



## LEGISLATIVE UPDATE | May 7, 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

This week, the House and Senate finished their floor votes on the omnibus bills (outlined below), and will now move into the **conference committee process** to create shared House/Senate bills in each of the key budget areas.

Conference committee members have been named as follows:

#### HEALTH & HUMAN SERVICES

**House:** Liebling, Moran, Schultz, Halverson, Hamilton

**Senate:** Benson, Abeler, Utke, Jensen, Marty

#### E-12 EDUCATION

**House:** Davnie, Youakim, Pinto, Sandstede, Urdahl

**Senate:** Nelson, Weber, Jasinski, Eichorn, Wiger

#### HIGHER ED

**House:** Bernardy, Pryor, Lien, Klevorn, Nornes

**Senate:** Anderson, P., Draheim, Jensen, Relph, Clausen

#### JOBS & ECONOMIC DEVELOPMENT

**House:** Mahoney, Wagenius, Stephenson, Long, Hassan

**Senate:** Pratt, Dahms, Osmek, Housley, Simonson

#### TAXES

**House:** Marquart, Loeffler, Lislegard, Gomez, Davids

**Senate:** Chamberlain, Senjem, Dahms, Howe, Rest

### CONFERENCE COMMITTEE ACTIVITY

On Friday, May 3, several of the Conference Committees, including **Health and Human Services** ([HF 2414](#)), **Taxes** ([HF 2125](#)), and **Jobs and Economic Development** ([HF 2208](#)) met to begin their work.

These meetings consisted of walk-throughs of the spreadsheets comparing the bill components and financing, and testimony from Commissioners and/or legislators or agency staff in some content areas.

## FLOOR VOTES

### SENATE JOBS & ECONOMIC DEVELOPMENT BILL (SF 2611): *Passed the Senate on 4/29 by a vote of 40-26.*

- Grants to local communities to increase the supply of quality child care providers to support economic development through **DEED grants** (\$649,000 in FY 2020).
- A grant to the **Minnesota Initiative Foundations** (\$1,827,000 in FY 2020) to:
  - Facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care.
  - Engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component.
  - Provide locally-based training and technical assistance to rural child care business owners.
  - Recruit child care programs to participate in Parent Aware.

### SENATE TAX BILL (SF 5): *Passed the Senate on 4/30 by a vote of 39-28.*

- Adds expenses for prekindergarten educational programs to the expenses eligible for the **education expense deduction and credit**, beginning in tax year 2020. Amounts used to claim the credit must not be used to claim the dependent care credit. 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
  - 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.

### HOUSE HIGHER EDUCATION BILL (HF 2544): *Passed the House on 4/30 by a vote of 72-57.*

- Integrates the **Early Childhood Longitudinal Data System (ECLDS)** into the statute that establishes the Statewide Longitudinal Education Data System (SLEDS).
- Creates the new **Aspiring Minnesota Teachers of Color Scholarship Program** for student teachers belonging to racial or ethnic groups underrepresented in the teacher workforce. This includes students enrolled in an eligible institution, completing a two-year program specifically designed to prepare **early childhood educators**.
- Amends the existing **Student Teacher Candidate Grants in Shortage Areas** program for stipends to student teachers who intend to teach in high-need fields and areas, or who belong to racial or ethnic groups underrepresented in the teacher workforce. This includes any Tier 3 teaching license from **early childhood** through grade 12.
- Establishes a program administered by the Office of Higher Education (OHE) to provide grants to qualified organizations offering **student loan debt repayment** counseling.
- Amends eligibility requirements for the **Teacher Shortage Loan Forgiveness Program** to include **Head Start or Early Head Start non-licensed early childhood professionals** employed by a Head Start program.
- Permits OHE to adjust the cost of attendance in the **State Grant Program to include child care expenses** after consultation with postsecondary institutions and with prior written notice to the legislature.

