



## FINAL LEGISLATIVE UPDATE | May 25, 2023

The 2023 Legislative session concluded on Monday, May 22. This was a successful year for investment in child care and early learning across all programs, sectors, and focus areas. No fewer than seven omnibus bills contained policy and/or funding that will impact our field, as well as stand-alone bills such as the Paid Family and Medical Leave Act.

Below is a recap of the elements included in each of the primary omnibus bills. We have also included links to the final bill language for anyone who wants to read more. Thank you to everyone who followed along this year and suggested additions to the [Bill Tracker](#).

Our Legislative Updates will return for the next legislative session, which convenes on February 12, 2024!

### OMNIBUS HEALTH AND HUMAN SERVICES BILL (SF 2995)

#### Child Care Assistance

- Expands eligibility for CCAP to include relative custodians, successor custodians or guardians, or foster parents that otherwise meet CCAP eligibility requirements
- Permanently reprioritizes the Basic Sliding Fee waiting list
- Increases CCAP rates to the 75th percentile of the most recent child care market survey
- Adds \$30.5 million to the bottom line for Basic Sliding Fee
- Clarifies that CCAP providers may provide financial assistance to any clients.
- Modifies when a CCAP provider may request a fair hearing.
- Implements a centralized provider registration system for CCAP

#### Child Care Workforce

- Establishes new Great Start Compensation Support payments (retention payments) for child care providers (\$316.1 million for 2024-25; \$259.7 million for 2026-27)
- Provides stabilization transition grants (\$42.5 million for 2024-25)
- Adds language to the Child Care Resource and Referral statute to continue offering the one-stop regional assistance network (Wayfinder) for child care providers (\$2.92 million per year) and the workforce development grant (Empower to Educate) to support economically challenged individuals to being a career in child care (\$1.995 million per year) beginning in 2025
- Allocates \$695,000 per year for T.E.A.C.H Minnesota® Early Childhood Minnesota® Scholarships
- Allocates \$4.284 million in 2024-2025 and \$900,000 per year thereafter for R.E.E.T.A.I.N. Grants
- Establishes a Family, Friend, and Neighbor grant program (\$3 million in 2025; 2.5 million per year thereafter)

- Establishes an early childhood apprenticeship grant program (\$3.175 million in 2024-25; \$1 million per year thereafter)
- Creates new shared services alliances for family child care providers (\$500,000 per year)
- Provides technology grants for child care providers (\$300,000 per year)
- Directs DHS to develop an Early Education Wage Scale and process for recognizing comparable competencies to be used in the early care and learning field (\$1.025 million in 2024-25)
- Directs DHS to create a cost estimation model for providing early care and education in the state (\$68,000 in 2024)

### **Child Care Licensing Policy Changes**

- Allows a child care provider to ask DHS to reconsider the contents of a correction order that the provider alleges to be in error.
- Requires county staff to use the commissioner’s electronic licensing checklist for family child care licensing visits.
- Expands the definition of “experience,” for use to determine an individual’s qualifications for employment in a licensed child care center.
- Clarifies that, as part of hiring, a child care center license holder or staff person may observe how a prospective employee interacts with children in the licensed facility.
- Directs DHS to amend rules governing licensed child care centers to allow a center to hire as an assistant teacher an individual who meets specified criteria.
- Allows Head Start programs that only serve 3- to 5-year-old children to be exempt from licensure and requires them to be certified and license-exempt to receive CCAP.
- Modifies requirements governing sleep practices for child care providers and allows for cultural accommodation for the use of cradleboards.
- Implements a provider licensing and reporting hub.
- Allows DHS to take specified actions when an individual who is living in the household where the licensed services are provided or are subject to a background study has non-disqualifying background study information.
- Allows a certified, license-exempt child care center to continue to serve a child 14 years or older under specified circumstances.
- Modifies requirements governing the administration of medicine in certified, license-exempt child care centers.
- Establishes continuous licenses for family child care providers.
- Modifies the actions DHS may take after receiving information regarding ongoing notifications, suspected fraud, and disqualifications by another state or federal agency.
- Modifies background study requirements for legal non-licensed child care providers.
- Modifies the circumstances under which the commissioner cannot issue a license or may revoke a license.

