



Legislative Update: May 24, 2016 (Activity through Friday, May 22)

This update along with the Bill Tracker, was posted each **Tuesday** during the Legislative session on the [Child Care Aware of Minnesota website](http://www.childcareawaremn.org).

In a flurry of activity, the Legislature completed action on the bills outlined below on **Sunday, May 22**. The final step will be action taken by the Governor to sign or veto these bills, so there will be one additional update posted once this step is complete (hopefully by June 8, as the Governor has 14 days to take action).

The Omnibus Supplemental Appropriations conference committee report passed the House and Senate. Here is an outline of the *funding* included in the bill with direct impact on early care and education:

Here is an outline of the *policy language* included in the final supplemental appropriations budget bill with direct impact on early care and education:

EDUCATION FUNDING (2017)	GOVERNOR	HOUSE	SENATE	FINAL
Voluntary Pre-K Program	\$25 million	\$0	\$18 million	\$25 million
Reading Corps	\$0	\$1.5 million	\$3 million	\$1 million
Full Service Community Schools	\$2 million	\$0	\$2.2 million	\$1 million
Parent Aware	\$0	\$2 million	\$500,000	\$2 million
Parent-Child Home visiting program	\$0	\$2 million	\$1 million	\$2 million
Northside Achievement Zone	\$0	\$0	\$10,000	\$10,000
St. Paul Promise Neighborhood	\$0	\$0	\$10,000	\$10,000
St. Cloud Early Learning Pilot	\$0	\$430,000	\$0	\$430,000
ECFE Home Visiting Levy/Revenue Change	\$0	\$0	\$1.18 million	\$1.18 in 2018-2019
ECONOMIC DEVELOPMENT FUNDING (2017)				
Creation of a child care start-up manual		\$100,000		\$100,000
Start-up grants for child care in Greater MN		\$500,000		\$500,000
YWCA job training/early childhood pathway		\$500,000	\$2.1 million	\$750,000

- Authorizes a school district, charter school, or combination thereof to operate a **voluntary prekindergarten program** for 4-year-old pupils, that must include at least 350 hours of instruction during the school year (beginning in fiscal year 2017).
- Allows a district or charter school to **contract with a Head Start, child care center, licensed family child care program, or community-based organization** to provide the prekindergarten program, provided they meet the stated program requirements.
- Identifies **specific target districts** as well as priority criteria for the voluntary prekindergarten program, such as the presence of students eligible for free and reduced-price lunches, and the absence of programs with a Three- or Four-Star Parent Aware Rating within the school district or in close proximity.
- Increases **the long-term maintenance** revenue that can be used towards necessary remodeling related to an approved voluntary prekindergarten program.
- Extends the current child care assistance grant for college students to those pursuing a **graduate or professional degree**.

- Establishes a grant program to provide culturally competent **screening and treatment for pre-and postpartum mood and anxiety disorders** in pregnant women and women who have given birth in the last 12 months.
- Establishes pilot projects to provide **substance abuse disorder treatment and services** to pregnant and postpartum women.
- Provides necessary exemptions for income and assets if Minnesota is chosen for the **federal “income and child development in the first three years of life” demonstration project**.
- Modifies the home visiting levy program into a **home visiting revenue program**. Makes districts that are eligible to levy for early childhood family education eligible to levy for home visiting revenue.

TAX BILL

The omnibus tax bill passed in both the House and Senate includes the following items:

- **Working Family Tax Credit:** Modifies the percentage of earned income on which the credit is calculated so that claimants at the lowest income levels would be eligible for larger credit amounts and the credit would extend to higher income levels. In addition, these levels are adjusted annually for inflation.
- **Dependent Care Tax Credit:** Increases the state dependent care credit to equal the federal credit for taxpayers with adjusted gross incomes (AGI) up to \$38,000. The maximum state credit would increase from \$720 to \$1,050 for one dependent, and from \$1,440 to \$2,100 for two or more dependents. The credit would be fully phased out when AGI reached \$44,900 for claimants with one dependent, and \$51,800 for claimants with two or more dependents. The \$38,000 income threshold for the phaseout would be adjusted annually for inflation beginning in 2017. The state credit would remain refundable.

OTHER BILLS

- **Child care legislative task force created**, and report to the governor required (**HF 3436/ SF 3208**). This bill, which grew out of the hearings of the House Select Committee on Child Care, passed the House on a vote of 126-4 and the Senate on a vote of 46-16.