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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4570

03/23/2022 Authored by Pinto

The bill was read for the first time and referred to the Committee on Early Childhood Finance and Policy

03/31/2022 Adoption of Report: Amended and re-referred to the Committee on Education Finance

1.1 A bill for an act

1.2 relating to early childhood; making changes to prekindergarten programs; providing
1.3 for voluntary prekindergarten for eligible four-year-old children; establishing a
1.4 transition year for early childhood programs; appropriating money; amending
1.5 Minnesota Statutes 2020, sections 120A.20, subdivision 1; 120A.41; 124D.151,
1.6 as amended; Minnesota Statutes 2021 Supplement, sections 126C.05, subdivisions
1.7 1, 3; 126C.10, subdivision 2d; Laws 2021, First Special Session chapter 13, article
1.8 9, section 4, subdivision 3; repealing Minnesota Statutes 2020, section 124D.151,
1.9 subdivision 5; Minnesota Statutes 2021 Supplement, section 124D.151, subdivision
1.10 6.

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

1.12 Section 1. Minnesota Statutes 2020, section 120A.20, subdivision 1, is amended to read:

1.13 Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or in part
1.14 by state funds are public schools. Admission to a public school is free to any person who:
1.15 (1) resides within the district that operates the school; (2) is under 21 years of age or who
1.16 meets the requirements of paragraph (c); and (3) satisfies the minimum age requirements
1.17 imposed by this section. Notwithstanding the provisions of any law to the contrary, the
1.18 conduct of all students under 21 years of age attending a public secondary school is governed
1.19 by a single set of reasonable rules and regulations promulgated by the school board.

1.20 (b) A person shall not be admitted to a public school: (1) as a prekindergarten pupil,
1.21 unless the pupil is at least four years of age as of September 1 of the calendar year in which
1.22 the school year for which the pupil seeks admission commences; (2) as a kindergarten pupil,
1.23 unless the pupil is at least five years of age on September 1 of the calendar year in which
1.24 the school year for which the pupil seeks admission commences; or ~~(2)~~ (3) as a 1st grade
1.25 student, unless the pupil is at least six years of age on September 1 of the calendar year in
1.26 which the school year for which the pupil seeks admission commences or has completed

kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age under section 124D.02.

(c) A pupil who becomes age 21 after enrollment is eligible for continued free public school enrollment until at least one of the following occurs: (1) the first September 1 after the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3) the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4) the end of the school year.

Sec. 2. Minnesota Statutes 2020, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

(a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for a prekindergarten student without a disability and a student in an all-day kindergarten must include at least 850 hours of instruction for the school year. ~~The school calendar for a prekindergarten student under section 124D.151, if offered by the district, must include at least 350 hours of instruction for the school year.~~ A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

(b) A school board's annual school calendar may include plans for up to five days of instruction provided through online instruction due to inclement weather. The inclement weather plans must be developed according to section 120A.414.

Sec. 3. Minnesota Statutes 2020, section 124D.151, as amended by Laws 2021, First Special Session chapter 13, article 9, section 1, is amended to read:

124D.151 VOLUNTARY PREKINDERGARTEN PROGRAM FOR ELIGIBLE FOUR-YEAR-OLD CHILDREN.

Subdivision 1. **Establishment; purpose.** ~~A district, a charter school, a group of districts, a group of charter schools, or a group of districts and charter schools~~ school district or charter school, a child care center or family child care provider licensed under section 245A.03, or a Head Start agency licensed under section 245A.03 that meets program requirements under subdivision 2, may establish a voluntary prekindergarten program for eligible four-year-old children. The purpose of a voluntary prekindergarten program is to prepare children for success as they enter kindergarten in the following year.

3.1 Subd. 1a. **Definition.** For purposes of this section, a "lead teacher" is an individual with
3.2 primary responsibility for the instruction and care of eligible children in a voluntary
3.3 prekindergarten classroom. A lead teacher employed by a school district is a teacher for
3.4 purposes of sections 122A.40, subdivision 1; 122A.41, subdivision 1, clause (a); and
3.5 179A.03, subdivision 18.

