



## LEGISLATIVE UPDATE, February 2, 2021

Welcome to the third Child Care Aware Legislative Update of the 2021 Legislative session. 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

The main focus last week was Tuesday's release of the Governor's proposed budget for the upcoming biennium. Several committees provided walk-throughs of the proposed budget by Department staff at their most recent meetings.

### GOVERNOR'S BUDGET ITEMS

Below is a listing of "change items" being proposed by the Governor as part of the 2022-23 biennium by department. These will be incorporated into bill language that will provide additional information and insights in the near future. All budget recommendations (including ongoing budget items) can be found at the [Minnesota Management and Budget website](#).

#### DEPARTMENT OF HUMAN SERVICES

##### **Child Care Assistance Program Maximum Rate Update**

The Governor recommends **investing \$47.5 million** from the Child Care Development Fund and **\$12,000** from the general fund in the Fiscal Year (FY) 2022-2023 biennium for changes to the Child Care Assistance Program to update the maximum rates paid to child care providers to the 30th percentile of the most recent market survey.

##### **Background Studies Transition to Fee Schedule**

The Governor recommends removing the background study fees from statute, unchanged since 2005, and implementing a fee schedule that allows the Department of Human Services (DHS) to recover the actual costs of completing background studies.

##### **Background Studies Federal Compliance**

The Governor recommends **appropriating \$1,036,000 in FY 2022-23 and \$390,000 in FY 2024-25** for the Department of Human Services (DHS), Background Studies Division to fund systems changes and provide operational support

necessary to bring Minnesota Statutes, chapter 245C (Department of Human Services Background Studies Act) into compliance with federal regulations.

#### **Adding New DHS Background Study Partners**

The Governor recommends a change to Minnesota Statutes chapter 245C (Department of Human Services Background Studies Act) authorizing the Department of Human Services (DHS) to conduct background studies for the Professional Educator Licensing and Standards Board (PELSB) and MNSure.

#### **Expanding Integrated Care for High-Risk Pregnant Women (ICHRP)**

The Governor recommends investing in the Integrated Care for High-Risk Pregnancies (ICHRP) grant program to support communities experiencing disparities in birth outcomes. This proposal expands services for African American women in the Twin Cities metropolitan area and will build additional regional care collaboratives centered around Duluth, Bemidji, and the Twin Cities for American Indian women.

#### **School-Linked Mental Health Grants – Summer 2021**

The Governor recommends increased funding for School-linked Mental Health Grants administered by the Department of Human Services to address an increased need for community mental health services, as a result of the COVID-19 pandemic.

#### **Paid Family and Medical Leave Insurance (SEE DEED budget below)**

### **DEPARTMENT OF EDUCATION**

#### **School Age Care and Youth Programming**

This proposal allocates **\$15.947 million in GEER funds** to address areas of need in school-age care and youth programming. The funds would be used to support school-age care, before/after/summer school youth wraparound programming, and access to high-quality childcare services and supports. This will be done through supporting certified school-age centers operated through schools and districts to support staffing and administration, grants to non-profit partners that offer wrap around services to youth, and providing additional scholarships to the most underserved communities through additional Early Learning Scholarships.

#### **Expand Mental Health and Well-being Supports During the Summer, 2021**

The Governor recommends **\$1 million (one-time)** in general funds to expand mental health and well-being supports to youth and adolescents attending school district and charter school summer learning programs.

#### **Student Support Personnel**

The Governor recommends **\$46.964 million** in FY 2022-23 and **\$54.872 million** in FY 2024-2025 in general funds to support schools in addressing students' social, emotional, and physical health by addressing shortages of student support services personnel within Minnesota schools and to mitigate the effects of COVID-19.

#### **Full-Service Community Schools**

The Governor recommends **\$5 million per year** to reestablish the Full-Service Community Schools grant program that expired in FY 2018 in order to broaden access to wrap-around supports in schools and local communities.

