Overview

This is the Family and Early Childhood Education Finance Committee omnibus bill. This bill makes changes to the adult basic education programs and funding formulas, child care licensing, and transfers the energy assistance and weatherization responsibilities from the department of children, families and learning to the department of economic security. This bill also appropriates money from the general fund and TANF.

1 Transition year families. Modifies the eligibility requirements for transition year child care. Under the change families who leave MFIP after participating for three of the last six months are eligible for 12 months of transition year child care. Clarifies that families who are disqualified from MFIP due to fraud are not eligible for transition year care. Under current law, the only families who are eligible for transition year child care are the families who reach the exit income level for MFIP.

2 Adult basic education aid definitions. Defines "contact hours," "first prior program year," and "unreimbursed expenses" for the adult basic education program and state aid.

3 Program requirements. Adds a requirement that programs develop a memorandum of understanding with local workforce development centers describing the coordination of services to clients.

4 Program approval. Makes changes in the application and approval process for ABE programs. Two requirements are added to the application for approval as an ABE program. The program must demonstrate its ability to provide outcome data and provide a copy of the workforce memorandum of understanding. The commissioner's authority to fund supplemental services on the same basis as ABE programs is eliminated. Section 8 establishes a grant process for funding supplemental services. A requirement is added to the statutory criteria for ABE program approval requiring accurate and timely reports on outcomes. A new requirement is added that programs provide timely notification to the commissioner of their intent to apply for funds or of any changes in consortium membership.
5  **Accounts; revenue; aid.** Makes changes to clarify that state aid is based on unreimbursed expenses that exclude in-kind costs.

6  **Cooperative English as a second language and adult basic education programs.** Provides for the delivery of English as a second language, citizenship and adult basic education programs by non-profit or community-based organizations and correctional facilities. An approved ABE program may cooperate with qualified organizations located in the area served by the program or may cooperate with any correctional institution to provide educational programming for adults through ABE.

    Administrative costs of the organization are limited to eight percent of the total funds received from the district or consortium, not to exceed the actual unreimbursed cost of administering ABE services. The participating school district or consortium is also limited to an eight percent reimbursement up to its actual unreimbursed costs of administering ABE services through an organization or correctional institution.

    To be eligible to deliver ABE services, a non-profit or community-based organization must demonstrate that it:

    1) is legally established;
    2) has an adequate fiscal and accounting system to provide the information necessary for ABE reporting requirements;
    3) requires instructional staff to be trained in teaching adult learners; and
    4) develops a learning plan for each participating adult learner with measurable educational and occupational goals.

7  **Performance accountability system.** Creates a system to assess the effectiveness of ABE programs. Requires the following core indicators to be included in the accountability system:

    - demonstrated improvements in literacy skill levels;
    - placement in, retention in, or completion of post-secondary education, training, subsidized employment or career advancement; and
    - receipt of a secondary school diploma or its recognized equivalent.

    As part of the accountability system, ABE programs are required to request the social security number of participating students to track student employment through the department of economic security. The student must be informed of the use of social security numbers for tracking. The department of economic security must provide summary data to the department of children, families and learning that does not identify individual students. Funding for ABE programs must not be based on the number or percentage of learners who decline to provide their social security number.

8  **Adult basic education policy review board.** Establishes a nine member board to advise the commissioner of CFL on implementation policies for adult basic education programs. Board members are appointed to represent urban, suburban and rural ABE programs, and non-profit organizations from a slate of candidates proposed by the Minnesota community education association and Literacy Minnesota. Two members representing students and former students are appointed by the commissioner. Other individuals may serve as ex officio members of the review board. The board must hold a minimum of two meetings per year until it expires on September 30, 2003.

    The policy review board has the following duties:

    1) recommend an ABE mission statement;
    2) advise the commissioner on standard policies and procedures;
    3) advise the commissioner on curriculum and course offerings;
4) recommend an outcome based funding system for ABE; and
5) review grants for statewide supplemental services.