### **Other Health and Human Services Appropriations**

- Creates the Department of Children, Youth, and Families.
- Establishes the Community Solutions for healthy development child development grant program (\$6 million in 2024-25; \$5.25 million in 2026-27).
- Requires the commissioner to establish a grant program to remediate identified sources of lead in drinking water in schools and licensed child care settings (\$500,000 each year).
- Establishes the Healthy Beginnings, Healthy Family Act to improve pregnancy and infant health and wellbeing (\$21.18 million in 2024-25; \$5.33 million in 2026-27).
- Establishes the Help Me Connect system (\$1.38 million in 2024-25; \$1.84 million in 2026-27).
- Establishes a network of Community Resource Centers (\$7.14 million in 2024).
- Allocates \$576,000 in 2024-25 and \$576,000 in 2026-27 in funding for the African American Babies Coalition.
- Allocates \$545,000 in 2024 and \$553,000 each year thereafter for Diaper Distribution grants.

- Allocates \$2 million each year for additional Home Visiting funding.
- Allocates \$1.18 in 2024 and \$1.29 million each year thereafter for infant and early childhood mental health consultation.

## **OMNIBUS EARLY EDUCATION BILL (HF 2292)**

### **Early Learning Scholarships**

- Increases Early Learning Scholarships by \$252 million in 2024-25 (\$58.9 million increase in 2026-27).
- Makes changes to Early Learning Scholarships, including expanding eligibility to ages 0-5 and new priority groups.
- Aligns Early Learning Scholarship entry income eligibility with CCAP (using State Median Income).
- Allows for tiered per-child scholarship amounts; Four-Star programs will get full-day, full-year scholarships at the 75<sup>th</sup> percentile of current market rates.
- Requires parents to use their Early Learning scholarship within 3 months or apply for an extension.
- Provides that all licensed child care providers will have at least a One-Star rating under Parent Aware unless the provider opts out of the program (process to be developed by July 2026).
- Requires the Commissioner of Human Services to provide a report on the impact and cost of establishing the One-star rating by December 31, 2024.

### **Policy changes**

- Requires schools to employ a licensed teacher for preschool programs; grandfathered in current preschool teachers; allows preschool teachers to be added to the teacher bargaining unit (does not apply to teachers in child care).
- Requires a district screening program to include virtual developmental screening for families with health conditions.
- Increases the amount of state aid paid to school districts for each child who is screened.
- Requires School districts and charter schools to choose a kindergarten entry assessment tool from a menu of valid and reliable measurement instruments and annually report the results of kindergarten entry assessments to the Department of Education.
- Modifies how the state appropriation for Head Start programs may be used and increases funding by \$10 million per year.
- Directs the Department of Education to employ two full-time equivalent staff to provide operational support for ECFE (\$375,000 per year).

### **New programs**

- Establishes the Great Start Scholarships program to create a more streamlined program to help parents pay for quality early childhood programs.
- Establishes a grant program for postsecondary institutions to incorporate the Early Learning Knowledge and Competency Framework into their early childhood curricula (\$250,000 per year).
- Establishes a Grow Your Own early childhood educators grant program (\$2.5 million per year in 2024-25; \$500,000 per year thereafter).
- Provides grants to Minnesota institutions of higher education to address the early childhood family education teacher shortage (\$500,000 per year).

### **Other Early Education Appropriations**

- \$33.6 million per year in 2024 and 2025 for School Readiness.
- \$37.5 million in 2024 and \$30.1 million in 2025 for Early Childhood Family Education aid.

- \$391,000 in 2024 and \$309,000 in 2025 for Home Visiting aid.
- \$1.8 million per year in 2024 and 2025 for the ParentChild+ Program.
- \$250,000 per year in 2024 and 2025 for the Learning with Music- Early Educators program.
- \$250,000 per year in 2024 and 2025 for Reach Out and Read.
- \$150,000 per year in 2024 and 2025 for Way to Grow.

## **OMNIBUS E-12 EDUCATION BILL (HF 2497)**

- Expands eligibility for free breakfast to early childhood special education students.
- Makes the expiring seats VPK permanent. Increases the number of children eligible for VPK funding in 2026 (from 7,160 to 12,360).
- Modifies criteria for and uses of After School Community Learning grants. Requires a proposal for grants to include specific components.
- Prohibits the dismissal of a pupil enrolled in ECFE, Head Start, voluntary prekindergarten, school readiness, or school-based preschool/ pre-k program.