#### **Maintain Existing Voluntary Prekindergarten Seats and Require Assessment Profile**

The Governor recommends maintaining the level of the voluntary prekindergarten (VPK) and school readiness plus (SRP) participants at 7,160 for fiscal year (FY) 2022 and later. The Governor also recommends requiring programs to conduct Kindergarten Entry Profile (KEP) assessments and implementing service and staffing changes that will enhance data collection and analysis, and provide better technical assistance to school districts, charter schools and mixed delivery partnerships.

### **Voluntary Pre-Kindergarten, School Readiness Plus, and Early Childhood Special Education (ECSE) Alignment**

The Governor recommends amending statute to make students receiving Early Childhood Special Education (ECSE) services eligible for English learner (EL) services and prekindergarten school breakfast reimbursements just like their voluntary prekindergarten (VPK) or school readiness plus (SRP) peers.

### **Early Learning Scholarship Time Eligibility**

The Governor recommends reducing the amount of time a family receiving an Early Learning scholarship has to select a program from ten months to three months. This technical change will allow the agency to award more of the funds currently appropriated for this purpose but has no fiscal impact.

### **Tribal Early Learning Package**

The Governor recommends **\$3.3 million** in general fund spending in FY 2022 and beyond for a Tribal Early Learning Package that will be available to the 11 Tribal Nations to address educational opportunity gaps in tribal communities. The recommendation is for grants designed to increase family engagement and education, increase language and literacy outcomes through language revitalization and other efforts, enhance teaching practice through deep pedagogical professional development, and support opportunities for higher education to increase teacher diversity.

### **Tribal Head Start Allocation Set Aside**

The Governor recommends an addition to Minnesota Statutes, section 119A.52, which dictates the allocation of state Head Start funds. This proposal will add language to designate 10.72 percent of the total Head Start annual allocation to Tribal Head Start programs, where the funds will be divided among the federally designated tribal Head Start programs.

### **Grow Your Own Expansion**

The Governor recommends **\$2.0 million** annually to increase quality of and participation in Grow Your Own (GYO) Teacher Training Programs to specifically recruit teachers of color and Indigenous teachers (TOCAIT) by creating multiple program pathways to develop TOCAIT and allowing programs more time to spend funds to recruit more participants and create more quality programming.

## **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT (DEED)**

### **Child Care Economic Development Grants**

The Governor recommends **\$750,000 in FY2022** for the Child Care Economic Development Grant program to provide grants to communities to increase the supply of quality child care in order to reduce regional child care shortages, support increased workforce participation, business expansion and retention and new business development.

### **Paid Family and Medical Leave Insurance (also in DHS budget)**

The Governor recommends **\$11.416 million from the general fund** in FY 2022 only and applying a 0.6% employer premium rate to employee wages beginning in calendar year 2023 to establish a Paid Family and Medical Leave Insurance program. The Governor recommends allowing employees to pay for one-half of the premium rate. In FY 2023 only, the Governor recommends a transfer of \$11.416 million from the Paid Family and Medical Leave fund to the general fund to reimburse agencies' startup costs. State appropriations will support the development of an IT system for collecting premiums and paying benefits, as well as initial staffing and administrative resources required to implement and operate this program.

## **DEPARTMENT OF HEALTH**

### **Maternal Mortality Review**

The governor recommends adding maternal morbidity reviews to the maternal mortality review committee. Also, an additional general fund investment will support the expanded work of the committee, allowing for the ability to perform abstraction of cases and data collection and analysis.

### **Fetal Infant Mortality Review**

The governor recommends reinstating the Fetal and Infant Mortality Reviews Committee. The panels will review infant and child mortality cases and recommend health and safety strategies to prevent future deaths and injury.

### **Newborn Screening Disorders Fee Adjustment**

The governor recommends an increase to the newborn screening fee. This will allow the department to provide enhanced testing, education and outreach, follow-up to ensure infants receive diagnostic testing, and technical assistance, which will benefit all Minnesota newborns.

### **Fetal Alcohol Syndrome Grants Reduction**

The governor recommends a reduction to the department's Fetal Alcohol Syndrome grants in order to right size the program (-\$117,000).