**ABE supplemental service grants.** Authorizes the commissioner of CFL, in consultation with the policy review board, to make grants to nonprofit organizations for supplemental services that are not provided by the ABE programs. Grants may be made for staff development, volunteer training, services and materials for serving disabled students, promotion of ABE, technology for ABE, distance learning projects and other supplemental services to support ABE and innovation in the delivery of ABE services. Grants must support services throughout the state, focus on educational results and promote educational outcomes. Grants are limited to two years and cannot exceed $200,000 per year per grantee. ABE programs are also authorized to purchase these services with their ABE aid. Twenty-five percent of the appropriation may be used for grants to ABE programs to encourage and support innovation.

**Aid.** Changes the ABE formula for fiscal year 2000 to match the appropriation.

**Adult basic education aid.**

**Subd. 1. State total adult basic education aid.** Provides $30 million in state aid for fiscal year 2001 and caps the growth in state ABE aid in future years. State aid cannot increase more than five percent, or the actual statewide growth in contact hours if it is less than five percent.

**Subd. 2. Basic population aid.** Establishes a base aid for ABE programs equal to $1.80 times the population of the district, or a minimum of $4,000.

**Subd. 3. Program revenue.** Distributes the basic population aid to programs and then distributes remaining state aid as follows:

1. 84 percent is distributed based on a district's relative share of contact hours in the prior year;
2. six percent is distributed based on a district's relative share of the students with limited English proficiency enrolled in the district in the prior year;
3. six percent is distributed based on a district's relative share of adults in the district without a high school diploma according to the last federal census; and
4. four percent is distributed based on a district's relative share of high school drop outs in the second prior program year.

**Subd. 4. Adult basic education program aid limit.** Establishes two limits to the ABE revenue distributed to ABE programs. Program revenue cannot exceed four times the average revenue per contact hour in the state, with one exception. Program revenue distributed on the basis of contact hours cannot grow by more than ten percent per year or $20,000, whichever is more.

**Subd. 5. Aid guarantee.** ABE programs are guaranteed to receive the same amount in fiscal year 2001 as the program received in fiscal year 2000.

**Subd. 6. Payment of aid to fiscal agent.** Requires aid to be paid to a fiscal agent unless a participating district requests direct payment of the basic population aid. The request must be made in writing to the commissioner and certify that the aid will be deposited in a separate account and used exclusively for ABE instruction.

**Subd. 7. Program audit.** Requires ABE programs to maintain adequate records to document its ABE aid payments. The commissioner of CFL is authorized to audit ABE programs and to establish auditing procedures. At least five ABE programs per year must be audited. Each year, the audits must include one program with more than 100,000 hours of instruction, one with 50,000 to 100,000 hours of instruction, and three programs with less than 50,000 hours of instruction. Authorizes CFL to reconcile differences between actual aid payments and aid estimates based on program audits.
Subd. 8. Fiscal reports. Requires all ABE programs to submit annual reports to CFL that include revenues and expenses for each participating district and provider, including sites operated cooperatively with nonprofit organizations and businesses.

Special family day care homes. Permits a church or religious organization to operate a day care program under the rules governing family day care and group family day care. Under current law, a church or religious organization would be required to operate under the rules for a child care center.

Experienced aides; child care centers. Allows aides with at least two years of child care experience to work with children in a center without direct supervision for a portion of the day. Requires child care centers using experienced aides to notify the commissioner once per year and the parents upon enrollment of a child and once per year. Child care centers have three main classifications of employees who work directly with children: aides, assistant teachers, and teachers. Responsibilities and required qualifications increase from aide to teacher. Currently, during regular classroom activities, aides are not permitted to work with children without being directly supervised.

Inservice training; child care centers. Requires three different levels of inservice training annually for teachers, assistant teachers, and aides at child care centers based on their education, licensing and certification. Allows the number of required training hours to be prorated for individuals not employed full time or for an entire year. Current law requires 40 hours of inservice training for teachers and aides.

Initial eligibility; individual development accounts. Requires applicants for state or TANF matching funds in the family assets for independence initiative to meet federal eligibility requirements.

Vendor payment of withdrawn funds. Makes technical change.