3.6 Subd. 2. **Program requirements.** ~~(a)~~ A voluntary prekindergarten program provider
3.7 must:

3.8 (1) provide instruction through play-based learning to foster children's social and
3.9 emotional development, cognitive development, physical and motor development, and
3.10 language and literacy skills, including the native language and literacy skills of English
3.11 learners, to the extent practicable;

3.12 (2) ~~measure each child's cognitive and social skills~~ assess each child's progress toward
3.13 the state's early learning standards at program entrance and exit using a
3.14 commissioner-approved, formative ~~measure aligned to the state's early learning standards~~
3.15 ~~when the child enters and again before the child leaves the program, screening and progress~~
3.16 ~~monitoring measures, and other age-appropriate versions from the state-approved menu of~~
3.17 ~~kindergarten entry profile measures;~~ age-appropriate assessment that must be submitted to
3.18 the department in the form and manner prescribed by the commissioner;

3.19 (3) provide comprehensive program content aligned with the state early learning
3.20 standards, including the implementation of curriculum, assessment, and intentional
3.21 instructional strategies ~~aligned with the state early learning standards, and kindergarten~~
3.22 ~~through grade 3 academic standards;~~

3.23 (4) provide instructional content and activities that are of sufficient length and intensity
3.24 to address learning needs including offering a program with at least ~~350~~ 850 hours of
3.25 instruction per school year for a prekindergarten student;

3.26 (5) provide voluntary prekindergarten ~~instructional~~ staff salaries ~~comparable~~ and set
3.27 salary schedules equivalent to the salaries of local kindergarten through grade 12 instructional
3.28 ~~staff;~~ public school district elementary school staff with similar credentials and experience
3.29 for school district and charter prekindergarten program sites and, to the extent practicable,
3.30 for Head Start, child care center, and family child care sites;

3.31 (6) employ a lead teacher for each voluntary prekindergarten classroom who has at least
3.32 a bachelor's degree in early education or a related field no later than July 1, 2028. Teachers
3.33 employed by an eligible provider for at least three of the last five years immediately preceding
3.34 July 1, 2022, who meet the necessary content knowledge and teaching skills for early

4.1 childhood educators, as demonstrated through measures determined by the state, may be
4.2 employed as a lead teacher;

4.3 ~~(6) (7)~~ coordinate appropriate kindergarten transition with families, ~~community-based~~
4.4 ~~prekindergarten programs, and school district kindergarten programs;~~ and all mixed-delivery
4.5 partners within the school district;

4.6 ~~(7) (8)~~ involve parents in program ~~planning~~ decision-making and transition planning by
4.7 implementing parent engagement strategies that include culturally and linguistically
4.8 responsive activities in prekindergarten through third grade that are aligned with early
4.9 childhood family education under section 124D.13;

4.10 ~~(8) (9)~~ coordinate with relevant community-based services, including health and social
4.11 service agencies, to ensure children have access to comprehensive services;

4.12 ~~(9) (10)~~ coordinate with all relevant school district programs and services including
4.13 early childhood special education, homeless students, and English learners;

4.14 ~~(10) (11)~~ ensure staff-to-child ratios of one-to-ten and a maximum group size of 20
4.15 children; in school-based programs, staff-to-child ratios and group size as required for child
4.16 care center and family child care licensing in programs offered in child care centers and by
4.17 family child care providers, and staff-to-child ratios and group size as determined by Head
4.18 Start standards in programs offered by Head Start agencies; and

4.19 ~~(11) (12)~~ provide high-quality coordinated professional development, training, and
4.20 coaching for ~~both school district and community-based early learning,~~ Head Start, child
4.21 care center, and family child care providers that is informed by a measure of adult-child
4.22 interactions and enables teachers to be highly knowledgeable in early childhood curriculum
4.23 content, assessment, native and English language development programs, and instruction;
4.24 and.

