

1.1 moves to amend H.F. No. 1 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 PRENATAL CARE

1.5 Section 1. GREAT START FOR ALL MINNESOTA CHILDREN ACT.

1.6 This act may be cited as the "Great Start For All Minnesota Children Act."

1.7 Sec. 2. Minnesota Statutes 2018, section 145.928, subdivision 1, is amended to read:

1.8 Subdivision 1. **Goal; establishment.** It is the goal of the state, by 2010, to decrease by
1.9 50 percent the disparities in infant mortality rates and adult and child immunization rates
1.10 for American Indians and populations of color, as compared with rates for whites. To do
1.11 so and to achieve other measurable outcomes, the commissioner of health shall establish a
1.12 program to close the gap in the health status of American Indians and populations of color
1.13 as compared with whites in the following priority areas: infant mortality, access to and
1.14 utilization of high-quality prenatal care, breast and cervical cancer screening, HIV/AIDS
1.15 and sexually transmitted infections, adult and child immunizations, cardiovascular disease,
1.16 diabetes, and accidental injuries and violence.

1.17 Sec. 3. Minnesota Statutes 2018, section 145.928, subdivision 7, is amended to read:

1.18 Subd. 7. **Community grant program; immunization rates, prenatal care access and**
1.19 **utilization, and infant mortality rates.** (a) The commissioner shall award grants to eligible
1.20 applicants for local or regional projects and initiatives directed at reducing health disparities
1.21 in one or ~~both~~ more of the following priority areas:

1.22 (1) decreasing racial and ethnic disparities in infant mortality rates; ~~or~~

2.1 (2) decreasing racial and ethnic disparities in access to and utilization of high-quality
2.2 prenatal care; or

2.3 ~~(2)~~ (3) increasing adult and child immunization rates in nonwhite racial and ethnic
2.4 populations.

2.5 (b) The commissioner may award up to 20 percent of the funds available as planning
2.6 grants. Planning grants must be used to address such areas as community assessment,
2.7 coordination activities, and development of community supported strategies.

2.8 (c) Eligible applicants may include, but are not limited to, faith-based organizations,
2.9 social service organizations, community nonprofit organizations, community health boards,
2.10 tribal governments, and community clinics. Applicants must submit proposals to the
2.11 commissioner. A proposal must specify the strategies to be implemented to address one or
2.12 ~~both~~ more of the priority areas listed in paragraph (a) and must be targeted to achieve the
2.13 outcomes established according to subdivision 3.

2.14 (d) The commissioner shall give priority to applicants who demonstrate that their
2.15 proposed project or initiative:

2.16 (1) is supported by the community the applicant will serve;

2.17 (2) is research-based or based on promising strategies;

2.18 (3) is designed to complement other related community activities;

2.19 (4) utilizes strategies that positively impact ~~both~~ two or more priority areas;

2.20 (5) reflects racially and ethnically appropriate approaches; and

2.21 (6) will be implemented through or with community-based organizations that reflect the
2.22 race or ethnicity of the population to be reached.

2.23 Sec. 4. **APPROPRIATION.**

2.24 \$5,000,000 in fiscal year 2020 and \$5,000,000 in fiscal year 2021 are appropriated from
2.25 the general fund to the commissioner of health for grants under Minnesota Statutes, section
2.26 145.928, subdivision 7, paragraph (a), clause (2), to decrease racial and ethnic disparities
2.27 in access to and utilization of high-quality prenatal care. This amount is in addition to base
2.28 appropriations and funding.

ARTICLE 2

HOME VISITING

Section 1. [145.87] HOME VISITING FOR PREGNANT WOMEN AND FAMILIES WITH YOUNG CHILDREN.

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "Evidence-based home visiting program" means a program that:

(1) is based on a clear, consistent program or model that is research-based and grounded in relevant, empirically based knowledge;

(2) is linked to program-determined outcomes and is associated with a national organization, institution of higher education, or national or state public health institute;

(3) has comprehensive home visitation standards that ensure high-quality service delivery and continuous quality improvement;

(4) has demonstrated significant, sustained positive outcomes; and

(5) either (i) has been evaluated using rigorous, randomized controlled research designs with the evaluations published in a peer-reviewed journal; or (ii) is based on quasi-experimental research using two or more separate, comparable client samples.

(c) "Evidence-informed home visiting program" means a program that:

(1) has data or evidence demonstrating the program's effectiveness at achieving positive outcomes for pregnant women and young children; and

(2) either has (i) an active evaluation of the program; or (ii) a plan and timeline for an active evaluation of the program to be conducted.

(d) "Health equity" means every individual has a fair opportunity to attain the individual's full health potential, and no individual is prevented from achieving this potential.

Subd. 2. Grants for home visiting programs. The commissioner shall award grants to community health boards, nonprofit organizations, and tribal nations to start up or expand home visiting programs serving pregnant women and families with young children. Home visiting programs supported under this section shall provide home visits by early childhood professionals or health professionals, including nurses, social workers, early childhood educators, or trained paraprofessionals. Grant funds shall be used:

(1) to start up or expand evidence-based home visiting programs that address health equity, or evidence-informed home visiting programs that address health equity; and

4.1 (2) to serve families with young children or pregnant women who are high risk or have
4.2 high needs. For purposes of this clause, high risk includes but is not limited to a family with
4.3 low income, or a parent or pregnant woman with mental illness or a substance use disorder
4.4 or experiencing domestic abuse.

4.5 Subd. 3. **Grant prioritization.** (a) In awarding grants, the commissioner shall give
4.6 priority to community health boards, nonprofit organizations, and tribal nations seeking to
4.7 expand home visiting services with community or regional partnerships.

4.8 (b) The commissioner shall allocate at least 75 percent of the grant funds awarded each
4.9 grant cycle to evidence-based home visiting programs that address health equity and up to
4.10 25 percent of the grant funds awarded each grant cycle to evidence-informed home visiting
4.11 programs that address health equity.

4.12 Subd. 4. **No supplanting of existing funds.** Funding awarded under this section shall
4.13 only be used to supplement, and not to replace, funds being used for evidence-based home
4.14 visiting programs or evidence-informed home visiting programs.

4.15 Subd. 5. **Administrative costs.** The commissioner may use up to ten percent of the
4.16 annual appropriation under this section to provide training and technical assistance and to
4.17 administer and evaluate the program. The commissioner may contract for training,
4.18 capacity-building support for grantees or potential grantees, technical assistance, and
4.19 evaluation support.

4.20 Sec. 2. **APPROPRIATION; HOME VISITING FOR PREGNANT WOMEN AND**
4.21 **FAMILIES WITH YOUNG CHILDREN.**

4.22 \$23,000,000 in fiscal year 2020 and \$41,600,000 in fiscal year 2021 are appropriated
4.23 from the general fund to the commissioner of health for grants for home visiting services
4.24 under Minnesota Statutes, section 145.87.

4.25 **ARTICLE 3**

4.26 **EARLY CARE AND DEVELOPMENT**

4.27 Section 1. **[16A.89] GREAT START FUND.**

4.28 Subdivision 1. **Fund established.** A great start fund is established in the state treasury.
4.29 The fund consists of money provided by law, and any other funds donated, allotted,
4.30 transferred, or otherwise provided.

4.31 Subd. 2. **Financial reports.** Any report or financial statement required by law to be
4.32 submitted to the legislature that provides financial information on the great start fund must

5.1 include accounting information on each account established within the fund, including
 5.2 revenues and sources, transfers, uses, and account balance.

5.3 Subd. 3. **Early learning scholarship account.** (a) An early learning scholarship account
 5.4 is established in the great start fund. The account consists of money provided by law, and
 5.5 any other funds donated, allotted, transferred, or otherwise provided.

5.6 (b) Any unexpended and unencumbered balance in the first year of a biennium, as defined
 5.7 in section 16A.011, subdivision 6, does not cancel and is available in the second year.

5.8 (c) For an appropriation from the early learning scholarship account, an agency may
 5.9 carry forward unexpended and unencumbered operating balances from the fiscal year in
 5.10 which the funds are appropriated into the next fiscal year, including into first year of the
 5.11 next biennium.

5.12 Subd. 4. **Early learning scholarship account; transfers.** In each fiscal year in which
 5.13 one or more appropriations are made in law from the early learning scholarship account,
 5.14 the total amount appropriated is transferred in that year from the general fund to the
 5.15 commissioner of management and budget for deposit in the early learning scholarship
 5.16 account.

5.17 Sec. 2. Minnesota Statutes 2018, section 119B.011, is amended by adding a subdivision
 5.18 to read:

5.19 Subd. 13b. **Homeless.** "Homeless" means a self-declared housing status as defined in
 5.20 the McKinney-Vento Homeless Assistance Act and United States Code, title 42, section
 5.21 11302, paragraph (a).