Additional early childhood family education aid; fiscal year 2000 and fiscal year 2001. Extends an increase in early childhood family education aid to fiscal year 2001. The additional aid amount is equal to $2.46 times the greater of 150 or the number of people under five years of age residing in the school district on October 1 of the previous school year. Requires that additional early childhood family education aid be used only for early childhood family education programs.

Early childhood family education aid. Decreases the 2000 appropriation by $376,000. Increases the 2001 appropriation by $1,687,000.

School age care aid. Increases the 2001 appropriation for school age care aid by $29,000.

MFIP child care. Decreases the 2000 appropriation for MFIP child care by $19,794,000. Decreases the 2001 appropriation for MFIP child care by $9,837,000.

Family collaboratives. Decreases the 2001 appropriation for family collaboratives by $100,000.

Community education aid. Increases the 2001 appropriation for community education aid by $578,000.

Adults with disabilities program aid. Increases the 2001 appropriation for adults with disabilities programs by $32,000. Reinstates four adults with disabilities pilot programs that were started in fiscal year 1998 or fiscal year 1999. These programs have no levy authority. This is a one-time appropriation and is not added to the base. Requires the four reinstated programs to report to DCFL by January 15, 2001 with recommendations to expand the program statewide.

Male responsibility and fathering grants. Eliminates the 2001 appropriation for male responsibility and fathering grants. TANF funds replace the appropriation. See attached spreadsheet.
25 Adult basic education aid. Increases the 2001 appropriation by $6,586,000.
26 Adult basic education basic population aid. Increases the 2000 appropriation for ABE basic population aid by $13,000.
27 Adult graduation aid. Decreases the 2000 appropriation for adult graduation aid by $424,000. Decreases the 2001 appropriation for adult graduation aid by $1,701,000.
28 Competency-based adult basic education and English as a second language license. Directs the Board of Teaching to develop a competency-based license for adult learners as an alternative to the current licensing requirements. The Board must develop recommendations for the legislature, in consultation with a task force. The Board must report to the legislature by January 15, 2001.
29 Energy assistance program. Requires the commissioner of economic security to establish policies and procedures to address the findings in the evaluation of Minnesota's energy assistance program published in December 1999. Requires the commissioner to develop outcome measures to evaluate subgrantee performance and the program as a whole, identify the eligible population for the energy assistance program, procedures to improve program consistency, and improved internal management practices. Requires the commissioner to submit proposals for the utilization of technology and to provide for the most cost-effective service delivery.
30 Report. Requires the commissioner to submit a report to the senate jobs, energy and community development committee and the house jobs and economic development policy committee by January 30, 2001 detailing the costs and benefits of operating the energy assistance program.
31 Transfer of energy assistance and weatherization responsibilities. Transfers the energy assistance and weatherization programs from the department of children, families, and learning to the department of economic security.
32 Social service child care pool for MFIP child care. Establishes a social services child care pool to provide child care assistance for eligible MFIP families participating in approved social services activities. Requires any unspent funds in the MFIP social services child care pool to be used for the basic sliding fee program. Requires the commissioner of CFL to notify the chairs of the family and early childhood finance committees in the house and senate if expenditures from the MFIP social services child care pool are expected to exceed the amount available. Establishes criteria for eligibility for the MFIP social services child care pool. The criteria include participation in chemical dependency or mental health social services as an approved activity in the participant's employment or job search support plan. Allows child care assistance to be provided to an eligible MFIP participant for the amount of time necessary to participate in the approved social service plus reasonable travel time. Requires the county providing child care assistance to notify the commissioner through the quarterly reporting process of any family that is eligible for the MFIP social services child care assistance pool.
33 Expedited application for minor students. Requires CFL to provide technical assistance on ways to expedite the application process for minor parents participating in school-based care. Requires CFL to make child care assistance information and applications available to school districts.
34 Intensive ESL and citizenship grants. Requires the commissioner of CFL to establish a grant program to fund intensive ESL programs for eligible adults who participate in the MFIP program. Requires intensive ESL instruction for MFIP participants who are making inadequate literacy progress as measured by a standardized assessment test. Requires that instruction be focused on achieving self-sufficiency through employment. Allows grant recipients to offer citizenship programs for qualified noncitizens. Allows experienced providers of English language instruction to non-English speaking immigrants and refugees to apply for grants.
Requires that applications include the applicant’s experience in literacy programs serving immigrants and refugees, a description of fiscal accounting systems and reporting capacity, an assurance that administrative expenses are limited to five percent of grant funds, and a description of the proposed instructional services and training plans. This grant program expires on June 30, 2003.

