

Subject Early Childhood Omnibus

Authors Pinto

Analyst Annie Mach

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Article 1: Child Care Assistance

Section Description - Article 1: Child Care Assistance

1 Funding priority.

Amends §119B.03, subd. 4. Modifies how families are prioritized on the basic sliding free program waiting list.

2 Allocation formula.

Amends §119B.03, subd. 6. Modifies the formula for allocating money to counties for their basic sliding fee programs.

This section is effective January 1, 2022, with the 2022 calendar year a phase-in year for the revised allocation formula.

3 Eligibility; annual income; calculation.

Amends §119B.09, subd. 4. Changes how a family's income is calculated for child care assistance.

This section is effective March 1, 2023.

4 Recovery of overpayments.

Amends §119B.11, subd. 2a. Paragraph (b) allows the commissioner of human services to initiate efforts to recover child care assistance overpayments from families for child care assistance fraud investigations. Under current law, only county agencies are specified as being able to initiate recovery efforts. Adds a condition under which a family with an outstanding debt is eligible for child care assistance.

Paragraph (c) allows the commissioner to initiate efforts to recover child care assistance overpayments from providers. Under current law, only county agencies are specified as being able to initiate recovery efforts. Adds a condition under which a provider with an outstanding debt is eligible to care for children receiving child care assistance.

This section is effective August 1, 2021.

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5 Authorization.

Amends §119B.125, subd. 1. Prohibits county agencies from issuing provisional authorization and payment for child care assistance to providers while the agency is determining whether to give the provider final authorization for child care assistance.

This section is effective August 1, 2021.

6 Subsidy restrictions.

Amends §119B.13, subd. 1. Directs DHS to establish the maximum rate paid to child care providers for child care assistance. Dependent on federal funds and consistent with federal law, the maximum rate must be up to the 75th percentile of the most recent child care provider rate survey and it cannot be less than the 50th percentile of the most recent child care provider rate survey. Makes corresponding changes to the maximum registration fee for child care assistance.

This section is effective the day following enactment.

7 Legal nonlicensed family child care provider rates.

Amends §119B.13, subd. 1a. Increases the maximum rate for child care assistance paid to legal, nonlicensed family child care providers from 68 percent to 90 percent of the maximum hourly rate for licensed family child care providers.

This section is effective the day following enactment.

8 Provider payments.

Amends §119B.13, subd. 6. Paragraph (c) limits retroactive payments under the child care assistance program to three months, rather than the six months allowed under current law.

Paragraph (d) Adds certified, license-exempt child care providers to the list of providers that may have their child care assistance authorization refused or revoked or payments stopped or refused by a county agency or the commissioner of human services. Provides circumstances under which a child care provider must forfeit child care assistance payments to a county agency or the commissioner of human services.

Paragraph (g) provides circumstances under which a child care provider must forfeit child care assistance payments to a county agency or the commissioner of human services.

This section is effective August 1, 2021.

Section Description - Article 1: Child Care Assistance

9 Absent days.

Amends §119B.13, subd. 7. Modifies the circumstances under which a family receiving child care assistance is assessed an overpayment for absent days.

This section is effective August 1, 2021.

10 Financing program.

Amends §119B.25, subd. 3. Provides that a nonprofit that receives a grant under this section to plan, develop, and finance early care and education sites may use the money to provide business training and consultation to child care providers.

11 Repealer.

Repeals §119B.04, which provides authority to the commissioner of human services that is duplicative of the authority provided under Minnesota Statutes, section 119B.06.

Repeals §119B.125, subd. 5, which allows county agencies to issue provisional authorization and payment for child care assistance to providers while the county is determining whether to give the provider final authorization for child care assistance.

