



LEGISLATIVE UPDATE | May 14, 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

Conference committees continued to meet and walk through the House and Senate provisions and hear testimony from Commissioners and/or other testifiers around some issues, particularly those that were only heard in one body.

While committees were able to adopt some “same and similar” provisions, final negotiations are on hold until each committee receives their spending target, which is still under negotiation by leadership from the House, Senate, and Governor’s Office.

Once these targets are established, the conference committee work will likely move quickly in order to meet the May 20 constitutional deadline for this session.

This update contains a comparison of spending and proposed early childhood and school-age care legislation by the House and Senate in the following omnibus bills:

- [HF 2208, Jobs and Economic Development](#)
- [HF 2415, Higher Education](#)
- [HF 2125, Tax Bill](#)
- [HF 2400, Education](#)
- [HF 2414, Health and Human Services](#)

OMNIBUS JOBS AND ECONOMIC DEVELOPMENT BILL, HF 2208

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

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

Proposed spending items 2020-21 biennium (change items only)	Governor	House	Senate
Child care grants - DEED	\$1 million	0	\$649,000
Child care grants - MIFs	0	0	\$1.827 million
Child care grants - DEED, MIFs, WomenVenture (split TBD by DEED)	0	\$2.865 million	0
YWCA Minneapolis (CDA)	0	\$1 million	0
Paid Family & Medical Leave	0	\$414.95 million	0

HOUSE Positions

- 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:
 - (1) WomenVenture
 - (2) The Minnesota Initiative Foundations
 - (3) 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 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**.

SENATE Positions

- Grants to local communities to increase the supply of quality child care providers to support economic development through **DEED grants**.
- A grant in FY 2020 to the **Minnesota Initiative Foundations** 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.

OMNIBUS HIGHER EDUCATION BILL, SF 2415

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

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

Proposed spending items 2020-21 biennium (change items only)	Governor	House	Senate
Child care grants	\$13.388 million	\$13.388 million	\$13.388 million
Statewide longitudinal data system (SLEDS)	\$3.764 million	\$3.564 million	\$1.764 million
Teacher shortage Loan Forgiveness	\$400,000	\$500,000	\$800,000
Student loan counseling	0	\$200,000	\$234,000
Aspiring Teachers of Color Scholarships	0	\$2.5 million	0
Workforce Development Scholarships	\$1 million	\$1 million	\$16 million

HOUSE Positions

- 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 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 Positions

- 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

OMNIBUS TAX BILL, HF 2125

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

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

Proposed spending items 2020-21 biennium (change items only)	Governor	House	Senate
Increase K-12 education credit; expand to Pre-K expenses	0	0	\$8.1 million
Working Family Credit - increase eligible earned income	0	\$81.6 million	0
Working Family Credit - modify credit for 3+ children	\$20.4 million	0	0
Working Family Credit - modify credit for Transportation Tax changes	\$81.8 million	0	0

HOUSE Positions

- 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.

SENATE Positions

- 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.

OMNIBUS EDUCATION BILL, HF 2400

House Conferees: Darnie, Youakim, Pinto, Sandstede, Urdahl

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

Proposed spending items 2020-21 biennium (change items only)	House	Senate
Voluntary Pre-K-maintain existing slots	\$ 41.35 million	0
After school community learning program	\$ 4 million	0
Full-Service Community Schools	\$15 million	0
American Indian Teacher Preparation grants	\$2.1 million	\$920,000
Paraprofessional Pathway to Licensure (Grow Your Own)	\$10 million	\$3 million
ECFE (linked to proposed formula increases)	\$66.7 million	\$63.4 million
Early Learning Scholarships (Special Revenue fund)	\$167 million	\$185.9 million
Reach out and Read	\$205,000	0
Education Partnership Program - Tier 1 grants	\$5.9 million	\$5.2 million
Education Partnership Program - Tier 2 grants	\$2.2 million	\$2.5 million
Head Start background checks	\$59,000	0

HOUSE Positions

- 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.
- **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
- 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**.
- 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/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 St. 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.

- **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.
- **Lowens 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**.
- Increases funding for the **Education Partnership Programs** for Tier 1 (Northside Achievement Zone and St. Paul Promise Neighborhood), and Tier 2 (implementation grants).

SENATE Positions

- 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 pre-K through grade 12.
- 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).
- 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 with MDE** data 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**.
- Increases amount for **Early Learning Scholarships** and creates an **early learning scholarship account** in the special revenue fund 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 funding for the **Education Partnership Programs** for Tier 2 (implementation grants).

OMNIBUS HEALTH AND HUMAN SERVICES BILL, HF 2414

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

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

Proposed spending items 2020-21 biennium (change items only)	Governor	House	Senate
Child Care Assistance Program (CCAP) - Federal Compliance/program improvements	\$8.1 million	\$8.1 million	0
CCAP - increase maximum rates	\$10.8 million	\$10.8 million	0
Eliminate CCAP-BSF waiting list	\$25.7 million	\$25.7 million	
Repeal MFIP CCAP	0	0	(\$112.5 million)
Repeal BSF CCAP	0	0	(\$53.6 million)
CCAP BSF underspending	0	0	(\$8.9 million)
CCAP Program Integrity	\$2.1 million	\$2.1 million	\$1.4 million
Family Child Care Task Force	0	0	\$51,000
Ombudsperson for Child Care providers	0	0	\$160,000
Development of new Child Care Regulatory system	0	0	\$313,000
Pathways to Prosperity	0	\$1 million	\$1 million
First Children's Finance	0	\$1 million	0
REETAIN grants	0	\$200,000	0
CCAP provider registration and oversight	\$153,000	\$153,000	0
Parent to Parent Peer support grants	0	0	\$257,000
Fees for certified license-exempt centers	(\$131,000)	(\$131,000)	0
CCAP Investigation expansion	(\$74,000)	(\$74,000)	(\$74,000)
Background studies Federal Compliance	\$281,000	\$281,000	0
Strengthen oversight of CCAP	\$2 million	\$2 million	0
Fraud investigations expansion	(\$204,000)	(\$204,000)	(\$141,000)
Home Visiting state expansion	0	\$500,000	0
Community Solutions Fund	\$2 million	\$2 million	0
Create New State Office of Inspector General	0	0	Unknown
Universal ID for children	0	0	Unknown
Restrictions on individuals employed by Child Care providers receiving CCAP	0	0	Unknown
Recipient disqualification for wrongfully receiving assistance	0	0	\$149,000

HOUSE Positions

- Provides funding to **First Children's Finance** for loans business planning assistance.
- Creates in statute and provides funding for the **REETAIN grant** program.
- Moves Home Visiting language from previous year "rider" into statute and funds **expansion of Home Visiting grants** (\$500,000 for 20-21).
- 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.
- **Increases the provider reimbursement rate for CCAP** to the 25th percentile of the 2018 market rate survey, and moves the survey from every 2 years to every 3 years.
- Funds **Basic Sliding Fee program to move 1,000 families** off the waiting list.
- Includes **CCAP integrity provisions** and funding needed to implement them.

- 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 licensor’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.

SENATE Positions

- Establishes **multiple fraud prevention measures** in the CCAP program:
 - 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.
- 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.
- 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 hours 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.
- 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 and allocates funding of \$236.4 million for the redesigned program beginning **FY 2022**.

UPCOMING EVENTS

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