4.25 ~~(12) implement strategies that support the alignment of professional development,~~
4.26 ~~instruction, assessments, and prekindergarten through grade 3 curricula.~~

4.27 ~~(b) A voluntary prekindergarten program must have teachers knowledgeable in early~~
4.28 ~~childhood curriculum content, assessment, native and English language programs, and~~
4.29 ~~instruction.~~

4.30 ~~(c) Districts and charter schools must include their strategy for implementing and~~
4.31 ~~measuring the impact of their voluntary prekindergarten program under section 120B.11~~
4.32 ~~and provide results in their world's best workforce annual summary to the commissioner of~~
4.33 ~~education.~~

Subd. 3. **Mixed delivery of services program plan.** ~~A district or charter school may contract with a charter school, Head Start or child care centers, family child care programs licensed under section 245A.03, or a community-based organization to provide eligible children with developmentally appropriate services that meet the program requirements in subdivision 2. Components of a mixed-delivery plan include strategies for recruitment, contracting, and monitoring of fiscal compliance and program quality. School districts and charter schools that receive funding for voluntary prekindergarten programs must develop and submit a mixed-delivery program plan to the Department of Education annually by July 1, 2023, and every year thereafter, in a manner and format prescribed by the commissioner. The plan must ensure alignment of all voluntary prekindergarten program providers within the school district boundaries in meeting the program requirements in subdivision 2 and must include:~~

(1) a description of the process used to convene and obtain group agreement among all voluntary prekindergarten program providers within the district boundaries in order to coordinate efforts regarding the requirements in subdivision 2;

(2) a description of the voluntary prekindergarten program providers within the school district boundaries, including but not limited to the name and location of partners and the number of hours and days per week the program will be offered at each program site;

(3) an estimate of the number of eligible children to be served in the program at each school site or mixed-delivery location;

(4) a plan for recruitment, outreach, and communication regarding the availability of public prekindergarten programming within the community;

(5) a plan for coordinating and offering professional development opportunities, as needed;

(6) a plan for coordinating the required child assessments, as needed, and continuous quality improvement efforts to ensure quality instruction;

(7) a plan for meeting the needs for any child with an individualized education plan;

(8) a plan to ensure salaries equivalent to school staff with comparable credentials and experience;

(9) a detailed plan for transitioning children and families to kindergarten; and

(10) a statement of assurances signed by the superintendent, charter school director, Head Start director, child care center director, and family child care license holder that the proposed program meets the requirements of subdivision 2. A statement of assurances must

be submitted in the mixed-delivery program plan and must be signed by an individual from each voluntary prekindergarten program provider with authority to enter into the agreement.

Subd. 3a. Funding. (a) School district and charter school voluntary prekindergarten providers are funded based on the number of eligible pupils enrolled as authorized under chapters 124D, 124E, and 126C.

(b) Head Start voluntary prekindergarten providers that are licensed under section 245A.03 and meet the requirements of subdivisions 2 and 3 must receive \$11,000 per child served per year.

(c) Licensed child care center and family child care voluntary prekindergarten providers that are licensed under section 245A.03 and meet the requirements of subdivisions 2 and 3 must receive \$11,000 per child served per year.

(d) The commissioner must establish a process for allocating the seats under paragraphs (b) and (c) that match community strengths, capacity, and needs. The number of seats per year is subject to the availability of appropriations.

(e) Up to 2.5 percent of the amounts appropriated for paragraphs (b) and (c) may be used for distribution of funds.

Subd. 4. Eligibility. A (a) An eligible child means a child who:

(1) is four years of age as of September 1 in the calendar year in which the school year commences is; and

(2) meets at least one of the following criteria:

(i) qualifies for free or reduced-price meals;

(ii) is an English learner as defined by section 124D.59, subdivision 2;

(iii) is American Indian;

(iv) is experiencing homelessness;

(v) has an individualized education plan under section 125A.08;

(vi) was identified as having a potential risk factor that may influence learning through health and developmental screening under sections 121A.16 to 121.19;

(vii) is in foster care, in need of child protection services, or in kinship care, including children receiving Northstar kinship assistance under chapter 256N;

(viii) has a parent who is a migrant or seasonal agriculture laborer under section 181.85; or

7.1 (ix) has a parent who is incarcerated.

7.2 (b) An eligible child is eligible to participate in a voluntary prekindergarten program
7.3 free of charge. ~~An eligible four-year-old child served in a mixed-delivery system by a child~~
7.4 ~~care center, family child care program licensed under section 245A.03, or community-based~~
7.5 ~~organization~~ Programs may charge a sliding fee for the instructional hours that exceed 850
7.6 hours during the school year, any hours that provide before- or after-school child care during
7.7 the school year, or any hours that provide child care during the summer. A child that does
7.8 not meet the eligibility requirements in paragraph (a), clause (2), may participate in the
7.9 same classroom as eligible children and may be charged a sliding fee as long as the
7.10 ~~mixed-delivery partner~~ state funding was not awarded a seat for that child.