Article 2: Child Care Licensing

Section Description - Article 2: Child Care Licensing

1 Ombudsperson for family child care providers.

Creates § 245.975. Requires the governor to appoint an ombudsperson in the classified service to assist family child care providers with licensing, compliance, and other issues. Lists the duties of the ombudsperson and requires the ombudsperson to report annually to DHS and the legislature on the ombudsperson's activities. Specifies the ombudsperson's access to state data and requires certain state agencies to provide the ombudsperson with copies of specified data and reports related to family child care. Allows the ombudsperson to act independently of DHS to provide testimony to the legislature, make periodic reports to the legislature, and address areas of concern to family child care providers.

2 Special family child care homes.

Amends § 245A.14, subd. 4. Paragraph (g) allows the commissioner to issue up to four licenses to certain types of license holders and each license must have its own primary provider of care and must operate as a distinct and separate program.

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Paragraph (h) allows the commissioner to approve up to four licenses of specified types of license holders at the same location if all the license holders demonstrate compliance with applicable rules and laws.

Paragraph (i) provides that for specified types of licenses, the license holder must designate a primary provider of care at the licensed location.

Paragraph (j) provides that for all licenses issued under this section, the license holder must ensure that any caregiver, substitute, or helper who assists in the care of children meets applicable training requirements and background study requirements.

3 Training requirements for family and group family child care.

Amends § 245A.50, subd. 7. Allows a family child care provider to count up to two hours of training instruction toward the provider's annual 16-hour training requirement.

4 Supervising for safety; training requirement.

Amends § 245A.50, subd. 9. Adds training courses that meet family child care provider's active supervision training requirement.

5 Child care center regulation modernization.

Requires DHS to contract with an organization or consultant to: (1) develop a proposal for a risk-based model for monitoring compliance with child care center licensing standards; (2) develop and implement a stakeholder engagement process that solicits input about licensing standards, tiers for violations of the standards, and licensing sanctions for each tier; and (3) solicit input about which child care centers should be eligible for abbreviated inspections. Directs DHS to submit a report and proposed legislation for implementing the new licensing model and the new standards to the legislature no later than February 1, 2024.

6 Family child care regulation modernization.

Requires the Department of Human Services (DHS) to contract with an organization or consultant to: (1) develop a proposal for a risk-based model for monitoring compliance with family child care licensing standards; (2) develop a proposal for updated family child care licensing standards; (3) develop and implement a stakeholder engagement process that solicits input about licensing standards, tiers for violations of the standards, and licensing sanctions for each tier; and (4) solicit input about which family child care providers should be eligible for abbreviated inspections. Directs DHS to submit a report and proposed legislation for implementing the new licensing model and the new standards to the legislature no later than February 1, 2024.

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- 7 **Direction to commissioner of human services; family child care one-stop assistance network.**
Requires DHS to develop a proposal for a one-stop regional assistance network to assist individuals with matters relating to starting or sustaining a licensed family child care program. DHS must develop the proposal by January 1, 2022.
- 8 **Direction to the commissioner of human services; recommended family child care orientation training.**
Requires DHS to develop recommended, but not required, orientation training for newly licensed family child care providers by July 1, 2022.
- 9 **Family child care training advisory committee.**
Establishes a Family Child Care Training Advisory Committee to advise DHS on the training requirements for licensed family child care providers. DHS must report annually to the legislature on any recommendations from the advisory committee. The committee expires December 1, 2025.

Article 3: Miscellaneous HHS Policies

Section Description - Article 3: Miscellaneous HHS Policies

- 1 **Retaining early educators through attaining incentives now (REETAIN) grant program.**
Creates § 119B.195. Establishes in statute the REETAIN grant program to provide competitive grants to eligible child care providers to incentivize them to remain in the early care and education field. Directs the commissioner of human services to allocate the funding for the REETAIN grant program to a nonprofit organization. The nonprofit organization must annually award grant money to eligible child care providers in an amount determined by the commissioner. By January 1 of each year, the commissioner must report to the legislature on the number of grants awarded and program outcomes.
- 2 **Program components.**
Amends § 136A.128, subd. 2. Increases the tuition scholarships available under the TEACH grant program from \$5,000 per year to \$10,000 per year and increases the minimum education incentives from \$100 to \$250 for participants in the tuition scholarship program if they complete a year of working in the early care and education field. Adds that applicants may be employed by a public prekindergarten program, modifies the amount scholarship recipients must contribute from 10 percent to at least 10 percent of the total scholarship, and decreases the amount

