

**Subject** Greater Minnesota child care facility capital grant program

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## Overview

This bill establishes a new grant program in the Department of Employment and Economic Development to finance child care facilities in greater Minnesota. It also appropriates \$10 million from bond proceeds and \$10 million from the general fund to the commissioner for the grant program.

## Summary

| Section | Description |
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| 1 | <b>Greater Minnesota child care facility capital grant program.</b> |
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This section establishes the program.

**Subd. 1. Purpose.** States the purpose of the new grant program is to enhance jobs, increase tax base, or create or expand economic development by providing the workforce child care facilities.

**Subd. 2. Creation of accounts.** Establishes two grant accounts, one in the general fund and one in the bond proceeds fund. Appropriates money in both accounts to the commissioner of employment and economic development to make grants and provides that the money appropriated is available for four years.

**Subd. 3. Eligible applicant.** (a) Provides that cities, counties, school district, or joint powers board comprised of two or more of these entities are eligible to apply for a grant from either account.

(b) Provides that private child care providers may apply for a general fund grant.

(c) Requires applicants to be located outside the seven-county metropolitan area.

**Subd. 4. Local government authority.** Gives eligible local governments authority to own and operate child care facilities. Permits local governments to enter into

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lease or management agreements with licensed child care providers to operate in publicly owned facilities.

**Subd. 5. Eligible project.** Describes eligible projects and requires all projects to increase child care capacity in the community served by the provider, and to meet all state requirements for child care facilities or programs.

**Subd. 6. Grants.** (a) Provides that grants are for up to 50 percent of capital costs. Permits in-kind contributions, including those made before a grant is awarded to count towards nonstate match.

(b) Permits the commissioner to use regional organizations to distribute grants.

(c) Requires the commissioner to explain to legislators reasons if less than 50 percent of costs are granted.

**Subd. 7. Application; criteria.** Directs the commissioner to develop the forms and procedures for soliciting and reviewing applications. Lists minimum contents of an application.

**Subd. 8. Maximum grant amount.** \$500,000 per project; \$2 million in two years to an applicant for one or more projects in the same city or county.

**Subd. 9. Cancellation of grant; return of money.** Directs the commissioner to cancel a grant and to have the grantee return the money if the grantee is unable to proceed. The money goes back to the commissioner to make another grant. For grant money returned, the cancellation statute that applies to appropriations for capital projects begins to run in the year in which the grant money is returned.

**Effective** the day after enactment.

2 **Greater Minnesota child care facility capital grant program.**

Appropriates \$10 million from bond proceeds and \$10 million from the general fund for the program. Authorizes the sale of bonds.

**Effective** the day after enactment.



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