



MDE Proposals in Early Childhood

Voluntary PreKindergarten

Investment of \$59 million

This proposal would maintain funding for voluntary prekindergarten for 4,000 students in 140 schools across 80 school districts and charter schools that is set to expire under current law.

Early Learning Scholarship Special Revenue Fund

The Governor recommends that the Early Learning Scholarship appropriation be transferred to a special revenue account to ensure funds can be spent in providing early learning scholarships to students and families.

It is not possible to forecast with 100 percent degree of certainty because scholarship funds can be layered with other funding streams, of which a family may gain or lose eligibility for within the child's scholarship year. By transferring early learning scholarship funds to a special revenue account, families will have the time they need to choose programs that fit their needs and program administrators can ensure funds are spent on scholarships. This proposal will allow 1,000 more students to access high quality early learning programs.

This change would simplify the administration of the payment system built for the scholarship program, increase the transparency of funding paid to scholarship providers, as well as allow time for the Minnesota Department of Education (MDE) to reallocate scholarship money that is being awarded but not fully expended to areas with children on waiting lists.

Area Administrators (AA) and Pathway II programs have 12 months to award a scholarship to a child. The child has 12 months to receive services and charge the scholarship from the award date. The AA and Pathway II programs have 105 days to invoice and make invoice corrections from the date of service. The invoice window is that length to allow for Child Care Assistance Program's 90 days to make adjustments to payments and adjust scholarship payments after CCAP payments are final.

Given these requirements, a total of 27 months is needed to pay scholarships out of the fiscal year the scholarship was appropriated from, which does not align with the 24 months permitted for general funds expenditures.

Head Start Background Studies

The Governor recommends that statutory authority be given to the Minnesota Department of Human Services (DHS) to add Head Start programs that are license-exempt and not receiving Child Care Assistance Program (CCAP) funds and Tribal Head Start programs to the list of programs that can contract with DHS to use the DHS

background study system. Currently, only DHS licensed Head Start and other individuals working in licensed early childhood programs are able to access the DHS system. Head Start programs must fully implement a new federally required background check process no later than September 30, 2019.

The background studies would increase revenues to DHS, but because the fees only cover the cost of doing the studies, the proposal is revenue neutral.

This proposal would streamline administration of the background check process for all Head Start grantee agencies through access to the DHS background study system that is compliant with Head Start federal requirements for background studies. This will result in a reduction of paperwork, lessen hiring delays and strengthen the ability to move staff across Head Start sites when needed.

It is critical for federal compliance of the Head Start performance standards that this proposal be adopted in 2019.

Kindergarten Student Accounting Simplification

The governor recommends calculating ADM and pupil units for kindergarten students with a disability in the same manner as for kindergarten students without a disability. The impact on regular ADM for kindergarten students with a disability will be negligible because nearly all of these students are currently served in a program providing 875 or more hours of service per year. The major funding increase would be in allowing extended time revenue services for these students.

The cost of the proposal would be \$96,000 in FY 2020, \$106,000 in FY 2021, and \$ 107,000 each year thereafter.