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- their employer must contribute from 10 percent to at least 5 percent of the total scholarship.
- 3 **Administration.**
Amends § 136A.128, subd. 4. Increases the amount a nonprofit organization that receives a TEACH grant may use to administer the program from 5 percent to 10 percent of the grant amount.
- 4 **Data about births.**
Amends § 144.225, subd. 2. Amends a subdivision classifying data on the birth of a child to a woman not married to the child’s father when the child was conceived or born as confidential and authorizing certain disclosures of and access to this data, to also allow an entity administering a children’s savings program that starts at birth to access these birth records to open an account in the program for the child as a beneficiary.
- 5 **Report on participation in early childhood programs by children in foster care.**
Directs DHS to issue a report on participation in early care and education programs by children under the age of six who have experienced foster care.
- 6 **Children with disabilities inclusive child care access expansion grant program.**
Directs DHS to establish a competitive grant program to expand access to child care for children with disabilities. DHS must award grants to counties or tribes, and grant money must be used to enable child care providers to develop inclusive child care settings to offer care to both children with disabilities and children without disabilities.
- 7 **Direction to commissioner of human services; family child care shared services innovation grants.**
Directs DHS to establish a pilot program for shared services innovation grants for family child care providers. The grants are intended to test strategies for creating economies of scale through different combinations of shared services for family child care providers.
- 8 **Direction to commissioner of human services; family child care shared services innovation grants.**
Directs DHS to establish a grant program to test strategies that family child care providers can use to share services. DHS must report the results of the grant program to the legislature.

Section Description - Article 3: Miscellaneous HHS Policies

9 Revisor instruction.

Directs the revisor to renumber Minnesota Statutes, section 136A.128 (the TEACH grant program) as a section in Minnesota Statutes, section 119B.

Article 4: Early Education

Section Description - Article 4: Early Education

1 Distribution of appropriation. [Head Start]

Amends §119A.52. Designates 10.72 percent of the total state appropriation to Head Start for federally designated tribal Head Start programs.

2 Prekindergarten, school readiness, preschool, and early education programs; licensure requirement.

Establishes §122A.261. Requires that an individual providing instruction in a school-based early education program meet the state's teacher licensure requirements that apply to K-12 teachers. Allows individuals providing instruction in school-based early education programs during the 2020-2021 school year who do not have a Minnesota teaching license to continue teaching without a license until July 1, 2026, and includes these individuals in the teacher's bargaining unit regardless of licensure status.

3 Program requirements. [Early childhood family education programs]

Amends §124D.13, subd. 2. Allows alloparents to participate in early childhood family education (ECFE) programs.

4 Quality rating and improvement system.

Amends §124D.142. Directs DHS to arrange an independent evaluation of Minnesota's quality rating and improvement system (QRIS), commonly known as Parent Aware. The evaluation must examine Parent Aware's effectiveness and impact on outcomes, including children's progress toward school readiness, the quality of the early care and education workforce, and parents' ability to access and use meaningful information about the quality of early care and education programs. The evaluation findings and the commissioner's recommendations for revisions and potential future evaluations must be reported to legislature by December 31, 2024.

5 Program requirements. [Voluntary prekindergarten, VPK]

Amends 124D.151, subd. 2. Provides that VPK programs must have at least one licensed teacher. Under current law, a VPK program is not required to include licensed teachers.