7.11 (c) Each eligible child must complete a health and developmental screening within 90
7.12 days of program enrollment under sections 121A.16 to 121A.19, and provide documentation
7.13 of required immunizations under section 121A.15.

7.14 **Subd. 5. Application process; priority for high poverty schools.** (a) To qualify for
7.15 program approval for fiscal year 2017, a district or charter school must submit an application
7.16 to the commissioner by July 1, 2016. To qualify for program approval for fiscal year 2018
7.17 and later, a district or charter school must submit an application to the commissioner by
7.18 January 30 of the fiscal year prior to the fiscal year in which the program will be
7.19 implemented. The application must include:

7.20 (1) a description of the proposed program, including the number of hours per week the
7.21 program will be offered at each school site or mixed-delivery location;

7.22 (2) an estimate of the number of eligible children to be served in the program at each
7.23 school site or mixed-delivery location; and

7.24 (3) a statement of assurances signed by the superintendent or charter school director that
7.25 the proposed program meets the requirements of subdivision 2.

7.26 (b) The commissioner must review all applications submitted for fiscal year 2017 by
7.27 August 1, 2016, and must review all applications submitted for fiscal year 2018 and later
7.28 by March 1 of the fiscal year in which the applications are received and determine whether
7.29 each application meets the requirements of paragraph (a).

7.30 (c) The commissioner must divide all applications for new or expanded voluntary
7.31 prekindergarten programs under this section meeting the requirements of paragraph (a) and
7.32 school readiness plus programs into four groups as follows: the Minneapolis and St. Paul
7.33 school districts; other school districts located in the metropolitan equity region as defined

in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the applications must be ordered by rank using a sliding scale based on the following criteria:

(1) concentration of kindergarten students eligible for free or reduced-price lunches by school site on October 1 of the previous school year. A school site may contract to partner with a community-based provider or Head Start under subdivision 3 or establish an early childhood center and use the concentration of kindergarten students eligible for free or reduced-price meals from a specific school site as long as those eligible children are prioritized and guaranteed services at the mixed-delivery site or early education center. For school district programs to be operated at locations that do not have free and reduced-price lunch concentration data for kindergarten programs for October 1 of the previous school year, including mixed-delivery programs, the school district average concentration of kindergarten students eligible for free or reduced-price lunches must be used for the rank ordering;

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price lunches that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price lunches that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority; and

(3) whether the district has implemented a mixed delivery system.

(d) The limit on participation for the programs as specified in subdivision 6 must initially be allocated among the four groups based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year. Within each group, the participation limit for fiscal years 2018 and 2019 must first be allocated to school sites approved for aid in the previous year to ensure that those sites are funded for the same number of participants as approved for the previous year. The remainder of the participation limit for each group must be allocated among school sites in priority order until that region's share of the participation limit is reached. If the participation limit is not reached for all groups, the remaining amount must be allocated to the highest priority school sites, as designated under this section, not funded in the initial allocation on a statewide basis. For fiscal year 2020 and later, the participation limit must first be allocated to school sites

9.1 approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year
9.2 2018 based on the statewide rankings under paragraph (c).

9.3 (e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid
9.4 under this subdivision, it shall remain eligible for aid if it continues to meet program
9.5 requirements, regardless of changes in the concentration of students eligible for free or
9.6 reduced-price lunches.

9.7 (f) If the total number of participants approved based on applications submitted under
9.8 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must
9.9 notify all school districts and charter schools of the amount that remains available within
9.10 30 days of the initial application deadline under paragraph (a), and complete a second round
9.11 of allocations based on applications received within 60 days of the initial application deadline.

9.12 (g) Procedures for approving applications submitted under paragraph (f) shall be the
9.13 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
9.14 highest priority school sites not funded in the initial allocation on a statewide basis.

9.15 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,
9.16 paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school
9.17 district or charter school must not exceed 60 percent of the kindergarten pupil units for that
9.18 school district or charter school under section 126C.05, subdivision 1, paragraph (e).

