



## LEGISLATIVE UPDATE | April 11, 2017

We'll post the [Legislative Update and Bill Tracker](#) on the Child Care Aware of Minnesota website each Tuesday to reflect the activity through the previous Friday. You can read a brief overview of introduced bills, committee level or floor action, and other news related to **early care and education and school age care**. If you have questions or additions to recommend, please email Ann McCully at: [AnnM@childcareawaremn.org](mailto:AnnM@childcareawaremn.org).

### OMNIBUS BILLS

*All Omnibus bills have now been heard and passed off of the floor of both the House and Senate, and bills now move to **conference committees** that will work to agree upon a final bill that both bodies can adopt. **This process will begin after the Legislature returns from their break on April 18.** Below is a brief summary of each bill's current content:*

#### HOUSE OMNIBUS EDUCATION BILL (HF 890)

- Repeals the **voluntary Pre-Kindergarten** program and funding (approximately \$41 million), but substitutes school readiness funds for existing VPK programs so that they can continue in the next year.
- De-links **ECFE** funding from the Formula increase adjustment, but provides a small increase in FY18-19 and 20-21
- Expands the **School Readiness** to allow charter schools to establish programs and provides a funding increase.
- Creates an **Education Partnership Coalition Fund** to continue and expand the work of some of the Promise Neighborhoods/Transformation zones and provides funding increases.
- Establishes an **Office of Early Education and Development** to coordinate Minnesota's early education and development programs. Under this Department:
  - A Director must be appointed by the Governor and will report to the commissioner of Administration. This Director must develop early education program policies, streamline administration of each early education program, manage data collection, serve as Executive Director of the Children's Cabinet (among other duties).
  - The Director will establish the maximum annual aid a child of three or four years of age may generate from any combination of programs including the school readiness program, early learning scholarships, and the Head Start program.
  - The Director may establish early education resource hubs throughout the state to develop strategies to support outreach to families, connection to resources, and program choice.
- Increases funding and makes changes to **the Early Learning Scholarship program** as follows:
  - Broadens eligibility to include a child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; homeless, in foster care, or in need of child protective services.
  - Removes the "**Pathway 2**" scholarship option which provides direct funding for program spaces.

- Delays the requirement for programs to have a 3 or 4 star Rating in order to accept scholarships to **July 1, 2022**.
- Requires a **comprehensive report** from the commissioners of human services and Education to the Legislature on a number of early care and education measures.
- Language allowing for creation of an **after school community learning grant program** (but no funding).

#### SENATE E-12 OMNIBUS EDUCATION BILL (SF 718)

- Increases funding and makes changes to the Early Learning Scholarship program by broadening eligibility to include a child not yet 5 years of age who has not yet enrolled in kindergarten, a sibling from birth to age 5 that attends the same program; a child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; homeless, in foster care, or in need of child protective services.
- Authorizes a study of Minnesota early childhood care and education programs, resulting in a report that makes recommendations relating to:
  - Integrating state resources for child care assistance through the basic sliding fee program and the MFIP program.
  - Aligning family income eligibility requirements for early childhood care and education programs.
  - Coordinating outreach to families eligible to provide uniform notification about available program options.
  - Reducing duplicative paperwork and administrative burden and increasing the stability of funding.
  - Maximizing child care assistance program integrity and payment mechanisms to increase fund accountability and efficiency.
  - Transferring powers and duties related to the quality rating and improvement system.
  - Providing for local and state information technology investments and data sharing agreements.
  - Coordinating internal and external evaluation of early childhood care and education programs.
  - Transferring or consolidating powers and duties related to other early childhood care and education programs currently administered by the Departments of Education, Health, and Human Services.

*The House & Senate E-12 Omnibus bills include these proposed funding increases/reductions in at least one body:*