5.22 **EFFECTIVE DATE.** This section is effective September 21, 2020.

5.23 Sec. 3. Minnesota Statutes 2018, section 119B.011, subdivision 19, is amended to read:

5.24 Subd. 19. **Provider.** "Provider" means:

5.25 (1) an individual or child care center or facility, ~~either licensed or unlicensed, providing~~
 5.26 ~~legal child care services as defined~~ licensed to provide child care under section 245A.03,
 5.27 chapter 245A when operating within the terms of the license; or

5.28 (2) a license exempt center required to be certified under chapter 245H;

5.29 (3) an individual or child care center or facility holding that: (i) holds a valid child care
 5.30 license issued by another state or a tribe and providing; (ii) provides child care services in
 5.31 the licensing state or in the area under the licensing tribe's jurisdiction; and (iii) is in

6.1 compliance with federal health and safety requirements as certified by the licensing state
 6.2 or tribe, or as determined by receipt of child care development block grant funds in the
 6.3 licensing state; or

6.4 (4) a legal nonlicensed child care provider as defined under section 119B.011, subdivision
 6.5 16, providing legal child care services. A ~~legally unlicensed family~~ legal nonlicensed child
 6.6 care provider must be at least 18 years of age, and not a member of the MFIP assistance
 6.7 unit or a member of the family receiving child care assistance to be authorized under this
 6.8 chapter.

6.9 **EFFECTIVE DATE.** This section is effective July 1, 2019.

6.10 Sec. 4. Minnesota Statutes 2018, section 119B.011, subdivision 19b, is amended to read:

6.11 Subd. 19b. **Student parent.** "Student parent" means a person who is:

6.12 (1) under 21 years of age and has a child;

6.13 (2) pursuing a high school diploma or commissioner of education-selected high school
 6.14 equivalency certification; and

6.15 ~~(3) residing within a county that has a basic sliding fee waiting list under section 119B.03,~~
 6.16 ~~subdivision 4; and~~

6.17 ~~(4)~~ (3) not an MFIP participant.

6.18 **EFFECTIVE DATE.** This section is effective July 1, 2020.

6.19 Sec. 5. Minnesota Statutes 2018, section 119B.011, subdivision 20, is amended to read:

6.20 Subd. 20. **Transition year families.** "Transition year families" means families who have
 6.21 received MFIP assistance, or who were eligible to receive MFIP assistance after choosing
 6.22 to discontinue receipt of the cash portion of MFIP assistance under section 256J.31,
 6.23 subdivision 12, or families who have received DWP assistance under section 256J.95 for
 6.24 at least ~~three~~ one of the last six months before losing eligibility for MFIP or DWP.

6.25 Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2,
 6.26 transition year child care may be used to support employment, approved education or training
 6.27 programs, or job search that meets the requirements of section 119B.10. Transition year
 6.28 child care is not available to families who have been disqualified from MFIP or DWP due
 6.29 to fraud.

6.30 **EFFECTIVE DATE.** This section is effective March 23, 2020.

7.1 Sec. 6. Minnesota Statutes 2018, section 119B.02, subdivision 1, is amended to read:

7.2 Subdivision 1. **Child care services.** The commissioner shall develop standards for county
7.3 and human services boards to provide child care services to enable eligible families to
7.4 participate in employment, training, or education programs. ~~Within the limits of available~~
7.5 ~~appropriations,~~ The commissioner shall distribute money to counties to reduce the costs of
7.6 child care for eligible families. The commissioner shall adopt rules to govern the program
7.7 in accordance with this section. The rules must establish a sliding schedule of fees for parents
7.8 receiving child care services. The rules shall provide that funds received as a lump-sum
7.9 payment of child support arrearages shall not be counted as income to a family in the month
7.10 received but shall be prorated over the 12 months following receipt and added to the family
7.11 income during those months. The commissioner shall maximize the use of federal money
7.12 under title I and title IV of Public Law 104-193, the Personal Responsibility and Work
7.13 Opportunity Reconciliation Act of 1996, and other programs that provide federal or state
7.14 reimbursement for child care services for low-income families who are in education, training,
7.15 job search, or other activities allowed under those programs. Money appropriated under
7.16 this section must be coordinated with the programs that provide federal reimbursement for
7.17 child care services to accomplish this purpose. ~~Federal reimbursement obtained must be~~
7.18 ~~allocated to the county that spent money for child care that is federally reimbursable under~~
7.19 ~~programs that provide federal reimbursement for child care services.~~ The counties
7.20 commissioner shall use the federal money to expand child care services. The commissioner
7.21 may adopt rules under chapter 14 to implement and coordinate federal program requirements.

7.22 **EFFECTIVE DATE.** This section is effective July 1, 2020.

7.23 Sec. 7. Minnesota Statutes 2018, section 119B.02, subdivision 2, is amended to read:

7.24 Subd. 2. **Contractual agreements with tribes.** The commissioner may enter into
7.25 contractual agreements with a federally recognized Indian tribe with a reservation in
7.26 Minnesota to carry out the responsibilities of county human service agencies to the extent
7.27 necessary for the tribe to operate child care assistance programs under sections 119B.03
7.28 and 119B.05. An agreement may allow the state to make payments for child care assistance
7.29 services provided under ~~section~~ sections 119B.03 and 119B.05. The commissioner shall
7.30 consult with the affected county or counties in the contractual agreement negotiations, if
7.31 the county or counties wish to be included, in order to avoid the duplication of county and
7.32 tribal child care services. ~~Funding to support services under section 119B.03 may be~~
7.33 ~~transferred to the federally recognized Indian tribe with a reservation in Minnesota from~~
7.34 ~~allocations available to counties in which reservation boundaries lie. When funding is~~

8.1 ~~transferred under section 119B.03, the amount shall be commensurate to estimates of the~~
8.2 ~~proportion of reservation residents with characteristics identified in section 119B.03,~~
8.3 ~~subdivision 6, to the total population of county residents with those same characteristics.~~

8.4 **EFFECTIVE DATE.** This section is effective July 1, 2020.

8.5 Sec. 8. Minnesota Statutes 2018, section 119B.02, subdivision 7, is amended to read:

8.6 Subd. 7. **Child care market rate survey.** ~~Biennially,~~ The commissioner shall conduct
8.7 a survey of prices charged by child care providers in Minnesota in state fiscal year 2021
8.8 and every three years thereafter to determine the 75th percentile for like-care arrangements
8.9 in county price clusters.

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

8.11 Sec. 9. Minnesota Statutes 2018, section 119B.025, subdivision 1, is amended to read:

8.12 Subdivision 1. **Applications.** (a) Except as provided in paragraph (c), clause (4), the
8.13 county shall verify the following at all initial child care applications using the universal
8.14 application:

8.15 (1) identity of adults;

8.16 (2) presence of the minor child in the home, if questionable;

8.17 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative
8.18 caretaker, or the spouses of any of the foregoing;

8.19 (4) age;

8.20 (5) immigration status, if related to eligibility;

8.21 (6) Social Security number, if given;

8.22 (7) counted income;

8.23 (8) spousal support and child support payments made to persons outside the household;

8.24 (9) residence; and

8.25 (10) inconsistent information, if related to eligibility.

8.26 (b) The county must mail a notice of approval or denial of assistance to the applicant
8.27 within 30 calendar days after receiving the application. The county may extend the response
8.28 time by 15 calendar days if the applicant is informed of the extension.

9.1 (c) For an applicant who declares that the applicant is homeless and who meets the
9.2 definition of homeless in section 119B.011, subdivision 13b, the county must:

9.3 (1) if information is needed to determine eligibility, send a request for information to
9.4 the applicant within five working days after receiving the application;

9.5 (2) if the applicant is eligible, send a notice of approval of assistance within five working
9.6 days after receiving the application;

9.7 (3) if the applicant is ineligible, send a notice of denial of assistance within 30 days after
9.8 receiving the application. The county may extend the response time by 15 calendar days if
9.9 the applicant is informed of the extension;

9.10 (4) not require verifications required by paragraph (a) before issuing the notice of approval
9.11 or denial; and

9.12 (5) follow limits set by the commissioner for how frequently expedited application
9.13 processing may be used for an applicant under this paragraph.

9.14 (d) An applicant who declares that the applicant is homeless must submit proof of
9.15 eligibility within three months of the date the application was received. If proof of eligibility
9.16 is not submitted within three months, eligibility ends. A 15-day adverse action notice is
9.17 required to end eligibility.

9.18 **EFFECTIVE DATE.** This section is effective September 21, 2020.

