



LEGISLATIVE UPDATE | JULY 6, 2021 | FINAL SPECIAL SESSION WRAP UP

Welcome to the final Child Care Aware Legislative update for 2021. The updates from the full session, along with our Bill Trackers, can be found on the [Child Care Aware of Minnesota website](#).

OVERVIEW

The Minnesota Legislature re-convened in a special session beginning on Monday, June 14 to take up and pass new omnibus bills and complete a budget for 2021-2023. The final bills passed off the House and Senate floor on the final day of the current fiscal year (June 30) and all were sent to Governor for signature. This averted a potential state government shut down on July 1st. This date also signaled the end of Minnesota's Peacetime Emergency.

This update summarizes the new early childhood policy and/or increased funding contained in the major bills passed during special session. (Ongoing/base funded items are *not* included in this summary.)

Of particular note is the negotiated use of over \$550 million received as part of the federal American Rescue Plan to fund the child care items in the final Health and Human Services bill.

OMNIBUS BILLS SUMMARY

Omnibus Health and Human Services Bill- HF33: Passed House 69-56; Passed Senate 62-4

CHILD CARE/EARLY EDUCATION ITEMS

- **The Child Care Assistance program** (\$101 million) had several updates including:
 - **Reimbursement rates were increased** to the 40th percentile of the most recent market rate for Infants and Toddlers, and the 30th percentile of the most recent market rate for all other children.
 - The **Basic Sliding Fee** waiting list was re-prioritized and modifications were made to the formula for county funding allocations.
 - The maximum rate for child care assistance paid to **legal, non-licensed family child care providers** was increased from **68 percent to 90 percent** of the maximum hourly rate for licensed family child care providers.
 - **Retroactive payments** under the child care assistance program were limited to three months, rather than the six months allowed under current law.
 - **Certified, license-exempt** child care providers were added to the list of providers that may have their child care assistance authorization **refused or revoked** or payments stopped or refused by a county agency or the Commissioner of Human Services.

- Recommendations from the **Family Child Care Task Force report**, including:
 - **Regulation modernization** for Centers (\$2.059 million) and Family Child Care (\$1.778 million).
 - The addition of an **Ombudsperson for Family Child Care** at DHS (\$499,000).
 - Creation of a Family Child Care **Training Advisory Committee** (\$59,000).
 - Implementation of a **shared services** pilot (\$200,000) and an **alternative licensing** models project (\$100,000).
 - Expansion of the DHS **“Frequently Asked Questions”** website (\$50,000).
 - Development of recommended **orientation training** for Family Child Care providers.
 - Allow 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.

- Child Care/Early education **workforce supports** including:
 - **Stabilization grants for child care** to support the stability of the child care sector during and after the COVID-19 public health emergency (\$304 million).
 - Increases funding for **T.E.A.C.H. Early Childhood Minnesota Scholarships** (\$2 million).
 - Establishes in statute and funds 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 (\$1 million).
 - Grants to child care providers for **facility improvements**, renovations, and related equipment and services (\$22.5 million).
 - Funding for expanded **business training and consultation** to child care providers (\$3 million).
 - Creation of a Family Child Care **“one stop assistance network”** (\$3 million).
 - Funding to create and provide **job skills training/placement supports** for economically challenged individuals to begin a career path in child care (\$3 million).

- A competitive grant program to expand options for child care for **children with disabilities** (\$702,000).
- Additional funding to support **family, friend, and neighbor** caregivers (\$1.5 million).

FAMILY SUPPORTS

- Extends **MA coverage for pregnant women** from 60 days to 12 months postpartum (\$4.679 million).
- Expanded grants for the **Integrated Care for High-Risk Pregnant Women (ICHRP)** (\$1.6 million).
- Creates the **Dignity in Pregnancy and Childbirth Act**, requiring hospitals with obstetric care and birth centers to provide continuing education on anti-racism and implicit bias and conduct maternal death study reviews, make recommendations, and share summary information (\$1.09 million).
- Increased Supporting **Healthy Babies** grants (\$558,000).
- Requires a report on the effectiveness of state **maternal and infant health policies and programs** in addressing disparities in prenatal and postpartum health outcomes (\$30,000).
- Increases grants for **home visiting** programs for pregnant women and families with young children (\$3 million).

