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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2660

01/31/2022 Authored by Kotyza-Witthuhn, Bahner, Howard and Jurgens
The bill was read for the first time and referred to the Committee on Education Finance
By motion, recalled and re-referred to the Committee on Early Childhood Finance and Policy

1.1 A bill for an act
1.2 relating to education finance; modifying the Head Start appropriation distribution;
1.3 appropriating money; amending Minnesota Statutes 2020, section 119A.52; Laws
1.4 2021, First Special Session chapter 13, article 9, section 4, subdivision 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2020, section 119A.52, is amended to read:

1.7 119A.52 DISTRIBUTION OF APPROPRIATION.

1.8 (a) The commissioner of education must distribute money appropriated for that purpose
1.9 to federally designated Head Start programs to expand services and to serve additional
1.10 low-income children. Migrant and Indian reservation programs must be initially allocated
1.11 money based on the programs' share of federal funds. The remaining money must be initially
1.12 allocated to the remaining local agencies based equally on the agencies' share of federal
1.13 funds and on the proportion of eligible children in the agencies' service area who are not
1.14 currently being served. A Head Start program must be funded at a per child rate equal to
1.15 its contracted, federally funded base level at the start of the fiscal year. For all agencies
1.16 without a federal Early Head Start rate, the state average federal cost per child for Early
1.17 Head Start applies. In allocating funds under this paragraph, the commissioner of education
1.18 must assure that each Head Start program in existence in 1993 is allocated no less funding
1.19 in any fiscal year than was allocated to that program in fiscal year 1993. Before paying
1.20 money to the programs, the commissioner must notify each program of its initial allocation
1.21 and how the money must be used. Each program must present a plan under section 119A.535.
1.22 For any program that cannot utilize its full allocation at the beginning of the fiscal year, the

2.1 commissioner must reduce the allocation proportionately. Money available after the initial
2.2 allocations are reduced must be redistributed to eligible programs.

2.3 (b) The commissioner must develop procedures to make payments to programs based
2.4 upon the number of children reported to be enrolled during the required time period of
2.5 program operations. Enrollment is defined by federal Head Start regulations. The procedures
2.6 must include a reporting schedule, corrective action plan requirements, and financial
2.7 consequences to be imposed on programs that do not meet full enrollment after the period
2.8 of corrective action. Programs reporting chronic underenrollment, as defined by the
2.9 commissioner, will have their subsequent program year allocation reduced proportionately.
2.10 Funds made available by prorating payments and allocations to programs with reported
2.11 underenrollment will be made available to the extent funds exist to fully enrolled Head Start
2.12 programs through a form and manner prescribed by the department.

2.13 (c) Programs with approved innovative initiatives that target services to high-risk
2.14 populations, including homeless families and families living in homeless shelters and
2.15 transitional housing, are exempt from the procedures in paragraph (b). This exemption does
2.16 not apply to entire programs. The exemption applies only to approved innovative initiatives
2.17 that target services to high-risk populations, including homeless families and families living
2.18 in homeless shelters, transitional housing, and permanent supportive housing.

2.19 (d) In a manner prescribed by the commissioner of education, in consultation with the
2.20 department's Tribal liaison, 10.72 percent of the total Head Start appropriation must be
2.21 distributed to federally designated Tribal Head Start programs.

2.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2023 and later.

2.23 Sec. 2. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 4, is
2.24 amended to read:

2.25 Subd. 4. **Head Start program.** For Head Start programs under Minnesota Statutes,
2.26 section 119A.52:

2.27	\$	25,100,000	2022
2.28		25,100,000		
2.29	\$	<u>30,100,000</u>	2023

2.30 The base for fiscal year 2024 and later is \$30,100,000.