9.19 Sec. 10. Minnesota Statutes 2018, section 119B.03, subdivision 9, is amended to read:

9.20 ~~Subd. 9. **Portability pool.** (a) The commissioner shall establish a pool of up to five~~
9.21 ~~percent of the annual appropriation for the basic sliding fee program to provide continuous~~
9.22 ~~child care assistance for eligible families who move between Minnesota counties. At the~~
9.23 ~~end of each allocation period, any unspent funds in the portability pool must be used for~~
9.24 ~~assistance under the basic sliding fee program. If expenditures from the portability pool~~
9.25 ~~exceed the amount of money available, the reallocation pool must be reduced to cover these~~
9.26 ~~shortages.~~

9.27 ~~(b) To be eligible for portable basic sliding fee assistance, a family that has moved from~~
9.28 ~~a county in which it~~ (a) A family receiving child care assistance under the child care fund
9.29 that has moved from a county in which the family was receiving basic sliding fee child care
9.30 assistance to a another county with a waiting list for the basic sliding fee program must be
9.31 admitted into the receiving county's child care assistance program if the family:

10.1 (1) ~~meet~~ meets the income and eligibility guidelines for the basic sliding fee program;
 10.2 and

10.3 (2) ~~notify~~ notifies the ~~new~~ family's previous county of residence ~~within 60 days of~~
 10.4 ~~moving and submit information to the~~ of the family's move to a new county of residence ~~to~~
 10.5 ~~verify eligibility for the basic sliding fee program.~~

10.6 ~~(e)~~ (b) The receiving county must:

10.7 ~~(1)~~ accept administrative responsibility for ~~applicants for portable basic sliding fee~~
 10.8 ~~assistance~~ at the end of the two months of assistance under the Unitary Residency Act;

10.9 ~~(2)~~ ~~continue basic sliding fee assistance for the lesser of six months or until the family~~
 10.10 ~~is able to receive assistance under the county's regular basic sliding program; and~~

10.11 ~~(3)~~ ~~notify the commissioner through the quarterly reporting process of any family that~~
 10.12 ~~meets the criteria of the portable basic sliding fee assistance pool.~~

10.13 **EFFECTIVE DATE.** This section is effective July 1, 2020.

10.14 Sec. 11. Minnesota Statutes 2018, section 119B.05, subdivision 1, is amended to read:

10.15 Subdivision 1. **Eligible participants.** Families eligible for child care assistance under
 10.16 the MFIP child care program are:

10.17 (1) MFIP participants who are employed or in job search and meet the requirements of
 10.18 section 119B.10;

10.19 (2) persons who are members of transition year families under section 119B.011,
 10.20 subdivision 20, and meet the requirements of section 119B.10;

10.21 (3) families who are participating in employment orientation or job search, or other
 10.22 employment or training activities that are included in an approved employability development
 10.23 plan under section 256J.95;

10.24 (4) MFIP families who are participating in work job search, job support, employment,
 10.25 or training activities as required in their employment plan, or in appeals, hearings,
 10.26 assessments, or orientations according to chapter 256J;

10.27 (5) MFIP families who are participating in social services activities under chapter 256J
 10.28 as required in their employment plan approved according to chapter 256J;

10.29 (6) families who are participating in services or activities that are included in an approved
 10.30 family stabilization plan under section 256J.575;

11.1 (7) families who are participating in programs as required in tribal contracts under section
11.2 119B.02, subdivision 2, or 256.01, subdivision 2;

11.3 ~~(8) families who are participating in the transition year extension under section 119B.011,~~
11.4 ~~subdivision 20a;~~

11.5 ~~(9)~~ (8) student parents as defined under section 119B.011, subdivision 19b; and

11.6 ~~(10)~~ (9) student parents who turn 21 years of age and who continue to meet the other
11.7 requirements under section 119B.011, subdivision 19b. A student parent continues to be
11.8 eligible until the student parent is approved for basic sliding fee child care assistance or
11.9 until the student parent's redetermination, whichever comes first. At the student parent's
11.10 redetermination, if the student parent was not approved for basic sliding fee child care
11.11 assistance, a student parent's eligibility ends following a 15-day adverse action notice.

11.12 **EFFECTIVE DATE.** This section is effective July 1, 2020.

11.13 Sec. 12. Minnesota Statutes 2018, section 119B.05, subdivision 5, is amended to read:

11.14 Subd. 5. **Federal reimbursement.** Counties and the state shall maximize their federal
11.15 reimbursement under federal reimbursement programs for money spent for persons eligible
11.16 under this chapter. The commissioner shall allocate any federal earnings to the county to
11.17 be used to expand child care services under this chapter.

11.18 **EFFECTIVE DATE.** This section is effective July 1, 2020.

11.19 Sec. 13. Minnesota Statutes 2018, section 119B.08, subdivision 3, is amended to read:

11.20 Subd. 3. **Child care fund plan.** The county and designated administering agency shall
11.21 submit a biennial child care fund plan to the commissioner. The commissioner shall establish
11.22 the dates by which the county must submit the plans. The plan shall include:

11.23 (1) a description of strategies to coordinate and maximize public and private community
11.24 resources, including school districts, health care facilities, government agencies,
11.25 neighborhood organizations, and other resources knowledgeable in early childhood
11.26 development, in particular to coordinate child care assistance with existing community-based
11.27 programs and service providers including child care resource and referral programs, early
11.28 childhood family education, school readiness, Head Start, local interagency early intervention
11.29 committees, special education services, early childhood screening, and other early childhood
11.30 care and education services and programs to the extent possible, to foster collaboration
11.31 among agencies and other community-based programs that provide flexible, family-focused
11.32 services to families with young children and to facilitate transition into kindergarten. The

12.1 county must describe a method by which to share information, responsibility, and
 12.2 accountability among service and program providers;

12.3 (2) a description of procedures and methods to be used to make copies of the proposed
 12.4 state plan reasonably available to the public, including members of the public particularly
 12.5 interested in child care policies such as parents, child care providers, culturally specific
 12.6 service organizations, child care resource and referral programs, interagency early
 12.7 intervention committees, potential collaborative partners and agencies involved in the
 12.8 provision of care and education to young children, and allowing sufficient time for public
 12.9 review and comment; and

12.10 (3) information as requested by the department to ensure compliance with the child care
 12.11 fund statutes and rules promulgated by the commissioner.

12.12 The commissioner shall notify counties within 90 days of the date the plan is submitted
 12.13 whether the plan is approved or the corrections or information needed to approve the plan.
 12.14 The commissioner shall withhold a county's allocation until it has an approved plan. Plans
 12.15 not approved by the end of the second quarter after the plan is due may result in a 25 percent
 12.16 reduction in allocation. Plans not approved by the end of the third quarter after the plan is
 12.17 due may result in a 100 percent reduction in the allocation to the county administrative
 12.18 payments to a county until it has an approved plan. Counties are to maintain services despite
 12.19 any ~~reduction in their allocation~~ withholding of administrative payments due to plans not
 12.20 being approved.

12.21 **EFFECTIVE DATE.** This section is effective July 1, 2020.

12.22 Sec. 14. Minnesota Statutes 2018, section 119B.09, subdivision 1, is amended to read:

12.23 Subdivision 1. **General eligibility requirements.** (a) Child care services must be
 12.24 available to families who need child care to find or keep employment or to obtain the training
 12.25 or education necessary to find employment and who:

12.26 (1) have household income less than or equal to 67 percent of the state median income,
 12.27 adjusted for family size, at application and redetermination, and meet the requirements of
 12.28 section 119B.05; receive MFIP assistance; and are participating in employment and training
 12.29 services under chapter 256J; or

12.30 (2) have household income less than or equal to 47 percent of the state median income,
 12.31 adjusted for family size, at application and less than or equal to 67 percent of the state
 12.32 median income, adjusted for family size, at redetermination.

12.33 (b) Child care services must be made available as in-kind services.

13.1 (c) All applicants for child care assistance and families currently receiving child care
13.2 assistance must be assisted and required to cooperate in establishment of paternity and
13.3 enforcement of child support obligations for all children in the family at application and
13.4 redetermination as a condition of program eligibility. For purposes of this section, a family
13.5 is considered to meet the requirement for cooperation when the family complies with the
13.6 requirements of section 256.741.

13.7 (d) All applicants for child care assistance and families currently receiving child care
13.8 assistance must pay the co-payment fee under section 119B.12, subdivision 2, as a condition
13.9 of eligibility. The co-payment fee may include additional recoupment fees due to a child
13.10 care assistance program overpayment.

13.11 (e) If a family has one child with a child care authorization and the child reaches 13
13.12 years of age or the child has a disability and reaches 15 years of age, the family remains
13.13 eligible until the redetermination.

13.14 **EFFECTIVE DATE.** This section is effective June 29, 2020.