9.19 (b) In reviewing applications under subdivision 5, the commissioner must limit the total
9.20 number of participants in the voluntary prekindergarten and school readiness plus programs
9.21 under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160
9.22 participants for fiscal years 2019, 2020, 2021, 2022, and 2023, and 3,160 participants for
9.23 fiscal years 2024 and later.

9.24 Subd. 7. **Financial accounting.** An eligible school district or charter school must record
9.25 expenditures attributable to voluntary prekindergarten pupils according to guidelines prepared
9.26 by the commissioner under section 127A.17. Child care centers, family child care providers,
9.27 and Head Start agencies must record expenditures attributable to voluntary prekindergarten
9.28 pupils according to guidelines developed and approved by the commissioner of education.

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

9.30 Sec. 4. Minnesota Statutes 2021 Supplement, section 126C.05, subdivision 1, is amended
9.31 to read:

9.32 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age
9.33 of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in

average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individualized education program to 875, but not more than one.

(d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved a voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units that meets the minimum hours required in section 120A.41 is counted as 1.0 pupil unit.

(e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

~~(i) For fiscal years 2018 through 2023, a prekindergarten pupil who:~~

~~(1) is not included in paragraph (a), (b), or (d);~~

11.1 ~~(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session~~
11.2 ~~chapter 5, article 8, section 9; and~~

11.3 ~~(3) has one or more of the risk factors specified by the eligibility requirements for a~~
11.4 ~~school readiness plus program;~~

11.5 ~~is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more~~
11.6 ~~than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same~~
11.7 ~~manner as a voluntary prekindergarten student for all general education and other school~~
11.8 ~~funding formulas.~~

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

11.10 Sec. 5. Minnesota Statutes 2021 Supplement, section 126C.05, subdivision 3, is amended
11.11 to read:

11.12 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units must
11.13 be computed according to this subdivision.

11.14 (a) The compensation revenue concentration percentage for each building in a district
11.15 equals the product of 100 times the ratio of:

11.16 (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch
11.17 plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the
11.18 previous fiscal year; to

11.19 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal
11.20 year.

11.21 (b) The compensation revenue pupil weighting factor for a building equals the lesser of
11.22 one or the quotient obtained by dividing the building's compensation revenue concentration
11.23 percentage by 80.0.

11.24 (c) The compensation revenue pupil units for a building equals the product of:

11.25 (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch
11.26 and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the
11.27 previous fiscal year; times

11.28 (2) the compensation revenue pupil weighting factor for the building; times

11.29 (3) .60.

11.30 (d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs under
11.31 section 124D.151, charter schools, and contracted alternative programs in the first year of

operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

~~(e) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten seats discontinued in fiscal year 2024 due to the reduction in the participation limit under section 124D.151, subdivision 6, those discontinued seats must not be used to calculate compensation revenue pupil units for fiscal year 2024.~~

~~(f)~~ (e) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

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

Sec. 6. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2d, is amended to read:

Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance for that year and (2) the difference between the adjusted pupil units for the preceding year and the adjusted pupil units for the current year.

(b) Notwithstanding paragraph (a), for prekindergarten programs for fiscal year ~~2024~~ 2023 only, prekindergarten pupil units under section 126C.05, subdivision 1, paragraph ~~(d)~~ (c), must be excluded from the calculation of declining enrollment revenue.

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

Sec. 7. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 3, is amended to read:

Subd. 3. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

\$ 70,709,000 2022

\$ 70,709,000 2023

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

(c) Notwithstanding section 124D.165, for fiscal year 2023 only, the commissioner may allocate funds to Head Start agencies, child care centers, and family child care providers as necessary to implement the voluntary prekindergarten transition year, including allocating funds under section 124D.165 as they existed prior to the date of enactment of this act.

Sec. 8. **TRANSITION YEAR IN 2023.**

(a) Fiscal year 2023 may serve as a transition year in order to give current voluntary prekindergarten programs, school readiness plus programs, and early learning scholarships pathway II programs a year to transition to the new voluntary prekindergarten program for eligible four-year-old children and to make the necessary adjustments to meet the additional program requirements and facilitate relationships with all voluntary prekindergarten program providers within the school district boundaries.