**SENATE HEALTH AND HUMAN SERVICES BILL (SF 2414): *Passed the Senate on 4/30 by a vote of 36-28.***

- Establishes **multiple fraud prevention measures** in the CCAP program, including:
  - Precludes the issuance of child care assistance authorizations to no more than 7 children of employees or controlling individuals of licensed or license-exempt child care centers.
  - Requires proof of surety bond coverage for child care centers that receive \$250,000 or more in CCAP funds per year.
  - Requires that CCAP attendance records be provided at the time of request, and records produced at a subsequent date are not valid for purposes of establishing proof that the child was present.
  - Modifies the calculation for CCAP overpayments.
  - Requires all licensors employed by a county or the Department of Human Services to immediately report any suspected fraud to county human services investigators or the Department of Human Services Office of the Inspector General.
  - Permanently disqualifies clients, families, and providers from participating in the program in which they committed fraud if there is a finding or an action by a federal court or state court.
  - Directs the commissioners of the Departments of Education, Health, and Human Services to identify a process to establish and implement a universal identification number for children participating in early childhood programs to eliminate potential duplication in programs.
- Establishes that a **correction order or fine** issued to a child care provider for a licensing violation is **private data** on individuals if the correction order or fine is seven years old or older.
- **Clarifies and expands access to certain CCAP program data**, and indicates what is public and private.
- **Broadens legally unlicensed providers definition** to family child care that is provided by an unrelated individual to families that do not receive child care assistance if the number of children served does not exceed six children, of which there are no more than a combined total of two infants and toddlers that includes no more than one infant.
- Precludes the Commissioner of Human Services from issuing a **correction order or negative action** for a licensing violation found during an inspection but not discussed during an exit interview.
- States that the **results of inspection reports shall not be displayed on the Department's website** for longer than the minimum required time under federal law.
- Stipulates that the presence of a **family child care provider's spouse in the residence** does not constitute a violation, unless the spouse is an employee of the child care center or provides a sufficient amount of child care services to exceed the threshold for being subject to the statutory training requirements.
- Directs the Commissioner of Human Services to consult with relevant child care stakeholders to develop, publicly post, and distribute a **plain-language handbook for family child care providers**.
- Creates a new **"abbreviated inspection" process** and establishes risk levels from 1-4 for licensing regulations.
- Requires a county licensor to seek clarification from the Department of Human Services in writing if a **child care provider disputes the interpretation of a licensing requirement**, before the licensor may issue a correction order.
- **Expands the child care fix-it ticket violations** to include violations that can be corrected immediately. Expands the eligible rules and statutes to include violations that do not present imminent danger, cannot be corrected at the time of the inspection, and are not a repeat violation.
- **Permits child care centers to provide drinking water in bottles to children**, so long as the bottles are washed, rinsed, and sanitized daily after use and stored in a clean and dry manner.
- Adds new option for what can be considered under the definition of **special family day care homes**.
- Requires **child care providers who relocate** within the state to continue to satisfy their annual, ongoing training requirements, but not the initial training requirements that the provider completed prior to licensure.
- Clarifies that family child care providers **must repeat first aid training, CPR training, sudden unexpected infant death, and abusive head trauma training every two years**, prior to the date that the provider's annual license expires.