13.15 Sec. 15. Minnesota Statutes 2018, section 119B.09, subdivision 4a, is amended to read:

13.16 Subd. 4a. **Temporary ineligibility of military personnel.** Counties must reserve a
13.17 family's position under the child care assistance fund if a family has been receiving child
13.18 care assistance but is temporarily ineligible for assistance due to increased income from
13.19 active military service. Activated military personnel may be temporarily ineligible until
13.20 deactivation. ~~A county must reserve a military family's position on the basic sliding fee~~
13.21 ~~waiting list under the child care assistance fund if a family is approved to receive child care~~
13.22 ~~assistance and reaches the top of the waiting list but is temporarily ineligible for assistance.~~

13.23 **EFFECTIVE DATE.** This section is effective July 1, 2020.

13.24 Sec. 16. Minnesota Statutes 2018, section 119B.095, subdivision 2, is amended to read:

13.25 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota
13.26 Rules, chapter 3400, the amount of child care authorized under section 119B.10 for
13.27 employment, education, or an MFIP or DWP employment plan shall continue at the same
13.28 number of hours or more hours until redetermination, including:

13.29 (1) when the other parent moves in and is employed or has an education plan under
13.30 section 119B.10, subdivision 3, or has an MFIP or DWP employment plan; or

13.31 (2) when the participant's work hours are reduced or a participant temporarily stops
13.32 working or attending an approved education program. Temporary changes include, but are

14.1 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
14.2 semesters.

14.3 (b) The county may increase the amount of child care authorized at any time if the
14.4 participant verifies the need for increased hours for authorized activities.

14.5 (c) The county may reduce the amount of child care authorized if a parent requests a
14.6 reduction or because of a change in:

14.7 (1) the child's school schedule;

14.8 (2) the custody schedule; or

14.9 (3) the provider's availability.

14.10 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
14.11 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
14.12 apply to a family subject to subdivision 1, paragraph (b).

14.13 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
14.14 age, the amount of child care authorized continues at the same number of hours or more
14.15 hours until redetermination.

14.16 **EFFECTIVE DATE.** This section is effective June 29, 2020.

14.17 Sec. 17. Minnesota Statutes 2018, section 119B.095, is amended by adding a subdivision
14.18 to read:

14.19 Subd. 3. **Assistance for persons who are homeless.** An applicant who is homeless and
14.20 eligible for child care assistance is exempt from the activity participation requirements under
14.21 this chapter for three months. The applicant under this subdivision is eligible for 60 hours
14.22 of child care assistance per service period for three months from the date the county receives
14.23 the application. Additional hours may be authorized as needed based on the applicant's
14.24 participation in employment, education, or MFIP or DWP employment plan. To continue
14.25 receiving child care assistance after the initial three months, the applicant must verify that
14.26 the applicant meets eligibility and activity requirements for child care assistance under this
14.27 chapter.

14.28 **EFFECTIVE DATE.** This section is effective September 21, 2020.

15.1 Sec. 18. Minnesota Statutes 2018, section 119B.13, subdivision 1, is amended to read:

15.2 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014,~~ The maximum
15.3 rate paid for child care assistance in any county or county price cluster under the child care
15.4 fund ~~shall be~~ is the greater of:

15.5 (1) the 75th percentile of the 2011 most recent child care provider rate survey or
15.6 under section 119B.02, subdivision 7;

15.7 (2) the maximum rate effective November 28, 2011 rate in effect at the time of the
15.8 update; or

15.9 (3) for infant care, the 100th percentile of the most recent child care provider rate survey.

15.10 (b) For a child care provider located within the boundaries of a city located in two or
15.11 more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child
15.12 care assistance ~~shall be~~ is equal to the maximum rate paid in the county with the highest
15.13 maximum reimbursement rates or the provider's charge, whichever is less.

15.14 (c) The commissioner may: (1) assign a county with no reported provider prices to a
15.15 similar price cluster; and (2) consider county level access when determining final price
15.16 clusters.

15.17 ~~(b)~~ (d) A rate which includes a special needs rate paid under subdivision 3 may be in
15.18 excess of the maximum rate allowed under this subdivision.

15.19 ~~(e)~~ (e) The department shall monitor the effect of this paragraph on provider rates. The
15.20 county shall pay the provider's full charges for every child in care up to the maximum
15.21 established. The commissioner shall determine the maximum rate for each type of care on
15.22 an hourly, full-day, and weekly basis, including special needs and disability care.

15.23 ~~(d)~~ (f) If a child uses one provider, the maximum payment for one day of care must not
15.24 exceed the daily rate. The maximum payment for one week of care must not exceed the
15.25 weekly rate.

15.26 ~~(e)~~ (g) If a child uses two providers under section 119B.097, the maximum payment
15.27 must not exceed:

15.28 (1) the daily rate for one day of care;

15.29 (2) the weekly rate for one week of care by the child's primary provider; and

15.30 (3) two daily rates during two weeks of care by a child's secondary provider.

16.1 ~~(f)~~ (h) Child care providers receiving reimbursement under this chapter must not be paid
16.2 activity fees or an additional amount above the maximum rates for care provided during
16.3 nonstandard hours for families receiving assistance.

16.4 ~~(g)~~ (i) If the provider charge is greater than the maximum provider rate allowed, the
16.5 parent is responsible for payment of the difference in the rates in addition to any family
16.6 co-payment fee.

16.7 ~~(h)~~ (j) All maximum provider rates changes shall be implemented on the Monday
16.8 following the effective date of the maximum provider rate are effective at the beginning of
16.9 the first biweekly period following September 1 after the most recent rate survey.

16.10 ~~(i)~~ Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration
16.11 fees in effect on January 1, 2013, shall remain in effect.

16.12 **EFFECTIVE DATE; APPLICATION.** This section is effective September 20, 2019,
16.13 and the first maximum rate update must be based on the 2018 child care provider rate survey
16.14 and take effect on that date.

16.15 Sec. 19. Minnesota Statutes 2018, section 119B.13, is amended by adding a subdivision
16.16 to read:

16.17 Subd. 1b. **Registration fee.** (a) The maximum registration fee paid for child care
16.18 assistance in any county or county price cluster under the child care fund is the greater of:

16.19 (1) the 75th percentile of the most recent child care provider rate survey under section
16.20 119B.02, subdivision 7;

16.21 (2) the registration fee in effect at the time of the update; or

16.22 (3) for infant care, the 100th percentile of the most recent child care provider rate survey.

16.23 (b) Maximum registration fee changes are effective at the beginning of the first biweekly
16.24 period following September 1 after the most recent rate survey. Maximum registration fees
16.25 must be set for licensed family child care and for child care centers.

16.26 (c) For a child care provider located within the boundaries of a city located in two or
16.27 more of the counties of Benton, Sherburne, and Stearns, the maximum registration fee paid
16.28 for child care assistance is equal to the maximum registration fee paid in the county with
16.29 the highest maximum registration fee or the provider's charge, whichever is less.

16.30 **EFFECTIVE DATE; APPLICATION.** This section is effective September 23, 2019,
16.31 and the first registration fee update must be based on the 2018 child care provider rate survey
16.32 and take effect on that date.

17.1 Sec. 20. Minnesota Statutes 2018, section 119B.16, subdivision 1, is amended to read:

17.2 Subdivision 1. **Fair hearing allowed for applicants and recipients.** (a) An applicant
17.3 or recipient adversely affected by an action of a county agency action or the commissioner,
17.4 for an action taken directly against the applicant or recipient, may request and receive a fair
17.5 hearing in accordance with this subdivision and section 256.045. An applicant or recipient
17.6 does not have a right to a fair hearing if a county agency or the commissioner takes action
17.7 against a provider.

17.8 (b) A county agency must offer an informal conference to an applicant or recipient who
17.9 is entitled to a fair hearing under this section. A county agency must advise an applicant or
17.10 recipient that a request for a conference is optional and does not delay or replace the right
17.11 to a fair hearing.

17.12 (c) If a provider's authorization is suspended, denied, or revoked, a county agency or
17.13 the commissioner must mail notice to each child care assistance program recipient receiving
17.14 care from the provider.

17.15 **EFFECTIVE DATE.** This section is effective February 26, 2021.

17.16 Sec. 21. Minnesota Statutes 2018, section 119B.16, subdivision 1a, is amended to read:

17.17 Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers
17.18 caring for children receiving child care assistance.

