



## LEGISLATIVE UPDATE | April 30, 2019

Welcome to the Child Care Aware Legislative Update. This narrative update, along with our Bill Tracker, will be posted each Tuesday (reflecting activity through the previous Friday) on the [Child Care Aware of Minnesota Website](#).

Each week, we will provide a brief overview of bills that have been introduced, action that has been taken at the committee level or on the floor, and any other pertinent news related to early care and education and school-age care issues. If you have additions to recommend to the Bill Tracker, please contact [Ann McCully](#).

### OVERVIEW

Legislators returned from their break and hit the ground running, passing several omnibus bills off the House and Senate floor. In the House, there were floor votes on the **Education, Jobs and Economic Development, Health and Human Services, and Tax bills**. In the Senate, the **Higher Education bill** received a floor vote. This week, the final omnibus bills will be heard and conference committee members for each bill from the House and Senate should be named.

### COMMITTEE ACTIVITY

The primary activity took place in the **Senate Finance Committee**, where the following bills were heard, amended, and sent on for votes on the Senate floor (most of these will be outlined in next week's update after they receive floor votes):

- [SF 2415](#), Senate Omnibus Higher Education Bill
- [SF 7](#), Senate Omnibus E-12 Education Bill
- [SF 2611](#), Senate Omnibus Jobs and Economic Development Bill (which now includes the child care grant portion of [SF 2](#), the child care bill)
- [SF 92](#) and [SF 2452](#), the Senate Omnibus HHS Reform and HHS Finance bills (which were rolled together, along with the remaining elements of [SF 2](#), the child care bill)

Also, the **Senate Tax Committee** marked up [SF 5](#), the **Senate Tax Omnibus bill**. This bill includes the following provisions:

- Adds expenses for prekindergarten educational programs to the expenses eligible for the **education expense deduction and credit**. Amounts used to claim the credit must not be used to claim the dependent care credit. Effective beginning in tax year 2020. Defines "prekindergarten educational program" as:
  - Public school prekindergarten programs;
  - Accredited preschools, nursery schools, and early childhood development programs licensed by DHS;
  - Accredited or affiliated Montessori programs; and
  - Child care programs provided by early childhood credentialed day care providers
- Authorizes a **property tax exemption** for licensed child care facilities that are owned and operated by a 501(c)(3) nonprofit charitable organization and that accepts families participating in the CCAP child care assistance program. For assessment year 2019 only, an exemption application must be filed by July 1, 2019.

## FLOOR VOTES

### HOUSE OMNIBUS EDUCATION FINANCE BILL (HF 240): *Passed House on 4/23 by a vote of 78-55*

- Requires a school district to provide **adult basic education and early childhood and family education teachers** salaries **comparable to the salaries** of local kindergarten through grade 12 teachers.
- **Strikes obsolete language** that **prohibits** a district from using **fees for an all-day kindergarten** program on programs for three- and four-year old children.
- Requires applicants for **grants** administered by the Commissioner of Education to include in their applications a statement of the goals of the grant, and that goals should be **aligned to the World’s Best Workforce goals**, and Minnesota’s ESSA plan goals.
- Requires the Commissioner of Education to **review the World’s Best Workforce plans** submitted by Districts.
- Modifies qualifications for organizations eligible to receive **after-school community learning program** grants, and adds requirements for how grants must be used (\$4 million for 2020-21; \$5 million for 2022-23).
- Expands funding for/further defines **full-service community schools**, and establishes grant amounts as \$100,000 for up to one year for planning purposes and \$150,000 annually each year thereafter for each eligible school site (\$15 million in 2020-21; \$25 million in 2022-23).
- Implements several elements dedicated to **increasing the percentage of teachers of color and American Indian teachers** in Minnesota. The **“Grow your Own” program** is expanded to include **Head Start teachers** (\$10 million in 2020-21 and \$10 million in 2022-23 for Grow your Own program).
- Adds language to **prohibit the dismissal** of a child participating or enrolled in a **prekindergarten program**.
- Adds language **requiring a school district or charter school that operates a preschool, school readiness, school readiness plus, prekindergarten** or other similar early education to **employ a licensed teacher**. Current teachers in these programs would have until 2024 to meet this requirement.
- Clarifies that the **cognitive and social skills** formative measure administered to prekindergarten pupils under a voluntary prekindergarten program **must be age-appropriate**.
- Allows **community-based child care programs and providers to charge a fee** if they are serving a four-year-old child through a mixed delivery partnership with a school (if they were not awarded the “seat” for the child).
- Broadens **distribution of voluntary prekindergarten funds** from four groups to five, splitting Minneapolis and Saint Paul into their own groups.
- Maintains the **current levels of participation in the voluntary prekindergarten/school readiness plus program at 7,160 per fiscal year** (\$47 million for 2020-21; \$57.3 million for 2022-23).
- Modifies early learning scholarship **income verification requirements** so that parents or guardians do not have to verify income for homeless children, children in need of protective services, or children in foster care.
- **Lowers the scholarship age eligibility for a Pathway I scholarship** to require that a recipient is from birth to age three, except for: 1) a sibling of a scholarship recipient, who can be up to age four; and 2) a recipient who had previously received a scholarship (until the child is eligible for kindergarten).
- **Eliminates a cap** on the number of scholarships distributed through **Pathway II** to program sites, for award by those programs (which is currently set at the funding level in fiscal year 2017). These scholarships can serve ages 0-5, but are meant to prioritize ages 0-2.
- Creates an **“early learning scholarship account”** in the special revenue fund to allow unspent scholarship funds to be recouped and regranted.
- Allows **Tribal organizations** and **Head Start programs** to utilize the **DHS background study process**.
- Requires a **report from DHS and MDE on enhancing coordination** of the child care assistance and early learning scholarship programs.
- Provides a grant to **Reach Out and Read Minnesota** (\$205,000 for 2020-21).
- Increases funding for the **Education Partnership Programs** for Tier 1 (Northside Achievement Zone and St. Paul Promise Neighborhood), and Tier 2 (implementation grants). (\$5.9 million in 2020-21; \$2.2 million in 2022-23)