PROGRAM	BASE FY 18-19	HOUSE FY 18-19	SENATE FY 18-19	BASE FY 20-21	HOUSE FY 20-21	SENATE FY 20-21
Minnesota Reading Corps	\$11.25 million	\$12.25 million	\$17.25 million	\$11.25 million	\$12.25 million	\$23.85 million
School Readiness	\$67.4 million	\$75.9 million	\$67.4 million	\$67.4 million	\$77.1 million	\$67.4 million
School Readiness adjustment (covers current VPK programs)	-	\$41 million				
Early Learning Scholarships	\$119.8 million	\$144.4 million	\$121.8 million	\$119.8 million	\$144.4 million	\$124.8 million
ECFE (tied to formula increase)	\$59.5 million	\$60.5 million	\$61.6 million	\$61.5 million	\$62.7 million	\$64.7 million
Parent Aware	\$3.5 million	\$5 million	\$5.4 million	\$3.5 million	\$5 million	\$5.4 million
Parent-Child home	\$700,000	\$1.7 million	\$1.8 million	\$700,000	\$1.7 million	\$1.1 million
Early Education Access study	-		\$75,000	-		-
Transformation Zone-NAZ	\$2.4 million	\$2.6 million	\$1.2 million	\$2.4 million	\$2.6 million	\$1.2 million
Transformation Zone- SPPN	\$2.4 million	\$2.6 million	\$1.2 million	\$2.4 million	\$2.6 million	\$1.2 million
Greater MN Ed. Partnership	-	\$960,000	\$2.4	-	\$960,000	\$2.4

<b>Transformation zone expansion</b>			million			million
<b>Evidence Based Home Visiting</b>		-	\$3 million	-	-	\$1.5 million

#### HOUSE HEALTH AND HUMAN SERVICES BILL (HF 945)

- Sets MA payment rates for prenatal and post-partum follow-up home visits provided by a public health nurse, or a registered nurse supervised by a public health nurse, using evidence-based models, at a minimum of \$140 per visit.
- Implements a pilot program to increase awareness and encourage early preventive dental disease interventions for infants and toddlers. Under this program, the commissioner shall award grants to five communities of color or recent immigrant communities to participate in the program.
- Modifies child care assistance program maximum rates by setting the maximum rate for child care providers who are located within the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns at the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less.
- Makes changes to the MFIP and DWP transition year funding and changes priorities for Child Care Assistance and changes the formula for county CCAP allocations.
- Incorporates the Governor's proposed changes to the Child Care Assistance program to address program integrity concerns including recipient potential fraud and misuse, provider fraud, and administrative errors.
- Specifies that "annual" or "annually" in family child care training requirements means the 12 month period beginning on the license anniversary and ending the day prior to the anniversary.
- Requires a licensing agency to offer a child care license holder an exit interview to discuss violations observed during inspection and offer technical assistance to help the license holder comply, before completing a licensing inspection.
- Requires the commissioner to issue an amended correction order and requires the license holder to post the amended order, if the commissioner reverses or rescinds a violation in a correction order upon reconsideration.
- Prohibits the commissioner and county licensing agencies from mandating or suggesting quotas for issuing correction orders to any person responsible for licensing or inspecting child care centers or family child care providers.
- Requires the commissioner to issue a "fix-it ticket" to a child care license holder under a variety of specific situations (spelled out in the bill language).
- Requires DHS to timely inform family child care and child care center license holders of changes in federal and state statute, rule, regulation, or policy, relating to child care, child care assistance, child care quality rating and improvement, and licensing functions, in order to promote license holder compliance with changes
- Requires the commissioner of human services to provide a report on the status of child care in Minnesota to the chairs and ranking minority members of committees with jurisdiction over child care, by February 1, 2018.
- Exempts licensed family day care programs, licensed group family day care facilities, and licensed child care centers from Minnesota Rules, chapter 9544, the positive supports rule.
- Directs the commissioner to develop guidelines for posting public licensing data for licensed child care programs. In developing the guidelines, the commissioner shall consult with stakeholders, including licensed child care center providers, family child care providers, and county agencies.
- Repeals state statute related to the Family Child Care Providers Representation Act (unionization).

#### SENATE OMNIBUS HEALTH AND HUMAN SERVICES BILL (SF 800)

- Sets MA payment rates for prenatal and post-partum follow-up home visits provided by a public health nurse, or a registered nurse supervised by a public health nurse, using evidence-based models, at a minimum of \$140 per visit
- Incorporates the Governor's proposed changes to the Child Care Assistance program to address program integrity concerns including recipient potential fraud and misuse, provider fraud, and administrative errors.
- Specifies that "annual" or "annually" in family child care training requirements means the 12 month period beginning on the license anniversary and ending the day prior to the anniversary.