17.19 (b) ~~A provider to whom a county agency has assigned responsibility for an overpayment~~
17.20 ~~may request a fair hearing in accordance with section 256.045 for the limited purpose of~~
17.21 ~~challenging the assignment of responsibility for the overpayment and the amount of the~~
17.22 ~~overpayment. The scope of the fair hearing does not include the issues of whether the~~
17.23 ~~provider wrongfully obtained public assistance in violation of section 256.98 or was properly~~
17.24 ~~disqualified under section 256.98, subdivision 8, paragraph (c), unless the fair hearing has~~
17.25 ~~been combined with an administrative disqualification hearing brought against the provider~~
17.26 ~~under section 256.046.~~

17.27 (b) A provider may request a fair hearing according to sections 256.045 and 256.046
17.28 only if a county agency or the commissioner:

17.29 (1) denies or revokes a provider's authorization, unless the action entitles the provider
17.30 to an administrative review under section 119B.161;

17.31 (2) assigns responsibility for an overpayment to a provider under section 119B.11,
17.32 subdivision 2a;

18.1 (3) establishes an overpayment for failure to comply with section 119B.125, subdivision
 18.2 6;

18.3 (4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4,
 18.4 paragraph (c), clause (2);

18.5 (5) initiates an administrative fraud disqualification hearing; or

18.6 (6) issues a payment and the provider disagrees with the amount of the payment.

18.7 (c) A provider may request a fair hearing by submitting a written request to the
 18.8 Department of Human Services, Appeals Division. A provider's request must be received
 18.9 by the Appeals Division no later than 30 days after the date a county or the commissioner
 18.10 mails the notice.

18.11 (d) The provider's appeal request must contain the following:

18.12 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
 18.13 dollar amount involved for each disputed item;

18.14 (2) the computation the provider believes to be correct, if applicable;

18.15 (3) the statute or rule relied on for each disputed item; and

18.16 (4) the name, address, and telephone number of the person at the provider's place of
 18.17 business with whom contact may be made regarding the appeal.

18.18 **EFFECTIVE DATE.** This section is effective February 26, 2021.

18.19 Sec. 22. Minnesota Statutes 2018, section 119B.16, subdivision 1b, is amended to read:

18.20 Subd. 1b. **Joint fair hearings.** ~~When a provider requests a fair hearing under subdivision~~
 18.21 ~~1a, the family in whose case the overpayment was created must be made a party to the fair~~
 18.22 ~~hearing. All other issues raised by the family must be resolved in the same proceeding.~~
 18.23 ~~When a family requests a fair hearing and claims that the county should have assigned~~
 18.24 ~~responsibility for an overpayment to a provider, the provider must be made a party to the~~
 18.25 ~~fair hearing. The human services judge assigned to a fair hearing may join a family or a~~
 18.26 ~~provider as a party to the fair hearing whenever joinder of that party is necessary to fully~~
 18.27 ~~and fairly resolve overpayment issues raised in the appeal.~~

18.28 **EFFECTIVE DATE.** This section is effective February 26, 2021.

19.1 Sec. 23. Minnesota Statutes 2018, section 119B.16, is amended by adding a subdivision
19.2 to read:

19.3 Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision
19.4 1a, paragraph (b), a county agency or the commissioner must mail written notice to the
19.5 provider against whom the action is being taken. Unless otherwise specified under chapter
19.6 119B or 245E or Minnesota Rules, chapter 3400, a county agency or the commissioner must
19.7 mail the written notice at least 15 calendar days before the adverse action's effective date.

19.8 (b) The notice must state (1) the factual basis for the department's determination, (2) the
19.9 action the department intends to take, (3) the dollar amount of the monetary recovery or
19.10 recoupment, if known, and (4) the provider's right to appeal the department's proposed
19.11 action.

19.12 **EFFECTIVE DATE.** This section is effective February 26, 2021.

19.13 Sec. 24. Minnesota Statutes 2018, section 119B.16, is amended by adding a subdivision
19.14 to read:

19.15 Subd. 3. **Fair hearing stayed.** (a) If a county agency or the commissioner denies or
19.16 revokes a provider's authorization based on a licensing action under section 245A.07, and
19.17 the provider appeals, the provider's fair hearing must be stayed until the commissioner issues
19.18 an order as required under section 245A.08, subdivision 5.

19.19 (b) If the commissioner denies or revokes a provider's authorization based on
19.20 decertification under section 245H.07, and the provider appeals, the provider's fair hearing
19.21 must be stayed until the commissioner issues a final order as required under section 245H.07.

19.22 **EFFECTIVE DATE.** This section is effective February 26, 2021.

19.23 Sec. 25. Minnesota Statutes 2018, section 119B.16, is amended by adding a subdivision
19.24 to read:

19.25 Subd. 4. **Final department action.** Unless the commissioner receives a timely and
19.26 proper request for an appeal, a county agency's or the commissioner's action is considered
19.27 a final department action.

19.28 **EFFECTIVE DATE.** This section is effective February 26, 2021.

19.29 Sec. 26. **[119B.161] ADMINISTRATIVE REVIEW.**

19.30 Subdivision 1. **Applicability.** A provider has the right to an administrative review under
19.31 this section if (1) a payment was suspended under chapter 245E, or (2) the provider's

20.1 authorization was denied or revoked under section 119B.13, subdivision 6, paragraph (d),
20.2 clause (1) or (2).

20.3 Subd. 2. **Notice.** (a) A county agency or the commissioner must mail written notice to
20.4 a provider within five days of suspending payment or denying or revoking the provider's
20.5 authorization under subdivision 1.

20.6 (b) The notice must:

20.7 (1) state the provision under which a county agency or the commissioner is denying,
20.8 revoking, or suspending the provider's authorization or suspending payment to the provider;

20.9 (2) set forth the general allegations leading to the denial, revocation, or suspension of
20.10 the provider's authorization. The notice need not disclose any specific information concerning
20.11 an ongoing investigation;

20.12 (3) state that the denial, revocation, or suspension of the provider's authorization is for
20.13 a temporary period and explain the circumstances under which the action expires; and

20.14 (4) inform the provider of the right to submit written evidence and argument for
20.15 consideration by the commissioner.

20.16 (c) Notwithstanding Minnesota Rules, part 3400.0185, if a county agency or the
20.17 commissioner suspends payment to a provider under chapter 245E or denies or revokes a
20.18 provider's authorization under section 119B.13, subdivision 6, paragraph (d), clause (1) or
20.19 (2), a county agency or the commissioner must send notice of service authorization closure
20.20 to each affected family. The notice sent to an affected family is effective on the date the
20.21 notice is created.

20.22 Subd. 3. **Duration.** If a provider's payment is suspended under chapter 245E or a
20.23 provider's authorization is denied or revoked under section 119B.13, subdivision 6, paragraph
20.24 (d), clause (1) or (2), the provider's denial, revocation, temporary suspension, or payment
20.25 suspension remains in effect until:

20.26 (1) the commissioner or a law enforcement authority determines that there is insufficient
20.27 evidence warranting the action and a county agency or the commissioner does not pursue
20.28 an additional administrative remedy under chapter 245E or section 256.98; or

20.29 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
20.30 misconduct conclude and any appeal rights are exhausted.

21.1 Subd. 4. **Good cause exception.** The commissioner may find that good cause exists not
21.2 to deny, revoke, or suspend a provider's authorization, or not to continue a denial, revocation,
21.3 or suspension of a provider's authorization if any of the following are applicable:

21.4 (1) a law enforcement authority specifically requested that a provider's authorization
21.5 not be denied, revoked, or suspended because that action may compromise an ongoing
21.6 investigation;

21.7 (2) the commissioner determines that the denial, revocation, or suspension should be
21.8 removed based on the provider's written submission; or

21.9 (3) the commissioner determines that the denial, revocation, or suspension is not in the
21.10 best interests of the program.

21.11 **EFFECTIVE DATE.** This section is effective February 26, 2021.

21.12 Sec. 27. Minnesota Statutes 2018, section 124D.165, subdivision 2, is amended to read:

21.13 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
21.14 parents or guardians must meet the following eligibility requirements:

21.15 (1) have an eligible child; and

21.16 (2) have income equal to or less than 185 percent of federal poverty level income in the
21.17 current calendar year, or be able to document their child's current participation in the free
21.18 and reduced-price lunch program or Child and Adult Care Food Program, National School
21.19 Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution
21.20 Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections
21.21 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act
21.22 of 2007; Minnesota family investment program under chapter 256J; child care assistance
21.23 programs under chapter 119B; the supplemental nutrition assistance program; or placement
21.24 in foster care under section 260C.212. Parents or guardians are not required to provide
21.25 income verification under this clause if the child is an eligible child under paragraph (b),
21.26 clause (4) or (5).

21.27 (b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

21.28 (1) ~~at least three but not yet~~ from birth to five years of age on September 1 of the current
21.29 school year;

21.30 (2) a sibling from birth to age five of a child who has been awarded a scholarship under
21.31 this section provided the sibling attends the same program as long as funds are available;

22.1 (3) the child of a parent under age 21 who is pursuing a high school degree or a course
22.2 of study for a high school equivalency test; or

22.3 (4) ~~homeless, in foster care, or a child~~ in need of child protective services or in foster
22.4 care; or

22.5 (5) designated as homeless under the federal McKinney-Vento Homeless Assistance
22.6 Act, United States Code, title 42, section 11434a.