## **SENATE OMNIBUS HIGHER EDUCATION BILL (SF 2415): *Passed Senate on 4/24 by a vote of 38-29***

- Establishes a program administered by the Office of Higher Education to provide grants to qualified organizations offering **student loan debt repayment** counseling.
- Expands the **workforce development scholarship** program established in 2017 as follows:
  - Expands the program to include students **returning from the workforce**; existing law limits the scholarships to new students
  - Expands the programs that train students for high-demand occupations to include **early childhood** and transportation
  - Allows for a **third scholarship** for students **who transfer** to a corresponding program at a Minnesota state university

## **HOUSE OMNIBUS JOBS AND ECONOMIC DEVELOPMENT BILL (HF 2208): *Passed House on 4/24 by a vote of 74-59***

- Provides **\$2.86 million** in 2020 for grant to projects that support economic development by increasing the availability of child care. Eligible recipients for these grants are **limited to**:
  - WomenVenture
  - The Minnesota Initiative Foundations
  - Eligible applicants under the child care economic development grant program (administered by DEED)
- These grants must include support **both licensed family child care providers and center-based** providers, and DEED must report back on its criteria and decision-making process for this grant pool.
- Allocates **\$525,000 each year** is for a grant to the **YWCA of Minneapolis** to provide economically challenged individuals the jobs skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education.
- Incorporates language and allocates funding to DEED and other departments for implementation and administration of the **Paid Family and Medical Leave Act**.

## **HOUSE OMNIBUS HEALTH AND HUMAN SERVICES FINANCE BILL (HF 2414): *Passed House on 4/25 by a vote of 74-55***

- Funding to **First Children's Finance** for loans business planning assistance (\$1 million for 2020-21)
- Funding for the **REETAIn grant** program (\$200,000 for 2020-21; \$200,000 for 2022-23)
- Moves Home Visiting language from previous year "rider" into statute and funds **expansion of Home Visiting grants** (\$500,000 for 2020-21).
- Creates the **Community Solutions for Healthy Development grant program** to improve child development outcomes as related to the well-being of children of color and American Indian children from prenatal to grade 3 and their families (\$2 million for 2020-21).
- Increases the **provider reimbursement rate for CCAP** to the 25<sup>th</sup> percentile of the 2018 market rate survey and moves the survey from every 2 years to every 3 years (\$10.8 million in 2020-21; \$51 million in 2022-23).
- Funds **Basic Sliding Fee program** to move **1,000 families** off the waiting list (\$25.7 million in 2020-21; \$37.1 million in 2022-23).
- Includes **CCAP integrity provisions** and funding needed to implement them (\$2 million in 2020-21; \$2.4 million in 2022-23).
- Requires county and state child care licensors to report any suspected **fraud** to the appropriate authorities.
- Implements the **CCAP "family friendly" provisions** needed for federal compliance, including expedited access for homeless families, and implementation of 1-year coverage (focused on transition year and portability pool).
- Additional **CCAP provider fair hearing and administrative review processes** (also requirements of CCDBG).

- Revokes a provider’s quality rating and prohibits them from receiving payment through early learning scholarships if they have committed **CCAP fraud**.
- Several **child care licensing-related provisions** including opportunity for providers to seek clarification of a county licenser’s interpretation of a licensing requirement, allowing for the use of reusable water cups in child care centers, DHS development of policies and procedures for reporting suspected maltreatment written in plain language, and a change in the required licensing contact information printed on the posted license.
- Clarifies that a **related individual** may supervise the family child care license holder’s *own* child both inside and outside the licensed space. It also clarifies that this individual is exempt from training requirements.
- Makes changes to the **substitute care** provisions in family child care regarding the number of hours of care in a calendar year, and the use of **emergency caregivers**.
- Clarifies some **supervision issues** related to school-age care children in a child care setting.
- Makes changes and clarifications to **training requirements** across roles in three types of settings (Licensed Centers, Licensed Family Child Care Homes, and Certified Centers) to align with CCDBG requirements.

### **HOUSE OMNIBUS TAX BILL (HF 2125): *Passed the House on 4/25 by a vote of 74-55***

- Expands the **working family credit** for taxpayers with 0, 1, and 2 children, and adds an additional tier for taxpayers with 3 or more children.

### **STAND ALONE BILL PROGRESS**

**Only bills that are moving separately are listed below.** For information about *all bills* that have been introduced, please download our weekly [Bill Tracker](#).

#### **Bills referred to the floor:**

- Modifying eligibility for early learning scholarships; expanding voluntary prekindergarten programs to five groups (**HF 1230-Pinto**)
- Children and family service policy provisions modified (**HF 2397-Pryor**)
- Human services licensing provisions modifications (**SF 978-Kiffmeyer**) *Also in SF 2*
- Child care training timelines extension and clarification (**SF 979-Kiffmeyer**) *Also in SF 2*

### **COMMITTEE DEADLINES**

- **May 1:** The House and Senate must pass all major finance bills off their respective floors and appoint conference committee members.
- **May 6:** Conference committee budget targets must be given to conference committee members.
- **May 13:** Conference committee reports must be completed.

### **UPCOMING EVENTS**

- **May 20:** Deadline to end the 2019 legislative session