



LEGISLATIVE UPDATE | May 28, 2019 – FINAL UPDATE

Welcome to the final Child Care Aware Legislative Update for the 2019 session. This narrative update, along with our Bill Tracker, was posted each Tuesday (reflecting activity through the previous Friday) on the [Child Care Aware of Minnesota Website](#). You can find all of this session's updates archived there. Each week, we provided a brief overview of bills that were introduced, action that was 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.

This session, there were a record number of bills related to our issues, with 127 bills introduced in the House and 130 bills introduced in the Senate. More impressively, the House held hearings on 67 of the bills and/or included all or part of 43 of them in their omnibus bills. Likewise, the Senate held hearings on 62 of the bills, and/or included all or part of 38 of them in their omnibus bills.

While not all the proposals made it into the final negotiated bills reflected in this update, many may be back on the table when the next regular session of the Minnesota Legislature begins on Tuesday, February 11, 2020.

If you have any questions or comments regarding these updates, please contact [Ann McCully](#).

OVERVIEW

After intensive negotiations, the Governor and House and Senate Leadership finally reached a \$48 billion budget deal on Sunday, May 19, leaving one day for the conference committees to receive their spending targets and complete their omnibus bills before the constitutionally required date of adjournment.

While the Higher Education conference committee was able to meet the deadline (coming to agreement on an omnibus bill and receiving a Senate and House vote prior to adjournment), the remaining budget bills required additional time to negotiate final details.

After several days of additional meetings with committee chairs and leadership, the Governor called a **special session** for Friday, May 24th and the Legislature reconvened for a marathon session that ended on Saturday, May 25, after nearly 21 hours, with the passage of the remaining 13 bills.

Below are the final early care and education and school-age care elements that were included in each of the final omnibus bills: Higher Education (as reported last week), Jobs and Commerce, Taxes, E-12, and Health and Human Services.

OMNIBUS HIGHER EDUCATION BILL, SF 2415

Passed the Senate by 62-3, Passed the House by 84-49

Spending items 2020-21 biennium New or increased funds	Governor	House	Senate	FINAL AGREEMENT
Child care grants	\$13.388 million	\$13.388 million	\$13.388 million	\$13.388 million
Statewide Longitudinal Education Data System (SLEDS)	\$3.764 million	\$3.564 million	\$1.764 million	\$3.564 million
Student loan counseling	0	\$200,000	\$234,000	\$200,000
Workforce Development Scholarships	\$1 million	\$1 million	\$16 million	\$7 million

Policy elements included:

- Integrates the **Early Childhood Longitudinal Data System (ECLDS)** into the statute that establishes the Statewide Longitudinal Education Data System (SLEDS).
- 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 JOBS, COMMERCE & ENERGY BILL - SPECIAL SESSION, HF 2

Passed the Senate by 65-2, Passed the House by 89-39

Spending items 2020-21 biennium New or increased funds	Governor	House	Senate	FINAL AGREEMENT
Child care grants, DEED	\$1 million	0	\$649,000	\$750,000
Child care grants, MIFs	0	0	\$1.827 million	\$750,000
Child care grants, DEED, MIFs, WomenVenture	0	\$2.865 million	0	0
YWCA Minneapolis (CDA)	0	\$1 million	0	\$250,000

Policy elements included:

- 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.
- 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.

OMNIBUS TAX BILL - SPECIAL SESSION, HF 5

Passed the Senate by 52-15, Passed the House by 74-54

Spending items 2020-21 biennium New or increased funds	Governor	House	Senate	FINAL AGREEMENT
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 phase-out rate, increase credit	0	0	0	\$61.1 million

Policy Provisions

- Increases and expands the **Working Family Credit**. Includes taxpayers without qualifying children, expands the credit for taxpayers with 0, 1, and 2 children, and adds an additional tier for taxpayers with 3 or more children.
- Pays for 100 percent of the refundable portion of the Working Family Credit using **general fund** dollars, and eliminates the portion of the refunds that was paid for using federal Temporary Assistance to Needy Families (TANF) funding.
- 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 accept 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 E-12 EDUCATION BILL - SPECIAL SESSION HF 1

