



LEGISLATIVE UPDATE | FEBRUARY 7, 2023

Welcome to the latest 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 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

Governor Walz released the details of his budget on January 25. These proposals will be incorporated into bill language that will be introduced for legislative consideration in the next few weeks. There are proposals across multiple agencies. In this update, we have included an overview of the proposals related to parent and family support, home visiting, and infant/early childhood health. For an overview of the child care access and workforce proposals, see the January 31 update.

GOVERNOR'S BUDGET PROPOSAL OVERVIEW

DEPARTMENT OF HEALTH PROPOSALS

Community Solutions for Healthy Child Development Grants

The Governor recommends a general fund appropriation for the continued support of the Community Solutions for Healthy Child Development Grants. This request expands and extends the community solutions funds, which are essential to improve child development outcomes and the well-being of children of disadvantaged communities and American Indian children from prenatal to third grade, and their families. These funds also reduce racial disparities in children's health and development and promote racial and geographic equity. The previous general fund dollars appropriated for these activities will end on June 30, 2023. Of the total funding annually, \$4,000,000 will be given in grants to community-based organizations and tribal governments.

Home Visiting Services Expansion

The Governor recommends an investment from the general fund to increase prevention-focused family home visiting services to families with children under age five. The recommendation will expand family home visiting services to pregnant people, families, mothers, fathers, and other caregivers of young children to give more families service access. Nearly 90%, or \$11,250,000, of requested funds will be distributed to community health boards, tribal nations, and non-profits via grants for the delivery of home visiting services by qualified home-visiting professionals.

Child Health and Development Programs Investment

The Governor recommends a general fund investment to build equitable, inclusive, and culturally and linguistically responsive systems that ensure the health and well-being of young children and their families through the following efforts:

- Sustaining the Minnesota Perinatal Quality Collaborative
- Establishing the Minnesota Partnership to Prevent Infant Mortality
- Increasing access to culturally relevant developmental and social-emotional screening and connections to services during the early childhood period
- Sustaining and expanding the Jail Model Practices Learning Community in Minnesota jails

MN Help Me Connect Navigator

The Governor recommends a general fund investment beginning in FY 2024 for partial funding and then full funding in fiscal year FY 2025 to support continued oversight, improvement, and sustainability for the MN Help Me Connect electronic navigator after the federal Preschool Development Grant ends in December 2023. This will allow the department to preserve the level of support needed to maintain and improve the website, which includes reliable access to local program information (over 12,000 individual program data profiles) and a referral mechanism that connects families to services. It will also allow for the future addition of a toll-free phone number and/or online chat feature to provide one-on-one support to families needing additional navigation services.

DEPARTMENT OF HUMAN SERVICES PROPOSALS

Community Resource Centers Network

The Governor recommends \$15 million in FY 2024-25 and \$34 million in FY 2026-27 from the general fund to implement a network of sustainable Community Resource Centers to promote family and community well-being. Families who have what they need are less likely to experience the child protection system and/or other deep-end service systems.

Closing Mental Health Gaps

The Governor proposes to invest \$24.8 million in the FY 2024-2025 biennium and \$28.914 million in the FY 2026-2027 biennium to address widening gaps in the mental health continuum for children and adolescents and to improve the mental health and well-being of Minnesotans in every corner of the state.

Infant and Early Childhood Mental Health Consultation

Prior to the pandemic, the state conducted significant community engagement through its Preschool Development Grant with families, schools, Head Start, counties, and more. A major finding was the need for mental health support and trauma-informed care for children and families. We also heard concerns in the early childhood workforce of needing additional support to be trauma-informed, which led to overall recruitment and retention challenges. The pandemic exacerbated these challenges. Mental Health Consultation is a key preventative measure that can both meet community needs as well as the state's goals of building the necessary supports for students around mental health and social and emotional learning in a prevention setting.

DEPARTMENT OF EDUCATION PROPOSALS

Early Childhood Screening Reimbursement Increase

The Governor recommends \$1,050,000 in FY 2024 and \$1,083,000 in FY 2025 to increase reimbursement rates by 30 percent for Early Childhood Screening (ECS) state aid. Funds will cover increased costs to administer the program at the local level and provide administrative funding, including for funds to improve information technology, and for the

Minnesota Department of Education (MDE) to support local school districts and charters who elect to provide the screening program.

HIGHER EDUCATION PROPOSALS

Higher Education Grant Program

The Governor recommends \$6,924,000 in FY 2024, \$6,439,000 in FY 2025, and \$5,939,000 in each subsequent year from the general fund to establish a competitive grant program administered by the Office of Higher Education (OHE), in partnership with the Minnesota Department of Health (MDH), to support entities and institutions that assist pregnant women or parents of young children.

TAX PROPOSALS

The Governor recommends expanding tax programs for families with children, including:

- Establishing a refundable, state-based Child Tax Credit for households with children younger than 18 years old and eligible adults with qualifying special needs
- Expanding Minnesota’s Child and Dependent Care Credit by increasing the income threshold at which the credit phaseout begins to \$200,000 (\$100,000 for married separate filers), increasing the percentage of expenses that qualify to 50%, and increasing the maximum credit for care of young children under five years old
- Updating the Child and Dependent Care Credit to allow single taxpayers to claim the “newborn credit” that is allowed for a child born in the tax year even if there are no eligible expenses
- Modifying the K-12 Education Credit to simplify the calculation and update the eligibility criteria to account for inflation. The update would increase the amount of income at which credit phaseout begins (from \$33,500 to \$59,210) and use federal adjusted gross income rather than household income when calculating the K-12 Education Credit.