(b) For fiscal year 2023 only, school districts operating a voluntary prekindergarten program under Minnesota Statutes, section 124D.151, or school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9, may apply to the Department of Education to allow the program to continue to operate under the provisions of Minnesota Statutes, sections 124D.151 and 126C.05, subdivision 1, as they existed prior to the date of enactment of this act.

Sec. 9. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. Voluntary prekindergarten through mixed delivery. For voluntary prekindergarten provided by Head Start agencies, child care centers, and family child care providers under Minnesota Statutes, section 124D.151, subdivision 3a, paragraphs (b) and (c).

\$ 0 2022

\$ 96,920,000 2023

Sec. 10. **REPEALER.**

(a) Minnesota Statutes 2020, section 124D.151, subdivision 5, is repealed.

(b) Minnesota Statutes 2021 Supplement, section 124D.151, subdivision 6, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2022.

124D.151 VOLUNTARY PREKINDERGARTEN PROGRAM.

Subd. 5. **Application process; priority for high poverty schools.** (a) To qualify for program approval for fiscal year 2017, a district or charter school must submit an application to the commissioner by July 1, 2016. To qualify for program approval for fiscal year 2018 and later, a district or charter school must submit an application to the commissioner by January 30 of the fiscal year prior to the fiscal year in which the program will be implemented. The application must include:

(1) a description of the proposed program, including the number of hours per week the program will be offered at each school site or mixed-delivery location;

(2) an estimate of the number of eligible children to be served in the program at each school site or mixed-delivery location; and

(3) a statement of assurances signed by the superintendent or charter school director that the proposed program meets the requirements of subdivision 2.

(b) The commissioner must review all applications submitted for fiscal year 2017 by August 1, 2016, and must review all applications submitted for fiscal year 2018 and later by March 1 of the fiscal year in which the applications are received and determine whether each application meets the requirements of paragraph (a).

(c) The commissioner must divide all applications for new or expanded voluntary prekindergarten programs under this section meeting the requirements of paragraph (a) and school readiness plus programs into four groups as follows: the Minneapolis and St. Paul school districts; other school districts located in the metropolitan equity region as defined in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the applications must be ordered by rank using a sliding scale based on the following criteria:

(1) concentration of kindergarten students eligible for free or reduced-price lunches by school site on October 1 of the previous school year. A school site may contract to partner with a community-based provider or Head Start under subdivision 3 or establish an early childhood center and use the concentration of kindergarten students eligible for free or reduced-price meals from a specific school site as long as those eligible children are prioritized and guaranteed services at the mixed-delivery site or early education center. For school district programs to be operated at locations that do not have free and reduced-price lunch concentration data for kindergarten programs for October 1 of the previous school year, including mixed-delivery programs, the school district average concentration of kindergarten students eligible for free or reduced-price lunches must be used for the rank ordering;

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price lunches that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price lunches that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority; and

(3) whether the district has implemented a mixed delivery system.

(d) The limit on participation for the programs as specified in subdivision 6 must initially be allocated among the four groups based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year. Within each group, the participation limit for fiscal years 2018 and 2019 must first be allocated to school sites approved for aid in the previous year to ensure that those sites are funded for the same number of participants as approved for the previous year. The remainder of the participation limit for each group must be allocated among school sites in priority order until that region's share of the participation limit is reached. If the participation limit is not reached for all groups, the remaining amount must be allocated to the highest priority school sites, as designated under this section, not funded in the initial allocation on a statewide basis. For fiscal year 2020 and later, the participation limit must first be allocated to school sites approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year 2018 based on the statewide rankings under paragraph (c).

(e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid under this subdivision, it shall remain eligible for aid if it continues to meet program requirements, regardless of changes in the concentration of students eligible for free or reduced-price lunches.

APPENDIX
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(f) If the total number of participants approved based on applications submitted under paragraph (a) is less than the participation limit under subdivision 6, the commissioner must notify all school districts and charter schools of the amount that remains available within 30 days of the initial application deadline under paragraph (a), and complete a second round of allocations based on applications received within 60 days of the initial application deadline.

(g) Procedures for approving applications submitted under paragraph (f) shall be the same as specified in paragraphs (a) to (d), except that the allocations shall be made to the highest priority school sites not funded in the initial allocation on a statewide basis.

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants for fiscal years 2019, 2020, 2021, 2022, and 2023, and 3,160 participants for fiscal years 2024 and later.