GOVERNANCE/OVERSIGHT

- Creation of the **Great Start for All Minnesota Children** Task Force to develop a plan for all families to have access to high-quality, affordable early care and education for children from birth up to age five (\$858,000).
- An evaluation of the **Parent Aware Rating** program and development of a racial equity plan (\$1.435 million).
- Requires development of recommendations for implementing a family-focused **voluntary information sharing** program intended to improve the effectiveness of public assistance programs and delivery of services to families (\$150,000).
- 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** (\$290,000).
- 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** (\$200,000).
- Creation of a Legislative Task Force on **Human Services Background Studies** (\$234,000).

LICENSING/REGULATION

- Changes the **fee for background studies** required for family child care providers, certified license-exempt child care centers, licensed child care centers, and legal non-licensed child care providers authorized under chapter 119B from no more than \$20 to no more than \$42 per study.
- Specifies that a **disqualified individual** must be disqualified from working in any position in a licensed child care center or certified license-exempt child care center, until the commissioner issues a notice that: (1) the individual is not disqualified; (2) a disqualification has been set aside; or (3) a variance has been granted.
- Specifies that DHS **background studies** are required for each individual who applies for **child care program certification**, each member of a provider’s household age 13 or older, and a member of a provider’s household who is aged 10 to 13, if reasonable cause exists.

Omnibus Education Bill- **HF 2: Passed House 105-20 ; Passed Senate 65-0**

- Extends the 4,000 **voluntary prekindergarten/school readiness plus** seats that would otherwise expire for fiscal years 2022 and 2023 only (\$45.89 million).
- 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. Children who have an individualized education program (IEP) or individualized family service plan are not subject to the prohibition.
- Requires all preK-12 education grants awarded 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.
- Establishes grants for **Grow Your Own programs** to develop teaching workforce that more closely reflects diverse student population and ensure equitable access to effective and diverse teachers. Requires a grant recipient to use at least 80 percent of grant funds for tuition scholarships or stipends to allow **school employees or community members** affiliated with the district, who are of color or American Indian, to participate in the teacher preparation program (\$10 million).

Omnibus Jobs/Workforce Development Bill- [SF 9](#): Passed House 71-62 ; Passed Senate 51-15

- Allocates funds to DEED for grants to local communities to **increase the number of quality child care** providers to support economic development. This appropriation is available through June 30, 2023. Fifty percent of grant funds must go to communities located outside the seven-county metropolitan area (\$5 million).
- Awards a grant to the **Minnesota Initiative Foundations** to facilitate planning for community solutions to the child care needs in rural communities, offer training and technical assistance to providers, and support recruitment for Parent Aware and other high quality measurement systems (\$3 million).
- Requires an employer with one or more employees to provide reasonable paid break times for **nursing and lactating employees** to express milk for the first year after their child's birth unless it would cause undue disruption (\$118,000-implementation).
- Incorporates **existing pregnancy accommodations** language into the lactation break section, now requiring an employer with 15 or more employees to provide a requesting employee with reasonable accommodations for health conditions related to pregnancy or childbirth, unless the employer shows it would be an undue hardship.
- **Prohibits retaliation** against an employee for requesting pregnancy accommodations or break times for lactation.

Omnibus Higher Education Bill- [HF 7](#): Passed House 71-57 ; Passed Senate 66-0

- Simplifies **Child Care Grant** eligibility criteria and allows an additional semester of eligibility for students who provide care to spouse, child, or parent with a serious health condition. Also Increases the amount of the **Child Care Grants to \$6,500** (\$13.38 million).
- Establishes the **Aspiring Minnesota teachers of color scholarship program** and a new **pilot grant program** for student teachers who belong to a racial or ethnic group **underrepresented in the state's teacher workforce** (\$3 million).
- Creates a new grant program for **student teachers** who belong to a racial or ethnic group **underrepresented in the state's teacher workforce**. This new program is spun off from the existing student teacher candidate grant program (\$2 million).
- Expands the two-year **workforce scholarship program** for high needs careers (which currently includes early childhood) and increases program funding (\$9 million).
- Requires Minnesota State to expand **credit for prior learning** for work-based experiences and make students aware of the opportunity to receive credit for prior learning.

Omnibus Tax Bill- [HF 9](#): Passed House 69-55 ; Passed Senate 54-11

- Authorizes the city of Warren to impose a 0.5 percent local sales tax to finance \$1.6 million plus associated bond costs for **construction of a new child care facility**. Allows the city to issue up to \$1.6 million in bonds for the project without separate voter approval.