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- 6 Application process; priority for high poverty schools. [VPK]**
Amends §124D.151, subd. 5. Deletes obsolete language and references to the school readiness plus program. Provides that a VPK program or a school readiness plus program that received aid in fiscal year 2021 continues to remain eligible for the aid regardless of changes in the concentration of students eligible for free or reduced-price lunch.
- 7 Participation limits. [VPK]**
Amends §124D.151, subd. 6. Deletes references to the school readiness plus program.
- 8 Kindergarten readiness assessment.**
Amends §124D.162. Requires MDE to implement a kindergarten readiness assessment to incoming kindergartners. Under current law, schools are permitted, but not required, to implement a kindergarten readiness assessment. Directs MDE to provide assessment tools to schools. Requires schools to use the MDE-provided process for assessment beginning in the 2022-2023 school year. Requires MDE to integrate the assessment data in the statewide longitudinal educational data systems.
- 9 Family eligibility. [Early learning scholarships]**
Amends §124D.165, subd. 2. Modifies children’s age eligibility for early learning scholarships to provide that scholarships are available to children who are under five years of age on September 1 of the current school year.
- 10 Administration. [Early learning scholarships]**
Amends §124D.165, subd. 3. Paragraph (a) modifies how MDE is to prioritize scholarship applications to provide that first priority is children who are in a high-risk group, second priority is children who are two years old or younger, and third priority is children who are age three or four.

Paragraph (c) lifts the cap on the amount of money MDE can designate to Pathway II scholarships.

Paragraph (d) provides that an early learning scholarship cancels if a recipient has not enrolled in an eligible program within three months of receiving the scholarship. Allows a family to request an extension of the three-month period based on criteria developed under the commissioner of education’s authority. Under current law, a scholarship recipient has ten months to enroll in an eligible program before the scholarship cancels.

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- 11 Limit on screen time for children in preschool and kindergarten.**
Creates 124D.166. Prohibits children in publicly funded preschools or kindergartens from using an individual-use screen, such as a tablet or smartphone, without engagement from a teacher or other student. Children who have an individualized education program (IEP) or individualized family service plan are not subject to the prohibition.
- 12 Pupil unit.**
Amends §126C.05, subd. 1. Makes a technical correction that corresponds with the proposal to retain the funded seats for the VPK and SRP programs in fiscal year 2022 and onward.

This section is effective for revenue for fiscal year 2022 and later.
- 13 Compensation revenue pupil units.**
Amends §126C.05, subd. 3. Makes a technical correction that corresponds with the proposal to retain the funded seats for the VPK and SRP programs in fiscal year 2022 and onward.

This section is effective for revenue for fiscal year 2022 and later.
- 14 Affordable, high-quality early care and education for all families.**
Provides that it is a goal of the state for all families to have access to high-quality, affordable early care and education for children from birth up to age five.
- 15 Great Start for All Minnesota Children Task Force.**
Establishes the Great Start for All Minnesota Children Task Force to develop strategies that meet the goal of all families in the state having access to affordable, high-quality early care and education for children from birth up to age five.
- 16 Direction to the Children’s Cabinet; early childhood governance report.**
Requires the Children’s Cabinet to develop recommendations relating to early childhood development, care, and learning and how early care and education programs could be consolidated into an existing state agency or a new department. The Children’s Cabinet must submit a report to the governor and relevant committees of the legislature by February 1, 2022.
- 17 Direction to the Children’s Cabinet; evaluation of the use of federal money.**
Directs the Children’s Cabinet to evaluate the use of federal money received pursuant to three laws related to coronavirus relief to address the state’s needs in the area of early care and education. The Children’s Cabinet must submit interim

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findings of the evaluation to the governor and the legislature on an annual basis beginning February 1, 2022 and must submit a final report by February 1, 2025.

18 Repealer.

Repeals the law establishing the school readiness plus program.

Article 5: Early Education Appropriations

This article appropriates money for fiscal years 2022 and 2023 to Minnesota Management and Budget and the Department of Education.

Article 6: Appropriations; HHS

This article appropriates money for fiscal years 2022 and 2023 to the Department of Human Services (DHS). This article also directs DHS to allocate money from the child care development block grant amount in the federal fund for specified activities, and provides that if Minnesota Management and Budget determines an expenditure in the bill is eligible for funding under the American Rescue Plan Act of 2021, then the amount of the eligible expenditure is allocated from the federal money and the corresponding general fund amounts appropriated under this bill are canceled.



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