### **E-12 Education Appropriations**

- \$30 million in 2024 for After School Community Learning grants.
- \$7.95 million per year in 2024 and 2025 for Early Childhood Literacy Programs (Reading Corps).
- \$7.5 million per year in 2024 and 2025 for Full-service community schools.
- \$2.6 million each year for Neighborhood Partnership Grants and \$1.4 million each year for Regional Neighborhood Partnership Grants.

## **OMNIBUS HIGHER EDUCATION FINANCE AND POLICY BILL (HF 2073)**

- Appropriates base-level funding of \$6.694 million per year for child care grants to student parents.
- Adds child care to the Dual Training Competency Grant program and appropriates \$6.632 million in FY24 and \$2.632 million in FY25. This is \$5.264M above base for the biennium.
- Appropriates \$3 million in 2024 and \$3 million in 2025 in new funding for grants to postsecondary institutions and partnering entities to assist students who are expectant parents and parents of young children.
- Appropriates \$475,000 in FY24 in new one-time funding to develop a transparent pathway for current child development associate credential holders to be awarded academic credit that aligns with related academic certificates, diplomas, and degree programs. Money must be used to develop curriculum at eight colleges and universities, develop training and advising tools for those institutions, and form a statewide advisory committee to advise the project development.
- Dedicates base funding of \$4.5 million per year to workforce development scholarships for high-needs careers (which includes child care).

## **OMNIBUS TAX BILL (HF 1938)**

- Creates the Minnesota Child Tax Credit of \$1,750 per qualifying child. The phaseout of this credit begins at \$35,000 for married filers and \$29,500 for single filers.
- Includes an increase in the K-12 education credit up to a maximum credit of \$1,000 per child.
- Includes a working family credit expansion for filers with individual taxpayer identification numbers.
- Broadens eligibility of the “newborn credit” under the child and dependent care credit to include single parents.

## **BONDING BILL (HF 669 & HF 670)**

- Early Childhood Learning and Child Protection Facilities – funding to the Minnesota Department of Human Services for grants to predesign, design, construct, renovate, furnish, and equip early childhood learning facilities. (\$900,000 in bonding funds; \$1,125 million in cash/general fund).
- Greater Minnesota Child Care Facilities grant (\$900,000 in bonding funds).

## **OMNIBUS JOBS, ECONOMIC DEVELOPMENT, LABOR, AND INDUSTRY BILL (SF 3035)**

- Child care facilities in churches. A licensed day care center serving fewer than 30 preschool-age persons, and which is in a below ground space in a church building is exempt from the State Building Code requirement for a ground-level exit when the center has more than two stairways to the ground level and its exit.
- Family and group family day care. Until the legislature enacts legislation specifying appropriate standards, the definition of dwellings constructed in accordance with the International Residential Code as adopted as part of the State Building Code applies to family and group family day care homes licensed by the Department of Human Services under Minnesota Rules, chapter 9502.
- Establishes the Office of Child Care Community Partnerships within the Department of Employment and Economic Development to coordinate with government and business entities to promote investment in child care businesses and access and to administer child care economic development grants, among other duties.
- Removes the 12-month limit on the state mandate requiring businesses to provide paid breaks for lactating employees and requires employers to make a reasonable effort to provide a "clean, private and secure" place for employees to express milk and to accommodate an employee with pregnancy/ childbirth health conditions.

### **Other Jobs and Economic Development Appropriations:**

- Allocates \$50,000 per year to the Labor Market Information Office to conduct research and analysis related to the child care industry.
- Allocates \$6.5 million per year in 2024 and 2025 and \$1.5 million per year in 2026-27 in DEED-administered grants to local communities to increase the number of quality child care providers to support economic development.
- Allocates \$3.5 million per year in 2024-2025 and \$1 million per year in 2026-2027 in grants to the Minnesota Initiative Foundations focused on increasing child care.
- Awards \$2 million to WomenVenture in 2024 to support child care providers through business training and shared services programs and to create materials.
- Awards \$350,000 per year in 2024 and 2025 to YWCA Minneapolis to provide training to eligible individuals, including job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential.