



LEGISLATIVE UPDATE- April 13, 2021

Welcome to the twelfth 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 action that has been taken at the committee level or on the floor, a brief overview of bills that have been introduced, 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

Legislators returned from their spring break to a flurry of activity. All of the House and Senate Omnibus bills (with the exception of the Senate Tax bill) were released, and committees had walk-throughs of each bill, took public testimony, and “marked up” (amended and passed) their bills between Tuesday and Friday of last week.

The next steps are to send the bills that passed out of committee to Ways and Means (House) and Finance (Senate) and on to the House and Senate Floor for votes. Amendments may occur at either of those points as well. This process will likely take place over the next two weeks.

This update will provide a high-level overview of the elements in the House Early Childhood bill, the Senate Human Services bill, and the House and Senate Education bills as these will be aligned and contain the bulk of the early childhood provisions. Next week, we will cover the Jobs/Workforce, Health, Higher Education, Taxes, and any other related bills.

COMMITTEE ACTIVITY

As noted above, the primary work of the committees from April 6-9 was to mark up and pass their omnibus bills, but the following bill hearings did take place:

House Capital Investment Committee

- **HF 2369** (Pinto) Early childhood learning and child protection facility grants. *Informal hearing*

Senate Tax Committee

- **SF 934** (Nelson) Individual income tax child care professional supply and retention credit

HOUSE EARLY CHILDHOOD BILL, HF 2230

This bill includes provisions which will now be incorporated into the House Omnibus Human Services bill, and the House Omnibus E-12 Education bill, so that they align with the Senate bills for the conference committee process.

HUMAN SERVICES PROVISIONS

- Makes several changes to the **Child Care Assistance Program (CCAP)** including:
 - Modifying how **families are prioritized** on the basic sliding fee program waiting list
 - Modifying the **formula** for allocation of **funds to counties**
 - Changes in how a **family's income** is calculated
 - Adds authority for DHS to initiate efforts to recover **overpayments** in certain circumstances
 - Directs DHS to establish the **maximum rate paid for reimbursements** at no less than the 50th percentile and up to the 75th percentile of the most recent child care provider rate survey.
 - Increases the maximum rate paid to **legal, non-licensed** family child care providers from **68% to 90%** of the maximum hourly rate for licensed family child care providers.
 - Limits **retroactive payments to three months**, rather than the six months allowed under current law.
 - Adds **certified, license-exempt child care providers** to the list of providers that may have their authorization refused or revoked, or payments stopped or refused by a county agency or the DHS commissioner.
- Incorporates many of the recommendations from the **Family Child Care Task Force** including:
 - The creation of the position of **Ombudsperson for Family Child Care** at DHS
 - Broadens the scope of **Special Family Child Care Homes** to up to four license holders at the same location if all the license holders demonstrate compliance with applicable rules and laws.
 - Allows a family child care provider to count **up to two hours of training** instruction toward the provider's annual 16-hour training requirement.
 - Adds training courses that meet family child care provider's **active supervision** training requirement
 - Requires DHS to contract with an organization or consultant to develop a proposal for a **risk-based model for monitoring compliance** with both family child care and child care center licensing standards
 - Requires DHS to develop a proposal for a **one-stop regional assistance network** to assist individuals with matters relating to starting or sustaining a licensed family child care program.
 - Requires DHS to develop recommended, but not required, **orientation training** for newly licensed family child care providers by July 1, 2022.
 - Establishes a **Family Child Care Training Advisory Committee** to advise DHS on the training requirements for licensed family child care providers.
- Adds new duties to the Child Care Improvement Grant statute to **provide training and consultation** for child care providers to build and strengthen their businesses and **acquire key business skills**.
- Establishes in statute **the REETAIN grant program** to provide competitive grants to eligible child care providers to incentivize them to remain in the early care and education field
- Updates the statutes related to the **T.E.A.C.H. Early Childhood** Scholarship program and moves them from Office of Higher Education to DHS section of statute.
- Directs DHS to issue a report on **participation** in early care and education programs by children under the age of six **who have experienced foster care**.
- Directs DHS to establish a **competitive grant program** to expand access to child care for **children with disabilities**.
- Directs DHS to establish a **pilot program** for **shared services innovation grants** for family child care providers. The grants are intended to test strategies for creating economies of scale through different combinations of shared services for family child care providers.

EARLY EDUCATION PROVISIONS

- Designates **10.72%** of the total state appropriation to Head Start for **tribal Head Start programs**
- Requires that an individual providing instruction in a **school-based early education program** meet the **state's teacher licensure requirements** for K-12 teachers.
- Directs DHS to arrange **an independent evaluation** of Parent Aware. The evaluation findings and the recommendations for revisions and potential future evaluations must be reported to legislature by December 31, 2024. The evaluation must examine Parent Aware's effectiveness and impact on these outcomes:
 - Children's progress toward school readiness
 - The quality of the early care and education workforce
 - Parents' ability to access and use meaningful information about the early care and education program quality
- Requires DHS to continue to participate in a process to create and to bring a Parent Aware **racial equity action plan** to the Legislature.
- Provides that **VPK programs** must have at least **one licensed teacher** and continues the existing slots for VPK.
- Requires MDE to implement a **kindergarten readiness assessment** to all incoming kindergartners.
- Prohibits children in **publicly funded preschools or kindergartens** from using an **individual-use screen**, such as a tablet or smartphone, without engagement from a teacher or other student.
- Makes several changes to the **early learning scholarships** including:
 - Modifying the **age eligibility** to children who are **under five years of age on September 1** of the current school year.
 - Makes the first priority for scholarships children who are in a **high-risk group**, the second priority children who are **younger than age two**, and the third priority children who are **age three or four**
 - Provides that scholarships **cancel if a recipient has not enrolled** in an eligible program within **three months** of receiving the scholarship
 - **Lifts the cap** on the amount of money MDE can designate to **Pathway II scholarships**
- Establishes a goal **for all families to have access** to high-quality, affordable early care and education for children from birth to age five, and establishes the **Great Start for All Minnesota Children Task Force** to develop strategies.
- Requires the Children's Cabinet to **develop recommendations** relating to early childhood development, care, and learning and how early care and education programs could be **consolidated into an existing state agency or a new department**.
- Directs the Children's Cabinet to **evaluate the use of federal money** received pursuant to three laws related to coronavirus relief to address the state's needs in the area of early care and education.

HOUSE EARLY CHILDHOOD BILL APPROPRIATIONS, Human services provisions

(These are for the upcoming 2-year biennium unless noted)

From the **State General Fund** ("change items" only):

- **\$1.3 million** for the Child Care Center Regulation Modernization
- **\$1.2 million** for the Family Child Care Regulation Modernization
- **\$246,000** for the Ombudsperson for Family Child Care
- **\$250,000** in 2022 for the Children's Cabinet recommendations relating to consolidation
- **\$3.5 million** for implementation of the Kindergarten Readiness Assessment
- **\$1 million** for the TEACH Scholarship program
- **\$50,000** in 2022 for the report on foster care participation in child care
- **\$30,000** in 2022 and **\$20,000** in 2023 for a Family Child Care Peer mentoring program through MCCPIN

From additional **CCDBG funds** through the **American Rescue Plan Act (ARPA)**:

- **\$212 million** total including:
 - Increase CCAP rates to the 50th percentile of the 2021 market rate survey
 - Reprioritization of the Basic Sliding Fee waiting list
 - QRIS (Parent aware) evaluation

From the **ARPA stabilization grants** funding:

- **\$1.5 million** for the Children’s Cabinet evaluation of the use of federal funds
- **\$500,000** for grants to Family, Friend, and Neighbor providers
- **\$100,000** for the pilot of shared services for Family Child Care providers
- **\$500,000** for grants to expand child care serving children with disabilities
- **\$5 million** for child care improvement grants
- **\$312.4 million** for monthly grants, between July 1, 2021, and June 30, 2023, to providers of early care and education to support the stability of the sector, with providers required to direct 75 percent of such grants to employees or other individuals providing early care and education services.
- **\$5 million** for administration of the monthly grants

HOUSE EARLY CHILDHOOD BILL APPROPRIATIONS-Education provisions

(These are for the upcoming 2-year biennium unless noted)

From the **State General Fund** (“change items” only)—these are for the upcoming 2-year biennium unless noted

- **\$500,000** in 2022 for the Great Start task force
- **\$36.4 million** increase in Early Learning Scholarships
- **\$3 million** for the Kindergarten Readiness assessment
- **\$1.2 million** increase for the Parent Child + program
- **\$300,000** increase for the Reach out and Read program
- **\$6.6 million** for the Tribal Early Learning package

SENATE HUMAN SERVICES BILL- SF 383

- **Increases the Child Care Assistance Program (CCAP) reimbursement rate** to the 25th percentile of the 2021 Market Rate survey
- Continues distribution of **COVID-19 Public Health Support Funds** for Child Care programs through May of 2023
- Creates a Child Care Facility **Revitalization Grant Program** to reopen or maintain an operating facility
- Provides funding for Child Care Provider **Start-up Grants** and a **Child Care Business Training program**
- Provides funding for **Workforce Development** grants
- Establishes a **competitive grant program** to expand access to child care for **children with disabilities**
- Incorporates many of the recommendations from the **Family Child Care Task Force** including:
 - The creation of the position of **Ombudsperson for Family Child Care** at DHS
 - Requires DHS to contract with an organization or consultant to develop a proposal for a **risk-based model for monitoring compliance** with Family child care (known as the regulation modernization project)
 - Clarifies the definition of **Special Family Child Care Homes**
 - Requires DHS to develop a proposal for a **one-stop regional assistance network** for startup and support
 - Allows a family child care provider to count **up to two hours of training** instruction toward the provider’s annual 16-hour training requirement
 - Requires DHS to develop **orientation training** for newly licensed family child care providers
 - Modification of the DHS Family Child Care **Frequently Asked Questions** website
 - Establishes a **Family Child Care Training Advisory Committee**