22.7 (c) A child who has received a scholarship under this section must continue to receive
22.8 a scholarship each year until that child is eligible for kindergarten under section 120A.20
22.9 and as long as funds are available.

22.10 (d) Early learning scholarships may not be counted as earned income for the purposes
22.11 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota
22.12 family investment program under chapter 256J, child care assistance programs under chapter
22.13 119B, or Head Start under the federal Improving Head Start for School Readiness Act of
22.14 2007.

22.15 (e) A child from an adjoining state whose family resides at a Minnesota address as
22.16 assigned by the United States Postal Service, who has received developmental screening
22.17 under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,
22.18 and whose family meets the criteria of paragraph (a) is eligible for an early learning
22.19 scholarship under this section.

22.20 **EFFECTIVE DATE.** This section is effective July 1, 2019.

22.21 Sec. 28. Minnesota Statutes 2018, section 124D.165, subdivision 3, is amended to read:

22.22 Subd. 3. **Administration.** (a) The commissioner shall establish application timelines
22.23 and determine the schedule for awarding scholarships that meets operational needs of eligible
22.24 families and programs. The commissioner must give highest priority to applications from
22.25 children who:

22.26 (1) have a parent under age 21 who is pursuing a high school diploma or a course of
22.27 study for a high school equivalency test;

22.28 (2) are in foster care or otherwise in need of protection or services; or

22.29 (3) have experienced homelessness in the last 24 months, as defined under the federal
22.30 McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

23.1 The commissioner may prioritize applications on additional factors including family
23.2 income, geographic location, and whether the child's family is on a waiting list for a publicly
23.3 funded program providing early education or child care services.

23.4 (b) The commissioner shall establish a target for the average scholarship amount per
23.5 child based on the results of the rate survey conducted under section 119B.02.

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

23.17 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not
23.18 been accepted and subsequently enrolled in a rated program within ten months of the
23.19 awarding of the scholarship, the scholarship cancels and the recipient must reapply in order
23.20 to be eligible for another scholarship. A child may not be awarded more than one scholarship
23.21 in a 12-month period.

23.22 (e) A child over the age of three who receives a scholarship ~~who~~ and has not completed
23.23 development screening under sections 121A.16 to 121A.19 must complete that screening
23.24 within 90 days of first attending an eligible program. A child who receives a scholarship
23.25 before the age of three must complete the developmental screening no later than 90 days
23.26 after the child's third birthday.

23.27 (f) ~~For fiscal year 2017 and later,~~ A school district or Head Start program enrolling
23.28 scholarship recipients under paragraph (c) may apply to the commissioner, in the form and
23.29 manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of
23.30 the application, the commissioner must pay each program directly for each approved
23.31 scholarship recipient enrolled under paragraph (c) according to the metered payment system
23.32 or another schedule established by the commissioner.

23.33 **EFFECTIVE DATE.** This section is effective July 1, 2019.

24.1 Sec. 29. Minnesota Statutes 2018, section 124D.165, subdivision 4, is amended to read:

24.2 Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an
24.3 early learning scholarship, a program must:

24.4 (1) participate in the quality rating and improvement system under section 124D.142;
24.5 and

24.6 (2) beginning July 1, 2020, have a three- or four-star rating in the quality rating and
24.7 improvement system.

24.8 (b) Any program accepting scholarships must use the revenue to supplement and not
24.9 supplant federal funding.

24.10 ~~(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship
24.11 program pilot sites are eligible to accept an early learning scholarship under this section.~~

24.12 Sec. 30. Minnesota Statutes 2018, section 245E.06, subdivision 3, is amended to read:

24.13 Subd. 3. **Appeal of department sanction action.** ~~(a) If the department does not pursue
24.14 a criminal action against a provider, license holder, controlling individual, or recipient for
24.15 financial misconduct, but the department imposes an administrative sanction under section
24.16 245E.02, subdivision 4, paragraph (c), any individual or entity against whom the sanction
24.17 was imposed may appeal the department's administrative sanction under this section pursuant
24.18 to section 119B.16 or 256.045 with the additional requirements in clauses (1) to (4). An
24.19 appeal must specify:~~

24.20 ~~(1) each disputed item, the reason for the dispute, and an estimate of the dollar amount
24.21 involved for each disputed item, if appropriate;~~

24.22 ~~(2) the computation that is believed to be correct, if appropriate;~~

24.23 ~~(3) the authority in the statute or rule relied upon for each disputed item; and~~

24.24 ~~(4) the name, address, and phone number of the person at the provider's place of business
24.25 with whom contact may be made regarding the appeal.~~

24.26 ~~(b) Notwithstanding section 245E.03, subdivision 4, an appeal is considered timely only
24.27 if postmarked or received by the department's Appeals Division within 30 days after receiving
24.28 a notice of department sanction.~~

24.29 ~~(c) Before the appeal hearing, the department may deny or terminate authorizations or
24.30 payment to the entity or individual if the department determines that the action is necessary
24.31 to protect the public welfare or the interests of the child care assistance program.~~

25.1 A provider's rights related to the department's action taken under this chapter against a
25.2 provider are established in sections 119B.16 and 119B.161.

25.3 **EFFECTIVE DATE.** This section is effective February 26, 2021.

25.4 Sec. 31. Minnesota Statutes 2018, section 256.017, subdivision 9, is amended to read:

25.5 Subd. 9. **Timing and disposition of penalty and case disallowance funds.** Quality
25.6 control case penalty and administrative penalty amounts shall be disallowed or withheld
25.7 from the next regular reimbursement made to the county agency for state and federal benefit
25.8 reimbursements and federal administrative reimbursements for all programs covered in this
25.9 section, according to procedures established in statute, but shall not be imposed sooner than
25.10 30 calendar days from the date of written notice of such penalties. Except for penalties
25.11 withheld under the child care assistance program, all penalties must be deposited in the
25.12 county incentive fund provided in section 256.018. Penalties withheld under the child care
25.13 assistance program shall be reallocated to counties ~~using the allocation formula under section~~
25.14 ~~119B.03, subdivision 5.~~ All penalties must be imposed according to this provision until a
25.15 decision is made regarding the status of a written exception. Penalties must be returned to
25.16 county agencies when a review of a written exception results in a decision in their favor.

25.17 **EFFECTIVE DATE.** This section is effective July 1, 2020.

25.18 Sec. 32. **DIRECTION TO COMMISSIONER OF MANAGEMENT AND BUDGET.**

25.19 The state obligation for the basic sliding fee child care assistance program under
25.20 Minnesota Statutes, section 119B.03, must be included in the Minnesota Management and
25.21 Budget February and November forecast of state revenues and expenditures under Minnesota
25.22 Statutes, section 16A.103, beginning with the February 2020 forecast.

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

25.24 Sec. 33. **APPROPRIATIONS.**

25.25 Subdivision 1. **Department of Education.** The sums indicated in this section are
25.26 appropriated from the general fund, or another named fund, to the Department of Education
25.27 for the fiscal years designated.

25.28 Subd. 2. **Early learning scholarships.** (a) From the early learning scholarship account
25.29 in the great start fund, for the early learning scholarship program under Minnesota Statutes,
25.30 section 124D.165:

27.1 (3) provide comprehensive program content including the implementation of curriculum,
27.2 assessment, and instructional strategies aligned with the state early learning standards, and
27.3 kindergarten through grade 3 academic standards;

27.4 (4) provide instructional content and activities that are of sufficient length and intensity
27.5 to address learning needs including offering a program with at least 350 hours of instruction
27.6 per school year for a prekindergarten student;

27.7 (5) provide voluntary prekindergarten instructional staff salaries comparable to the
27.8 salaries of local kindergarten through grade 12 instructional staff;

27.9 (6) coordinate appropriate kindergarten transition with families, community-based
27.10 prekindergarten programs, and school district kindergarten programs;

27.11 (7) involve parents in program planning and transition planning by implementing parent
27.12 engagement strategies that include culturally and linguistically responsive activities in
27.13 prekindergarten through third grade that are aligned with early childhood family education
27.14 under section 124D.13;

27.15 (8) coordinate with relevant community-based services, including health and social
27.16 service agencies, to ensure children have access to comprehensive services;

27.17 (9) coordinate with all relevant school district programs and services including early
27.18 childhood special education, homeless students, and English learners;

27.19 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

27.20 (11) provide high-quality coordinated professional development, training, and coaching
27.21 for both school district and community-based early learning providers that is informed by
27.22 a measure of adult-child interactions and enables teachers to be highly knowledgeable in
27.23 early childhood curriculum content, assessment, native and English language development
27.24 programs, and instruction; and

27.25 (12) implement strategies that support the alignment of professional development,
27.26 instruction, assessments, and prekindergarten through grade 3 curricula.

