



Legislative Update: June 7, 2016 (Activity through Friday, June 3)

On **Wednesday, June 1**, the Governor signed the **Omnibus Supplemental Appropriations Bill**. Here is an outline of the funding and policy elements included in the bill with direct impact on early care and education:

SUPPLEMENTAL FUNDING ITEMS	GOVERNOR	HOUSE	SENATE	2017	2018-2019
Voluntary Pre-K Program	\$25M	\$0	\$18M	\$25M	\$55M
Reading Corps	\$0	\$1.5M	\$3M	\$1M	-
Full Service Community Schools	\$2M	\$0	\$2.2M	\$1M	-
Parent Aware	\$0	\$2M	\$500,000	\$2M	-
Parent-Child Home visiting program	\$0	\$2M	\$1M	\$2M	-
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	\$0	\$0	\$1.18M	-	\$1.18M
Child care start-up manual	\$0	\$100,000		\$100,000	-
Start-up grants for child care in Greater MN	\$0	\$500,000		\$500,000	-
YWCA job training/early childhood	\$0	\$500,000	\$2.1M	\$750,000	-

- Authorizes a school district, charter school, or combination thereof to operate a **voluntary pre-kindergarten 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 pre-kindergarten program, provided they meet the stated program requirements.
- Identifies **specific target districts** as well as priority criteria for the voluntary pre-kindergarten program such as the presence of students eligible for free and reduced-price lunches, and the absence of programs with a Three- of 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 pre-kindergarten 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.

OTHER BILLS PASSED AND SIGNED

Child care legislative task force created, and report to the governor required (**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. The Governor signed the bill on **May 31**.

PENDING BILLS/ISSUES

Although the 2016 Legislative session is now over, a **special session** is needed in order to be complete unfinished bills. Since only the Governor can call a special session, there is currently negotiation underway with House and Senate Leadership regarding the parameters of such a session. As one piece of this negotiation, the Governor has **held off on signing the omnibus TAX BILL which 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 phase out would be adjusted annually for inflation beginning in 2017. The state credit would remain refundable.

In addition, the Governor has set forward his priorities to be funded as part of any special session. One of these with an impact on early childhood is a request for **\$2 million in FY17 and \$4 million in FY 18-19 in additional funding** for the Transformation Zones (Northside Achievement Zone, St. Paul Promise Neighborhood, White Earth and Itasca County), and the Community Partnerships (Red Wing, Northfield, and St. Cloud).

Finally, while the final version of the **BONDING BILL** did *not* include funds for **early childhood facilities**, both the Governor and the Senate had originally requested such funds. If the bonding bill goes back to the drawing board, there may be another opportunity to address this need as well.

BILLS/ISSUES THAT DID NOT PASS OR GET FUNDED

There were several initiatives that were included in either the House or Senate bill and/or proposed by the Governor that did not make it into the final supplemental budget bill. These include:

Early Learning Scholarships

- Increased funding for priority groups and expanding to serve children ages 1-3.
- Extending required date to use Scholarships at programs with a Three- or Four-Star Rating from July 1, 2016, to July 1, 2020.
 - **Note:** Early Learning Scholarships currently being used to access programs with a One- or Two-Star Parent Aware Rating will continue to be able to serve these children until they have to renew their Scholarship (after 12 months).

Child Care Assistance Program

- Increased provider reimbursement rates in the Child Care Assistance Program (CCAP).
- Required changes need to meet federal requirements of new Child Care Development Block Grant (CCDBG).

Help Me Grow

- \$1 million to support the move to a national Help Me Grow Model

Other Supplemental Funding requests

- Online early childhood teacher preparation through MNSCU.
- Additional funds for the Minneapolis Crisis Nursery.
- Funding for the Minnesota Initiative Foundations to support local child care efforts.
- Funding for design and ongoing support of a child care facility on the Capitol Complex.
- An increase in Medical Assistance Home Visiting reimbursement rates.
- Funds for promotion of an Early Dental Prevention pilot.

FOR MORE INFORMATION

Specifics about the newly authorized Voluntary Pre-Kindergarten Program (including FAQs and application materials) can be found on the [Minnesota Department of Education website](#).

Previous updates from each week of the 2016 Legislative Session along with the complete bill tracker can be found on the [Child Care Aware of Minnesota website](#). If you have any other questions about the content of these updates or need more information, please feel free to contact Ann McCully at annm@childcareawaremn.org

Once any special session has been completed and/or the Governor has signed the remaining bills, we will post a **final Legislative update**. Thank you to those who have followed us all session. We were happy to provide these updates. See you next year!