### **Home Visiting Grants Rightsizing**

The governor recommends a reduction to the department's Nurse Family Partnership grants in order to right size the program. Currently, the Nurse Family Partnership grant supports five local public health grantees. With the increase in Medicaid reimbursement for nurse home visits beginning in January 2018, there has been underspending of grant funds.

## **MINNESOTA OFFICE OF HIGHER EDUCATION**

### **Teacher Candidate Grant Increase and Modifications**

The Governor recommends a **\$2.7 million** annual appropriation increase and modifying eligibility for the Teacher Candidate Grant program administered by the Office of Higher Education (OHE). This will ensure that the funds will be available to support more teacher candidates, specifically future teachers of color, American Indian teachers and Greater Minnesota teachers, and may allow for an increase in candidate's maximum award.

### **Postsecondary Child Care Grants**

The Governor recommends simplifying the award formula for the Minnesota Postsecondary Child Care Grant program. These budget neutral changes are intended to increase the number of students benefitting from the program by streamlining program administration and increasing award predictability. Approximately \$1 million has been underspent annually in this program.

## **TAX CREDITS**

### **Increase Amount of Working Family Credit**

The Governor recommends changing the calculation of the refundable Working Family Credit (WFC) for the over 300,000 Minnesotans already receiving it. Households would see an average increase in the tax credit of approximately \$160 starting with tax year 2021.

## **COMMITTEE ACTIVITY**

As noted previously, several committees had hearings to walk through the Governor's proposed budget elements. In addition, these committees discussed the following early care and education issues during the week of January 18-22:

- **The House Early Childhood Committee** received presentations on Minnesota's Early Childhood Policy Roadmap, the Impacts of Economic Disparities in Early Childhood, and Maternal and Children Health and the WIC program.
- **The Senate Human Services Licensing Committee** held an Informational hearing on Child Care Licensing and Potential Reforms to Child Care Licensing.

- **The House Education Policy Committee** held a hearing on **HF 217**-The Increase Teachers of Color and American Indian teachers in Minnesota act. The bill was adopted and re-referred to the Education Finance Committee.
- **The House Education Finance Committee** held a hearing on **HF 4**-actions to combat the educational effects of the pandemic. The bill was adopted as amended and re-referred to the Education Finance Committee.

## BILL INTRODUCTIONS

This list includes topics, numbers, authors, and general committee referrals for bills introduced during the week of January 25-29. For more information about each bill, or to see all of the bills introduced, please download our weekly [Bill Tracker](#).

- COVID-19; state appropriations replaced with federal funds, child care providers public health support funds funding provided, basic sliding fee program (HF 5-Pinto/**SF 469-Wiklund**)
- Increase Teachers of Color Act strengthened, teachers of color and American Indian teachers in Minnesota percentage increase sought, reports required, and money appropriated (HF 217-Hassan/**SF 446-Abeler**)
- Family, friend, and neighbor child care grant program established; report required; and money appropriated (**HF 316-Howard/SF 467-Wiklund**)
- Child care provider grant to increase numbers funding provide, reports required, and money appropriated (**HF 357-Koegel**)
- Child care provider grant to increase numbers funding provide, reports required, and money appropriated (**HF 412-Olson L.**)
- Minnesota Initiative Foundation funding provided, and money appropriated (**HF 413-Olson L.**)
- Greater Minnesota child care facility program funding provided, bonds issued, and money appropriated (**HF 414-Olson L.**)
- Department of Employment and Economic Development Child Care Business Development appropriation (**SF 465-Wiklund**)
- First Children's Finance Child Care Site Assistance Grant Program and appropriation (SF 470-Wiklund)

## COMMITTEE DEADLINES

- **Friday, March 12** — Committees must act favorably on bills in the house of origin.
- **Friday, March 19** — Committees must act favorably on bills, or companions of bills, that met the first deadline in the other body.
- **Friday, April 9** — Committees must act favorably on major appropriation and finance bills.