- Includes a **Parent Aware** evaluation (funding with language to come)
- Creates a **CCAP family needs evaluation project**—allowing for voluntary sharing of data between county agencies
- Increases the **size and changes ratios** of the current **Group Family Child Care** statute
- Amends the process currently used to finalize licensing decisions by an **Administrative Law Judge**
- Creates a **working group** on affordable, high quality child care and early education **for all families**
- Creates a Legislative Task Force on **Background Studies**

SENATE HUMAN SERVICES BILL APPROPRIATIONS

(These are for the upcoming 2-year biennium unless noted)

From the **State General Fund** (“change items” only)

- **\$234,000** for the Legislative Task Force on Human Services Background Studies

From the additional **CCDBG funds** through the **American Rescue Plan Act (ARPA)**:

- **\$29.1 million** for CCAP reimbursement at the 25th percentile of the 2021 market rate
- **\$4 million** in 2023 for the Family Child Care one-stop assistance network
- **\$1 million** in 2023 for the Family Child Care License applicant orientation training
- **\$1.17 million** for the Family Child Care regulation modernization project
- **\$50,000** in 2022 for the DHS website modification FAQ for Family Child Care
- **\$9 million** for the CCAP Family Needs evaluation
- **\$146 million** for Early Learning Scholarships (transfer to MDE)
- **\$500,000** in 2022 for the working group on affordable, high quality child care for all families
- **\$1.5 million** for Child Care Workforce Development Grants

From the **ARPA stabilization grants** funding:

- **\$20 million** for Child Care provider start-up grants
- **\$3 million** for a Child Care Business Training program
- **\$50 million** for Child Care Facility revitalization grants
- **\$252 million** for continuation of the COVID-19 Public Health Support Funds through May, 2023

HOUSE E-12 EDUCATION BILL-HF 1065

- **Prohibits dismissal of a student in kindergarten through grade three** unless non-exclusionary discipline measures have been exhausted and there is an ongoing serious safety threat to the child or others
- Establishes a new statute to set state goals for increasing the **percentage of teachers of color and American Indian teachers**, and ensure all students have access to effective teachers who reflect the diversity of students
- Establishes grants for three types of **Grow Your Own programs** to develop teaching workforce that more closely reflects diverse student population and ensure equitable access to effective and diverse teachers, including allowing eligible **districts or Head Start programs** to apply for grants to support people of color or American Indian people to become licensed teachers or preschool teachers
- Requires the commissioner to give priority for these grants to **districts or Head Start programs** with the highest number or percentage of students who are of color or American Indian.
- Makes **school breakfast** free for each **early childhood special education student** participating in the voluntary prekindergarten/school readiness program.
- Requires all **preK-12 education grants** after July 1, 2022 to be awarded through a framework that encourages the goals of the grants to be **aligned to Minnesota’s world’s best workforce** and the federal government’s student accountability systems.

HOUSE E-12 EDUCATION APPROPRIATIONS

(These are for the upcoming 2-year biennium unless noted)

From the **State General Fund** (“change items” only)

- **\$39 million** for maintenance of existing Voluntary Pre-K seats (language is in the Early Education bill)
- **\$10 million** for Full-Service Community Schools
- **\$15.5 million** for Grow your Own grants
- **\$4 million** for the Education Partnerships Program
- **\$570,000** for the school breakfast alignment
- **\$10,000** for non-exclusionary discipline training
- **\$15,000** in 2022 for a report on increasing the percentage of Teachers of Color and Indigenous teachers

SENATE E-12 EDUCATION BILL- SF 960

- Establishes that students in **Kindergarten through grade 3** may **only be dismissed** in circumstances where the child poses a safety threat to the child or others
- Creates a process to describe, measure, and report on the **effectiveness of any prekindergarten through grade 12 education program funded** in whole or in part through funds appropriated by the legislature
- Prohibits children in **publicly funded preschools or kindergartens** from using an **individual-use screen**, such as a tablet or smartphone, without engagement from a teacher or other student

SENATE E-12 EDUCATION APPROPRIATIONS

(These are for the upcoming 2-year biennium unless noted)

From the **State General Fund** (“change items” only)

- **\$5 million** for Grow your Own grants
- **\$750,000** for the Black Men Teach program

BILL INTRODUCTIONS

This list includes topics, numbers, authors, and general committee referrals for bills introduced during the week of April 6-9. For more information about each bill, or to see all of the bills introduced, please download our weekly [Bill Tracker](#).

NOTE: The bill tracker has also been updated to reflect any bills that have been included, in whole or in part, in the omnibus bills (with the exception of the tax bills).

- Property tax credit established for licensed in-home child care providers, and money appropriated (**HF 2474-Hamilton/SF 2334-Weber**)
- Early learning scholarships appropriation (**SF 2353-Nelson**)
- Early learning scholarships appropriation (**SF 2388- Nelson**)

COMMITTEE DEADLINES

- **Monday, May 17** – The Legislature must complete its work

UPCOMING EVENTS

- **Wednesday, April 14** – Advocacy for Children Day Virtual Rally, 12:00 p.m. - 12:45p.m. [Register at this link](#)