Passed the Senate by 67-0, Passed the House by 112-13

Spending items 2020-21 biennium New or increased funds	House	Senate	FINAL AGREEMENT
Voluntary Pre-K-maintain existing slots (all expenses)	\$ 41.35 million	0	\$46.78 million
Teachers of Color - mentoring and retention incentive grants	\$3 million	0	\$1.5 million
Reach Out and Read	\$205,000	0	\$150,000
Education Partnership Program - Tier 2 grants	\$2.2 million	\$2.5 million	\$2.5 million
Head Start background checks			\$59,000
BASE FUNDING for ongoing early education programs (no changes)			
Early childhood literacy programs (Reading Corps)			\$15.9 million
Developmental Screening Aid			\$7.26 million
Early Childhood Family Education Aid (Linked to Formula Increase)			\$65.7 million
Early Childhood Programs at Tribal Schools			\$136,000
Early Learning Scholarships (now in the Special Revenue fund)			\$145.9 million
Educate Parents Partnership			\$98,000
Head Start Program			\$50.2 million
Home Visiting Aid			\$1.02 million
Kindergarten Entrance Assessment Initiative Program			\$562,000
Parent-Child Home Program			\$1.8 million
Quality Rating & Improvement System (QRIS; Transfer to DHS)			\$3.5 million
School Readiness			\$67.36 million
Education Partnership Program Tier 1 Grants (NAZ & SPPN)			\$5.2 million
School-Age Care Aid			\$2,000

Policy elements included:

- 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).
- Maintains the **current levels of participation in the voluntary prekindergarten/school readiness plus program at 7,160 per fiscal year**.
- Creates an **“early learning scholarship account”** in the special revenue fund to allow unspent scholarship funds to be recouped and regranted. Makes permanent an appropriation from the account of \$950,000 per year for MDE administration of the program.
- Allows **Tribal organizations and Head Start programs** to utilize the **DHS background study process**.
- Provides a grant to **Reach Out and Read Minnesota**.
- 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 pre-K-12.

OMNIBUS HEALTH AND HUMAN SERVICES BILL- SPECIAL SESSION SF 12

Passed the Senate by 67-0, Passed the House by 77-51

Spending items 2020-21 biennium Increases or new items	Governor	House	Senate	FINAL AGREEMENT
Child Care Assistance Program (CCAP)- Federal Compliance & improvements	\$8.1 million	\$8.1 million	0	\$659,000
CCAP BSF underspending	0	0	(\$8.9 million)	(\$8.9 million)
CCAP Program Integrity	\$2.1 million	\$2.1 million	\$1.4 million	(\$2.1 million)
Family Child Care Task Force	0	0	\$51,000	\$81,000
CCAP provider registration & oversight	\$153,000	\$153,000	0	\$153,000
CCAP Investigation expansion	(\$74,000)	(\$74,000)	(\$74,000)	(\$74,000)
Background studies Federal Compliance	\$281,000	\$281,000	0	\$281,000
Strengthen oversight of CCAP	\$2 million	\$2 million	0	\$2 million
Fraud investigations expansion	(\$204,000)	(\$204,000)	(\$141,000)	(\$204,000)
Community Solutions Fund	\$2 million	\$2 million	0	\$2 million

Policy elements included:

- Extends the child care **market rate survey** from every 2 years to every 3 years, setting the next survey for fiscal year 2021.
- Implements the remaining **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).
- Requires the county to provide **written notice** to applicants or participants listing the activities that constitute **child care fraud** and the consequences of committing child care fraud.
- Additional **CCAP provider fair hearing and administrative review processes** (also needed for federal compliance).
- 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**.
- Includes **CCAP integrity provisions** and funding needed to implement them.
- Clarifies and expands access to certain **CCAP program data**, and indicates what is public and private.

- Clarifies some **supervision issues** related to school-age care children in a child care setting.
- **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.
- Allows a family child care license holder **to request clarification of a county licensor's** interpretation of a licensing requirement from the commissioner.
- 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.
- Adds new option for what can be considered under the definition of **special family day care homes**.
- 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.
- Requires the Department of Human Services to develop policies and procedures **for reporting suspected child maltreatment** written in plain language and provided to all licensed child care providers.
- Modifies **requirements for information** that must be included in the posted copy of a child care 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.
- Requires county and state **child care licensors** to report any suspected fraud to the county human services investigators or the Department of Human Services Office of the Inspector General.
- 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.
- Requires child care providers who **relocate within the state** to continue to satisfy their annual, ongoing training requirements, but not the initial training requirements completed prior to licensure.
- Expands Emergency Preparedness plan requirements to include accommodations **for infants and toddlers**; **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.
- Modifies Family Child Care requirements related to **physical space and safety**.
- 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**.
- Exempts substitute caregivers from completing child care training requirements when providing care during an **emergency situation**.
- Modifies DHS background study requirements; adds certified **license exempt child care centers**. Clarifies the use of **non-fingerprint-based** data for minors.
- Modifies provisions related to **certification of license-exempt** child care centers (including training requirements).
- Establishes a **25-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, parents, 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.
- 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.
- 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**.
- 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.