- Requires a county licensor to provide a written or electronic notification to the (family child care) licensee of potential licensing violations noted during the inspection and the condition that constitutes the violation.
- Adds language for an expedited review process for correction order issued to licensed family child care providers.
- Requires DHS to timely inform family child care and child care center license holders of changes in federal and state statute, rule, regulation, or policy, relating to child care, child care assistance, child care quality rating and improvement, and licensing functions, in order to promote license holder compliance with changes.
- Re-establishes funding for the At Home Infant Care option under the Child Care Assistance Program.
- Provides funding for the Minnesota Birth to Eight Pilot Project that will evaluate the impact of a coordinated systems and service delivery approach on key developmental milestones and outcomes that ultimately lead to reading proficiency by age eight within the target population.
- Clarifies that an individual who is related to the license holder and who is involved only in the care of the license holder's own infant or child under school age and who is not designated to be a caregiver, helper, or substitute for the licensed program, is exempt from the sudden unexpected infant death and abusive head trauma training.

#### FUNDING CHANGES/INCREASES IN THE HOUSE & SENATE HHS BILL:

PROGRAM	HOUSE BILL FY 18-19	HOUSE BILL FY 20-21	SENATE BILL FY 18-19	SENATE BILL FY 20-21
Child Care Assistance multi-county rate adj.	\$142,000	\$149,000		
Basic Sliding Fee priority changes	\$11.8 million	\$14.8 million		
Child Care Assistance Program integrity (savings)	(\$14.1 million)	(\$26.4 million)	(\$14.1 million)	(\$26.4 million)
Public Health Nurse Home visiting-MA increase	\$614,000	\$1.2 million	\$614,000	\$1.2 million
Crisis Nursery funding	\$200,000	\$200,000		
Dental Services Grants	\$1 million	-		
Child Care Financial Fraud and abuse (savings)			(\$464,000)	(\$514,000)
At Home Infant Care Program			\$2.2 million	\$2.0 million
Dakota County Birth to Eight project	\$200,000	-		
Evidence Based Nurse Home Visiting	-	-	\$3 million	\$1.5 million

#### HOUSE OMNIBUS TAX BILL (HF 4)

##### *The bill includes the following tax policy changes:*

- Expands the **Education expense credit** and deduction to include prekindergarten expenses.
- Makes the following changes to the **Dependent Care Tax Credit**:
  - Increases the maximum credit to the same level as the Loon bill and Governor's budget (\$1,050/\$2,100 for a one-child/2+-child household).
  - Phases out sooner than either, with eligibility ending at \$62,000/\$74,000.

#### SENATE OMNIBUS TAX BILL (HF 2255)

##### *The bill includes the following tax policy changes:*

- Provides a nonrefundable credit of up to \$700 for eligible individuals (\$1,400 for married joint filers) equal to a specified percentage of **student loan payments** in excess of ten percent of adjusted gross income. An eligible individual is an individual with qualified education loans related to an undergraduate or graduate degree at a postsecondary institution. Loans must have been incurred on behalf of the individual or individual's spouse. For eligible individuals in an education profession (which includes early childhood education, including licensed or regulated child care, Head Start, and state-funded prekindergarten; school-based library sciences; and other school-based services), the **percentage is 75 percent**. Effective for tax years 2017 and 2018.

## HOUSE OMNIBUS HIGHER EDUCATION BILL (HF 2477)

### The bill includes the following funding and policy changes:

- Increases the amount of **child care grants** to \$3,000 and extends the time for use for the grant to 10 semesters.
- Requires Postsecondary educational institutions required to **provide information** to pregnant students and student parents.

## SENATE OMNIBUS HIGHER EDUCATION BILL (SF 2214)

### *No Early Care and Education items included*

## HOUSE OMNIBUS JOBS BILL (HF 2209)

### The bill includes the following funding and policy changes:

- Minneapolis YWCA economically challenged individuals job skills development grant appropriation **funded at \$150,000** per year.
- Child care business start-up and expansion grants provided- **\$500,000 in 2018 only.**
- FATHER project funding provided, and money appropriated-**\$600,000 in 2018; \$750,000 in 2019.**
- Women-run cooperative child care businesses in low-income urban areas pilot program-**\$225,000 in 2018 only.**
- Child Care business training funding provided, reports required-**\$125,000 in 2018 only.**

## SENATE OMNIBUS JOBS BILL (SF 1937)

### The bill includes the following funding and policy changes:

- Minneapolis YWCA economically challenged individuals job skills development grant appropriation funded at **\$375,000** per year.

## NEW BILLS INTRODUCED THIS WEEK

- Voluntary prekindergarten program contracts for mixed delivery of services required (**SF 2305-Nelson**)

## UPCOMING DATES

- **April 10 – 17:** Legislative Recess\*

*\*Due to the Legislative Recess, there will be no Legislative Update or Bill Tracker posted the week of April 18. Updates will resume the week of April 25.*