27.27 (b) A voluntary prekindergarten program must have teachers knowledgeable in early
27.28 childhood curriculum content, assessment, native and English language programs, and
27.29 instruction.

27.30 (c) Districts and charter schools must include their strategy for implementing and
27.31 measuring the impact of their voluntary prekindergarten program under section 120B.11

28.1 and provide results in their world's best workforce annual summary to the commissioner of
28.2 education.

28.3 Sec. 2. Minnesota Statutes 2018, section 124D.151, subdivision 5, is amended to read:

28.4 Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for~~
28.5 ~~program approval for fiscal year 2017, a district or charter school must submit an application~~
28.6 ~~to the commissioner by July 1, 2016.~~ To qualify for program approval for fiscal year 2018
28.7 ~~and later~~, a district or charter school must submit an application to the commissioner by
28.8 January 30 of the fiscal year prior to the fiscal year in which the program will be
28.9 implemented. The application must include:

28.10 (1) a description of the proposed program, including the number of hours per week the
28.11 program will be offered at each school site or mixed-delivery location;

28.12 (2) an estimate of the number of eligible children to be served in the program at each
28.13 school site or mixed-delivery location; and

28.14 (3) a statement of assurances signed by the superintendent or charter school director that
28.15 the proposed program meets the requirements of subdivision 2.

28.16 (b) The commissioner must review all applications submitted ~~for fiscal year 2017 by~~
28.17 ~~August 1, 2016, and must review all applications submitted for fiscal year 2018 and later~~
28.18 by March 1 of the fiscal year in which the applications are received and determine whether
28.19 each application meets the requirements of paragraph (a).

28.20 (c) The commissioner must divide all applications for new or expanded voluntary
28.21 prekindergarten programs under this section meeting the requirements of paragraph (a) and
28.22 school readiness plus programs into ~~four~~ five groups as follows: the Minneapolis ~~and school~~
28.23 district; the St. Paul school districts district; other school districts located in the metropolitan
28.24 equity region as defined in section 126C.10, subdivision 28; school districts located in the
28.25 rural equity region as defined in section 126C.10, subdivision 28; and charter schools.
28.26 Within each group, the applications must be ordered by rank using a sliding scale based on
28.27 the following criteria:

28.28 (1) concentration of kindergarten students eligible for free or reduced-price lunches by
28.29 school site on October 1 of the previous school year. A school site may contract to partner
28.30 with a community-based provider or Head Start under subdivision 3 or establish an early
28.31 childhood center and use the concentration of kindergarten students eligible for free or
28.32 reduced-price meals from a specific school site as long as those eligible children are
28.33 prioritized and guaranteed services at the mixed-delivery site or early education center. For

29.1 school district programs to be operated at locations that do not have free and reduced-price
29.2 lunch concentration data for kindergarten programs for October 1 of the previous school
29.3 year, including mixed-delivery programs, the school district average concentration of
29.4 kindergarten students eligible for free or reduced-price lunches must be used for the rank
29.5 ordering;

29.6 (2) presence or absence of a three- or four-star Parent Aware rated program within the
29.7 school district or close proximity of the district. School sites with the highest concentration
29.8 of kindergarten students eligible for free or reduced-price lunches that do not have a three-
29.9 or four-star Parent Aware program within the district or close proximity of the district shall
29.10 receive the highest priority, and school sites with the lowest concentration of kindergarten
29.11 students eligible for free or reduced-price lunches that have a three- or four-star Parent
29.12 Aware rated program within the district or close proximity of the district shall receive the
29.13 lowest priority; and

29.14 (3) whether the district has implemented a mixed delivery system.

29.15 (d) The limit on participation for the programs as specified in subdivision 6 must initially
29.16 be allocated among the ~~four~~ five groups based on each group's percentage share of the
29.17 statewide kindergarten enrollment on October 1 of the previous school year. Within each
29.18 group, the participation limit for fiscal years 2018 and 2019 must first be allocated to school
29.19 sites approved for aid in the previous year to ensure that those sites are funded for the same
29.20 number of participants as approved for the previous year. The remainder of the participation
29.21 limit for each group must be allocated among school sites in priority order until that region's
29.22 share of the participation limit is reached. If the participation limit is not reached for all
29.23 groups, the remaining amount must be allocated to the highest priority school sites, as
29.24 designated under this section, not funded in the initial allocation on a statewide basis. For
29.25 fiscal year 2020 and later, the participation limit must first be allocated to school sites
29.26 approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year
29.27 2018 based on the statewide rankings under paragraph (c).

29.28 (e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid
29.29 under this subdivision, it shall remain eligible for aid if it continues to meet program
29.30 requirements, regardless of changes in the concentration of students eligible for free or
29.31 reduced-price lunches.

29.32 (f) If the total number of participants approved based on applications submitted under
29.33 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must
29.34 notify all school districts and charter schools of the amount that remains available within

30.1 30 days of the initial application deadline under paragraph (a), and complete a second round
 30.2 of allocations based on applications received within 60 days of the initial application deadline.

30.3 (g) Procedures for approving applications submitted under paragraph (f) shall be the
 30.4 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
 30.5 highest priority school sites not funded in the initial allocation on a statewide basis.

30.6 Sec. 3. Minnesota Statutes 2018, section 124D.151, subdivision 6, is amended to read:

30.7 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,
 30.8 paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school
 30.9 district or charter school must not exceed 60 percent of the kindergarten pupil units for that
 30.10 school district or charter school under section 126C.05, subdivision 1, paragraph (e).

30.11 ~~(b) In reviewing applications under subdivision 5, the commissioner must limit the~~
 30.12 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~
 30.13 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~
 30.14 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

30.15 ~~(e) The commissioner must limit the total number of funded participants in the voluntary~~
 30.16 ~~prekindergarten program under this section to not more than 3,160.~~

30.17 ~~(d) Notwithstanding paragraph (e),~~ (b) The commissioner must limit the combined total
 30.18 number of participants in the voluntary prekindergarten program under this section and the
 30.19 school readiness plus programs program under Laws 2017, First Special Session chapter 5,
 30.20 article 8, section 9, to not more than ~~6,160 participants for fiscal year 2018 and~~ 7,160
 30.21 participants for a fiscal year ~~2019~~.

30.22 **EFFECTIVE DATE.** This section is effective July 1, 2019.

30.23 Sec. 4. Minnesota Statutes 2018, section 126C.05, subdivision 1, is amended to read:

30.24 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age
 30.25 of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in
 30.26 average daily membership enrolled in the district of residence, in another district under
 30.27 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
 30.28 chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22,
 30.29 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03
 30.30 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

30.31 (a) A prekindergarten pupil with a disability who is enrolled in a program approved by
 30.32 the commissioner and has an individualized education program is counted as the ratio of

31.1 the number of hours of assessment and education service to 825 times 1.0 with a minimum
31.2 average daily membership of 0.28, but not more than 1.0 pupil unit.

31.3 (b) A prekindergarten pupil who is assessed but determined not to be disabled is counted
31.4 as the ratio of the number of hours of assessment service to 825 times 1.0.

31.5 (c) A kindergarten pupil with a disability who is enrolled in a program approved by the
31.6 commissioner is counted as the ratio of the number of hours of assessment and education
31.7 services required in the fiscal year by the pupil's individualized education program to 875,
31.8 but not more than one.

31.9 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled
31.10 in an approved voluntary prekindergarten program under section 124D.151 is counted as
31.11 the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil
31.12 units.

31.13 (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil
31.14 unit if the pupil is enrolled in a free all-day, every day kindergarten program available to
31.15 all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
31.16 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
31.17 every day kindergarten program available to all kindergarten pupils at the pupil's school.

31.18 (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

31.19 (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

31.20 (h) A pupil who is in the postsecondary enrollment options program is counted as 1.2
31.21 pupil units.

31.22 (i) ~~For fiscal years 2018 and 2019 only,~~ A prekindergarten pupil who:

31.23 (1) is not included in paragraph (a), (b), or (d);

31.24 (2) is enrolled in a school readiness plus program under Laws 2017, First Special Session
31.25 chapter 5, article 8, section 9; and

31.26 (3) has one or more of the risk factors specified by the eligibility requirements for a
31.27 school readiness plus program,

31.28 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more
31.29 than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same
31.30 manner as a voluntary prekindergarten student for all general education and other school
31.31 funding formulas.

31.32 **EFFECTIVE DATE.** This section is effective July 1, 2019.