**Institutional ABE Programs.** Requires the commissioner of CFL to evaluate reimbursement for ABE instruction provided by public nonprofit institutions and make recommendations to the legislature.

**Appropriations.** (See attached spreadsheet)

**Subd. 1. Department of children, families, and learning.** Requires the sums indicated in this section be appropriated from the general fund to the department of children, families, and learning for the fiscal years indicated.

**Subd. 2. Adult basic education supplemental service grants.** Appropriates $700,000 in fiscal year 2001 for ABE supplemental service grants. This is a base appropriation for fiscal years 2002 and 2003.

**Subd. 3. Adult basic education administration.** Appropriates $100,000 in fiscal year 2001 for the administration of the state ABE program. This appropriation is added to the base for fiscal years 2002 and 2003.

**Subd. 4. Housing collaboration.** Appropriates $25,000 in fiscal year 2001 for a grant to the city of St. Louis Park for the Meadowbrook collaborative housing project to enhance youth outreach services and educational and recreational programming for at-risk youth. This is a one-time appropriation.

**Subd. 5. Administration.** Appropriates $50,000 in fiscal year 2001 for the administrative expenses of male responsibility and fathering grants, intensive ESL and citizenship grants, and transitional housing programs. This is a one-time appropriation.

**TANF Appropriations.** (See attached spreadsheet)

**Subd. 1. Department of children, families, and learning.** Requires the sums indicated in this section for fiscal years 2001 to 2003 be appropriated to the commissioner of human services from TANF block grant funds and transferred to the department of children, families, and learning for the purposes indicated in this section.

**Subd. 2. Male responsibility and fathering grants.** Appropriates $250,000 per year for fiscal years 2001 to 2003.

**Subd. 3. Intensive ESL and citizenship grants.** Appropriates $1,837,000 in fiscal year 2001 and $1,000,000 per year in fiscal years 2002 and 2003 for intensive ESL and citizenship grants.

**Subd. 4. Transitional housing programs.** Appropriates $1,000,000 in fiscal year 2001 and $1,078,000 in fiscal year 2002 for reimbursement grants to transitional housing programs. Requires that these grants be used for up to four months of transitional housing for families with incomes below 200 percent of the federal poverty guidelines.

**Federal TANF transfers.** (See attached spreadsheet)

**Subd. 1. Department of children, families, and learning.** Requires the sums indicated in this section be transferred from the federal TANF fund to the child care and development fund and appropriated to the department of children, families, and learning for the fiscal years indicated. Requires the commissioner to ensure that all transferred funds are expended in accordance with the child care and development fund regulations.

**Subd. 2. Social service child care pool for MFIP child care.** Appropriates $3,233,000 in fiscal year 2001, $3,297,000 in fiscal year 2002, and $2,865,000 in fiscal year 2003 for social service
child care costs of eligible MFIP participants.

Subd. 3. Transition year families. Appropriates $1,080,000 in fiscal year 2001, $3,620,000 in fiscal year 2002, and $4,040,000 in fiscal year 2003 to provide uninterrupted assistance for families completing transition year child care assistance.

39 Instruction to revisor. Instructs the revisor of statutes to renumber certain sections of the Minnesota Statutes dealing with the energy assistance and weatherization programs and to make the necessary cross-reference changes consistent with the renumbering.

40 Repealer. Repeals a section of the Minnesota Statutes dealing with ABE aid and a section of Minnesota Laws dealing with continued eligibility for individual investment accounts.