarships, management

3.1 of scholarship awards and payments, and communication with families and eligible programs;
 3.2 and

3.3 (3) making scholarship payments to eligible programs in advance of or at the beginning
 3.4 of the delivery of services for an approved scholarship recipient.

3.5 (i) In creating the information technology systems and functions under paragraph (h),
 3.6 the commissioner must consider the requirements for and the potential transition to the great
 3.7 start scholarships program under section 119B.99.

3.8 Sec. Minnesota Statutes 2023 Supplement, section 124D.165, subdivision 6, is amended
 3.9 to read:

3.10 **Subd. 6. Early learning scholarship account.** (a) An account is established in the
 3.11 special revenue fund known as the "early learning scholarship account."

3.12 (b) Funds appropriated for early learning scholarships under this section must be
 3.13 transferred to the early learning scholarship account in the special revenue fund.

3.14 (c) Money in the account is annually appropriated to the commissioner for early learning
 3.15 scholarships under this section. Any returned funds are available to be regranted.

3.16 (d) Up to \$2,133,000 annually is appropriated to the commissioner for costs associated
 3.17 with administering and monitoring early learning scholarships.

3.18 (e) The commissioner may use funds under paragraph (c) for the purpose of family
 3.19 outreach and distribution of scholarships.

3.20 (f) The commissioner may use ~~up to \$5,000,000 in~~ funds under paragraph (c) to create
 3.21 and maintain the information technology systems, including but not limited to an online
 3.22 application, a case management system, attendance tracking, and a centralized payment
 3.23 system under subdivision 3, paragraph (h). Beginning July 1, 2025, the commissioner may
 3.24 use up to \$750,000 annually in funds under paragraph (c) to maintain the information
 3.25 technology systems created under this paragraph.

3.26 (g) By December 31 of each year, the commissioner must provide a written report to
 3.27 the legislative committees with jurisdiction over early care and education programs on the
 3.28 use of funds under paragraph (c) for purposes other than providing scholarships to eligible
 3.29 children."

3.30 Renumber the sections in sequence and correct the internal references

3.31 Amend the title accordingly