32.1 Sec. 5. Laws 2017, First Special Session chapter 5, article 8, section 8, the effective date,
32.2 is amended to read:

32.3 **EFFECTIVE DATE.** Paragraph (i) of this section ~~expires at the end of fiscal year 2019~~
32.4 does not expire.

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

32.6 ARTICLE 5

32.7 CHILD CARE AVAILABILITY

32.8 Section 1. **[116J.408] GREATER MINNESOTA CHILD CARE FACILITY CAPITAL**
32.9 **GRANT PROGRAM.**

32.10 **Subdivision 1. Creation of account.** A greater Minnesota child care facility capital grant
32.11 account is created in the special revenue fund. Money in the account is appropriated to the
32.12 commissioner to make grants under this section.

32.13 **Subd. 2. Purpose; authority.** The purpose of the grant program established in this
32.14 section is to keep or enhance jobs, increase the tax base, or expand or create new economic
32.15 development in the area in which the grants are made, by providing facilities for the child
32.16 care necessary to support workers and their families. Grants under this section must be made
32.17 to applicants that are located outside of the metropolitan area as defined in section 473.121,
32.18 subdivision 2.

32.19 **Subd. 3. Definitions.** (a) For the purposes of this section, the following terms have the
32.20 meanings given.

32.21 **(b) "Eligible applicant" or "applicant" means a nonprofit or for-profit family child care**
32.22 **provider or child care center that: (1) uses the grant to increase child care capacity in the**
32.23 **community that is served by the provider; (2) meets all state requirements for child care**
32.24 **facilities or programs; and (3) agrees to achieve or maintain Parent Aware certification.**

32.25 **(c) "Eligible project" or "project" includes acquisition of land or interest in land,**
32.26 **predesign, design, renovation, construction, furnishing, and equipping facilities in which**
32.27 **to provide child care or for other child care capital facility improvements that support the**
32.28 **purposes for which this grant program is established, including upgrading or expanding**
32.29 **existing nonprofit child care facilities for purposes of meeting state requirements.**

32.30 **(d) "Commissioner" means the commissioner of employment and economic development.**

32.31 **Subd. 4. Grants.** (a) The commissioner shall make grants to eligible applicants to provide
32.32 up to 50 percent of the capital costs of eligible child care facility capital projects, subject

33.1 to section 16A.502. An eligible applicant receiving a grant must provide for the remainder
33.2 of the costs of the project, either in cash or in kind. In-kind contributions may include the
33.3 cost of acquisition of real property and the value of site preparation made before or after
33.4 the grant award is made.

33.5 (b) The commissioner may also distribute money provided by this section through a
33.6 regional organization within the meaning of section 15.75 to provide grants to eligible
33.7 applicants based on the manner of application and criteria established by the commissioner
33.8 in subdivision 5 and the requirements of this subdivision and subdivisions 6 and 7.

33.9 (c) If the commissioner awards a grant for less than 50 percent of the project cost, the
33.10 commissioner must provide the applicant and the chairs and ranking minority members of
33.11 the senate and house of representatives committees with jurisdiction over economic
33.12 development finance a written explanation for awarding less than 50 percent.

33.13 Subd. 5. **Application; criteria.** The commissioner must develop forms and procedures
33.14 for soliciting and reviewing applications for grants under this section. An applicant shall
33.15 apply for a grant in the manner and at the times the commissioner shall determine. At a
33.16 minimum, an application must include:

33.17 (1) evidence of the need for improved, expanded, or new child care facilities in the area;

33.18 (2) a description of the new or expanded facility or other improvements to be made;

33.19 (3) a description of the specific state requirements making improvements necessary, if
33.20 applicable;

33.21 (4) estimated costs of the capital project and the sources of funding to complete it;

33.22 (5) estimated costs of the expanded services and the sources of funding to provide them;

33.23 (6) the applicant's analysis of the expected economic benefits to the area in which the
33.24 project would be located;

33.25 (7) other information that the commissioner determines is necessary or useful in
33.26 evaluating the impact of the proposed project on the local economy; and

33.27 (8) the average number of children provided care by the applicant during the year prior
33.28 to the application, if any, and the expected number of children that could be provided child
33.29 care after the proposed project is completed.

33.30 Subd. 6. **Maximum grant amount.** Grants must not be awarded for more than \$500,000
33.31 per project or more than \$2,000,000 in two years to an applicant for one or more projects
33.32 in the same city or county.

34.1 Subd. 7. Cancellation of grant; return of money. If the commissioner determines that
34.2 a grantee is unable to proceed with an approved project or has not expended or obligated
34.3 the grant money within five years of entering into the grant agreement with the commissioner,
34.4 the commissioner shall cancel the grant and the money is available for the commissioner
34.5 to make other grants under this section.

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

34.7 Sec. 2. APPROPRIATION; GREATER MINNESOTA CHILD CARE FACILITY
34.8 GRANTS.

34.9 \$10,000,000 in fiscal year 2020 is appropriated from the general fund to the commissioner
34.10 of employment and economic development for the purposes of the greater Minnesota child
34.11 care facility capital grant program in Minnesota Statutes, section 119B.255. This is a onetime
34.12 appropriation and is available until June 30, 2023.

34.13 Sec. 3. APPROPRIATION; MINNESOTA INITIATIVE FOUNDATIONS.

34.14 (a) \$3,000,000 in fiscal year 2020 is appropriated from the general fund to the
34.15 commissioner of employment and economic development for a grant to the Minnesota
34.16 Initiative Foundations. This is a onetime appropriation and is available until June 30, 2021.

34.17 (b) The Minnesota Initiative Foundations must use grant funds under this section to:

34.18 (1) facilitate planning processes for rural communities resulting in a community solution
34.19 action plan that guides decision making to sustain and increase the supply of quality child
34.20 care in the region to support economic development;

34.21 (2) engage the private sector to invest local resources to support the community solution
34.22 action plan and ensure child care is a vital component of additional regional economic
34.23 development planning processes;

34.24 (3) provide high quality locally based training and technical assistance to rural child
34.25 care business owners through a learning cohort. Access to financial and business development
34.26 assistance must endeavor to prepare child care businesses for quality engagement and
34.27 improvement by stabilizing operations, leveraging funding from other sources, and fostering
34.28 business acumen that allows child care businesses to plan for and afford the cost of quality;
34.29 and

34.30 (4) recruit child care programs to participate in Parent Aware, Minnesota's quality and
34.31 improvement rating system, by providing targeted resources designed to encourage high
34.32 levels of participation. The Minnesota Initiative Foundations must work with local partners

35.1 to provide low-cost training, professional development opportunities, and curriculum. The
 35.2 Minnesota Initiative Foundations must fund, through local partners, an enhanced level of
 35.3 coaching to rural child care providers to obtain a quality rating through Parent Aware.

35.4 **Sec. 4. APPROPRIATION; WOMENVENTURE COOPERATIVE CHILD CARE**
 35.5 **BUSINESSES.**

35.6 \$225,000 in fiscal year 2020 is appropriated from the general fund to the commissioner
 35.7 of employment and economic development for a grant to WomenVenture to provide business
 35.8 training, mentoring, technical assistance, and loans in order to establish two pilot women-run
 35.9 cooperative child care businesses in low-income areas. The commissioner shall report data
 35.10 on outcomes and recommendations for replication of this pilot program throughout Minnesota
 35.11 to the governor and the legislative committees with jurisdiction over child care by January
 35.12 31, 2022. This is a onetime appropriation and is available until June 30, 2021.

35.13 **Sec. 5. APPROPRIATION; WOMENVENTURE CHILD CARE BUSINESS**
 35.14 **TRAINING.**

35.15 \$140,000 in fiscal year 2020 is appropriated from the general fund to the commissioner
 35.16 of employment and economic development for a grant to WomenVenture to operate a
 35.17 business training program for child care providers and to create materials that could be used,
 35.18 free of charge, for start-up, expansion, and operation of child care businesses statewide,
 35.19 with the goal of helping new and existing child care businesses in underserved areas of the
 35.20 state become profitable and sustainable. The commissioner shall report data on outcomes
 35.21 and recommendations for replication of this training program throughout Minnesota to the
 35.22 governor and the committees of the house of representatives and the senate with jurisdiction
 35.23 over child care by December 15, 2021. This is a onetime appropriation and is available until
 35.24 June 30, 2021.

35.25 **Sec. 6. APPROPRIATION; EARLY EDUCATION CAREER DEVELOPMENT.**

35.26 \$700,000 in fiscal year 2020 and \$700,000 in fiscal year 2021 are appropriated from the
 35.27 workforce development fund to the commissioner of employment and economic development
 35.28 for a grant to the YWCA of Minneapolis to provide economically challenged individuals
 35.29 with job skills training, career counseling, and job placement assistance necessary to secure
 35.30 a child development associate credential and to have a career path in early education."

35.31 Amend the title accordingly