- **Removes the annual requirement** for family child care providers to complete child development and learning, behavior guidance training, SUIDS and Abusive Head Trauma, and replaces that requirement with completion of an **annual two-hour refresher training course**, which will include these topics.
- **Reduces the number of ongoing training hours** for family child care providers **from sixteen to ten hours** and establishes that the annual refresher course shall count toward that requirement.
- Clarifies the statutory requirement that family child care providers **must repeat the full supervising for safety training every five years**, prior to the date that the provider's annual license expires, and **replaces the requirement** to complete an annual two-hour supervising for safety course with completion of the **annual refresher course, which will include this topic.**
- Exempts relatives of children in child care programs from having to complete child care training requirements in order to care for or have contact with the related child at the child care site.
- Exempts substitute caregivers from completing child care training requirements when providing care during an **emergency situation.**
- **Eliminates** the requirement for a licensed child care provider **to provide a physical or electronic copy of its emergency preparedness plan** to a child's parent or legal guardian upon enrollment.
- Creates and funds a **new Office of the Ombudsperson for Child Care Providers.**
- Directs the Commissioner of Human Services to permit family child care providers to **use substitute caregivers** for a cumulative total of 720 hours in a 12-month period, without completing the statutory training requirements.
- Requires that all providers that choose to participate in the Quality Rating and Improvement System shall be Rated through a formal process that evaluates a common set of child outcome and program standards. No provider shall receive a Rating without being evaluated through the formal rating process.
- States that fail to comply with licensing requirements for completing training and background studies may result in a One-Star reduction of a provider's Rating. Failure to comply with technical requirements that do not affect the quality of care or early learning programming shall not reduce a provider's Rating.
- Establishes a **16-member task force** intended to increase the number of family child care providers and improve the quality of family child care services throughout the state, to be comprised of legislators, child care providers, family child care associations, child care licensors, and business associations.
- Instructs the Commissioner of Human Services to **review the rules and statutes** relating to child care provider licensing and background study requirements and propose legislation to **eliminate unnecessary and duplicative record keeping or documentation** requirements.
- instructs the Revisor of Statutes to consult with nonpartisan legislative staff and the Department of Human Services to **recodify the rules** governing day care facility licensing and child care facility licensing as statutes, and to prepare legislation for the 2020 session that **recodifies Minnesota Statutes, chapter 245A, and repeals and enacts as statutes the rules governing day care licensing.**
- Establishes a grant program for organizations to **support parent-to-parent programs** that provide education and peer support for families of children and youth with special health care needs.
- Authorizes the Commissioner of Human Services to develop a **Pathways to Prosperity** pilot project in conjunction with Dakota and Olmsted Counties, to test an **alternative benefit delivery system** for the distribution of public assistance benefits to certain families, provided that the counties submit documentation of the program's features, funding, and implementation plan.
- Directs the Commissioner of Education to develop a plan for a working group **on links between health disparities and educational achievement** for children from American Indian communities and communities of color.
- Broadens the current **community grant program** to local or regional projects and initiatives directed at **decreasing racial and ethnic disparities** in access to and utilization of high-quality **prenatal care.**
- **Repeals the MFIP Child Care Assistance (CCAP) and Basic Sliding Fee CCAP program as of July 1, 2020** and directs the Commissioner of Human Services to propose a redesigned program by January 15, 2020 for implementation on July 1, 2020.

- Allocates funding of **\$236.4 million** for the redesigned program beginning **FY 2022**.

### **SENATE E-12 EDUCATION BILL (SF 7): *Passed the Senate on 5/1 by a vote of 37-30.***

- Modifies the **Minnesota Indian Teacher Preparatory Program** to allow grantees to partner with tribal and community colleges to deliver programming and allows grants to students progressing toward:
  - Any educational certification necessary for employment
  - Early childhood family education or prekindergarten licensure
  - Any educational program that provides services to American Indian students in prekindergarten through grade 12
- Allows **community-based child care programs/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).
- Requires the Commissioner to **implement a kindergarten readiness assessment** and provide districts with a voluntary process for readiness measurement.
- 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.
- Prohibits families disqualified from the child care assistance program from receiving early learning scholarships.
- **Extends eligibility for a scholarship to children age 6.**
- For fiscal year 2020 and later, **limits the number of scholarship slots** designated by the Commissioner for a program to not exceed the number designated for that program in fiscal year 2019.
- Directs the Commissioner to give **scholarship priority** to applicants in school districts with **temporary VPK and School Readiness Plus seats expiring** after the 2018-2019 school year.
- **Extends the deadline** for programs to have a **Three- or Four-Star Rating in the Parent Aware system to July, 2021.**
- Prohibits a program that is **disqualified from the child care assistance program** or otherwise unauthorized from receiving early learning scholarship funds.
- Authorizes **DHS to share data with MDE** on the child care assistance program disqualification for the purpose of determining early learning scholarship eligibility. Authorizes **MDE to share the same data with an early learning scholarship area administrator.**
- Creates an **early learning scholarship account** in the special revenue fund. Transfers all appropriations for early learning scholarships to this account and annually appropriates this money to the Commissioner for early learning scholarships. Makes permanent an appropriation from the account of \$950,000 per year for MDE administration of the program.
- **Increases amount for Early Learning Scholarships by \$44.5 million** for FY 2020-21.
- **Increases funding for the Education Partnership Programs** for Tier 2 (implementation grants) by \$1.5 million in FY 2020-21 and 2022-23.

### **COMMITTEE DEADLINES**

- **May 13:** Conference committee reports must be completed.

### **UPCOMING EVENTS**

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