COMMITTEE/FLOOR ACTIVITY

Here are the committee discussions that took place during the week of January 30-February 3:

- **The House Children and Families Committee** heard:
 - HF 639 (Bahner) - community solutions for healthy child development grant program established, and money appropriated. The bill passed as amended and was re-referred to Health Finance and Policy.
 - HF 862 (Wolgamott) - support staff persons required for early childhood family education programs, and money appropriated. The bill was laid over for consideration in the omnibus bill.
 - HF 2 (Richardson) - paid family and pregnancy leave. The bill passed as amended and was re-referred to Labor and Industry.
 - HF 570 (Kotzya-Witthuhn) - Reach Out and Read Minnesota program grant funding provided, and money appropriated. The bill was laid over for consideration in the omnibus bill.
- **The House Education Finance** heard:
 - HF 21 (Vang) - full-service community schools funding provided, and money appropriated. The bill was laid over as amended for consideration in the omnibus bill.
 - HF 456 (Pérez-Vega) - expansion of voluntary prekindergarten and school readiness plus program made permanent, and money appropriated. The bill passed as amended and was re-referred to Ways and Means.

- **The House Ways and Means Committee** heard HF 19 (Olson) - earned sick and safe time provided. The bill passed as amended and was sent to the Floor.
- **The House Judiciary, Finance, and Civil Law Committee** heard HF 2 (Richardson) - paid family leave. This passed as amended and was re-referred to the Children and Families Finance and Policy Committee.
- **The House Tax Committee** heard HF 721 (Stephenson) -individual income tax provisions modified and working family credit expanded. This was laid over for possible inclusion in the omnibus bill.
- **The Senate Education Finance Committee** heard:
 - SF 53 (Wiklund) - child care stabilization base grants modification and appropriation; early learning scholarship eligibility modification. This bill passed and was re-referred to Finance
 - SF 401 (Kunesh) - developmental screening aid increase and appropriation. The bill was laid over for possible inclusion in the omnibus bill.
- **The Senate State and Local Government & Veteran’s Committee** heard SF 02 (Mann) - paid family leave. This passed as amended and was re-referred to Commerce and Consumer Protection.
- **The Senate Judiciary and Public Safety Committee** heard SF 34 (Pappas) - earned sick and safe time provision and appropriation. This passed as amended and was re-referred to the Committee on Finance.
- **The Senate Education Policy Committee** heard SF 619 (Kunesh) - Teachers of Color Act modification and appropriation. This bill passed and was re-referred to the Committee on Education Finance.
- **The Senate Commerce and Consumer Protection Committee** heard SF 2 (Mann) for paid family leave. The bill passed as amended and was re-referred to Judiciary and Public Safety Committee.

BILL INTRODUCTIONS

The following bills were introduced during the week of January 30-February 3, 2023. For more information about bills introduced to date, or to see all of the bills introduced, please download our weekly [Bill Tracker](#).

- HF 90 (Lee, F.): After-school community learning programs modified, report required, and money appropriated
- HF 862 (Wolgamott)/SF 1240 (Putnam): Support staff persons required for early childhood family education programs
- HF 874 (Kotzya-Witthuhn)/SF 1036 (Boldon): Head Start appropriation use and distribution methods modified, and money appropriated
- HF 993 (Coulter)/SF 401 (Kunesh): Developmental screening aid increase and appropriation
- HF 1070 (Pryor): Temporary priorities for basic sliding fee child care made permanent
- HF 1104 (Koegel)/SF 1018 (Maye Quade): Employer retaliation provisions modified, and pregnancy accommodations modified
- HF 1142 (Coulter): Early learning scholarships program changes made
- HF 1177 (Putnam): Workforce development provisions modifications; Board of Trustees of the Minnesota State Colleges and Universities appropriation for workforce for development

- HF 1184 (Clardy)/SF 317 (Abeler): Statewide parent-to-parent programs appropriation for families of children and youth with special health care needs
- HF 1198 (Hanson, J.)/SF 1174 (Morrison): Child care assistance expanded to certain families, grants and rules regarding children's mental health expanded and modified, transition to community initiative modified, mental health staff training requirements modified, covered transportation services modified, children's care coordination covered
- HF 1269 (Pryor)/SF 1311 (Cwodzinski): Prekindergarten through grade 12 provisions modified including general education accountability and transparency, education excellence, American Indian education, charter schools, discipline, teachers, special education, and early learning
- SF 966 (McEwen): Fees elimination for certified birth certificates for newborns

UPCOMING EVENTS

- **March 22** - Advocacy Day for Children

DEADLINES

- **Friday, March 10** - Committees must act favorably on bills in the house of origin
- **Friday, March 24** - Committees must act favorably on bills, or companions of bills, which met the first deadline in the other body
- **Tuesday, April 4 by 5 p.m.** - Committees must act favorably on major appropriation and finance bills
- **April 4-April 10** - Legislative Recess
- **May 22** - Last day of session