

A bill for an act

relating to early childhood education and child care; making changes to early childhood education; youth prevention; self-sufficiency and lifelong learning; child care assistance; appropriating money; amending Minnesota Statutes 2008, sections 119A.52; 119B.09, subdivision 7; 119B.13, subdivisions 1, 3a, 6; 119B.21, subdivisions 5, 10; 119B.231, subdivisions 2, 3, 4; 124D.13, subdivision 13; 124D.135, subdivision 3; 124D.15, subdivisions 1, 3; 124D.19, subdivisions 10, 14; 124D.522; proposing coding for new law in Minnesota Statutes, chapters 4; 124D.

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

ARTICLE 1

EARLY CHILDHOOD EDUCATION

Section 1. **[4.046] DIRECTOR OF EARLY LEARNING.**

(a) A director of early learning is established to oversee and coordinate a high-quality early childhood system in Minnesota to make such programs more effective and to improve the educational outcomes of children. The governor must appoint, subject to the advice and consent of the senate, a director who is a recognized expert in the field of early childhood care and education who will oversee prekindergarten and child care programs under the administration of the Departments of Education and Human Services.

(b) The director of early learning must report to the governor and the commissioners of education and human services and must coordinate Departments of Education and Human Services staff efforts to:

(1) ensure the accountability and coordinated development of all early childhood education and child care services to children from birth to age five;

(2) work with the Departments of Education and Human Services and the Minnesota Early Learning Foundation (MELF) to create common standards for quality early childhood programming;

(3) create a seamless transition from early childhood programs to kindergarten that aligns with kindergarten through grade 3 standards;

(4) develop and oversee an effective data collection system to support the necessary functions of a coordinated system of early childhood education and child care;

(5) plan and implement a voluntary quality rating and improvement system to ensure that Minnesota's children have access to high-quality early learning and care programs in a range of settings that meet the needs of children and their families and reflects the diversity of the family values and cultural heritage represented in the community;

(6) prior to the creation of a voluntary quality rating and improvement system, employ the Minnesota quality rating system rating tool in use in fiscal year 2008; and

(7) create an inventory of early childhood services that:

(i) identifies state programs and initiatives funded by state, federal, and private dollars;

(ii) provides brief descriptions of programs under which services are received;

(iii) provides budget allocations toward the outcome areas; and

(iv) includes subsections describing specific:

(A) geographic regions served by the program;

(B) number of children eligible;

(C) number of children enrolled; and

(D) age, ethnicity and race, and income demographics of children enrolled.

The inventory shall be used to guide legislative proposals and best practices addressing the development, care, and education of children from birth to the child's fifth birthday. The inventory should be updated every biennium.

(c) The director must coordinate activities with the State Advisory Council on Early Childhood Education and Care under section 124D.141.

(d) The director must report to the legislative committees with jurisdiction over the early childhood education and child care programs by February 1 of each year on the status of the work required under paragraph (b) and any statutory changes necessary to improve quality and increase access. The director also must present to these same legislative committees by February 1, 2010, a detailed plan, with an implementation timeline, to colocate state early childhood education and child care assistance programs and services.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2008, section 119A.52, is amended to read:

119A.52 DISTRIBUTION OF APPROPRIATION.

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

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

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

families living in homeless shelters, transitional housing, and permanent supportive housing.

Sec. 3. Minnesota Statutes 2008, section 124D.13, subdivision 13, is amended to read:

Subd. 13. **Plan and Program data submission requirements.** ~~(a) An early childhood family education program must submit a biennial plan addressing the requirements of subdivision 2 for approval by the commissioner. The plan must also describe how the program provides parenting education and ensures participation of families representative of the school district. A school district must submit the plan for approval by the commissioner in the form and manner prescribed by the commissioner. One-half of districts, as determined by the commissioner, must first submit a biennial plan by April 1, 2009, and the remaining districts must first submit a plan by April 1, 2010.~~

~~(b)~~ Districts receiving early childhood family education revenue under section 124D.135 must submit annual program data to the department by July 15 in the form and manner prescribed by the commissioner.

~~(c) Beginning with levies for fiscal year 2011, a school district must submit its annual program data to the department before it may certify a levy under section 124D.135. Districts selected by the commissioner to submit a biennial plan by April 1, 2009, must also have an approved plan on file with the commissioner before certifying a levy under section 124D.135 for fiscal year 2011. Beginning with levies for fiscal year 2012, all districts must submit annual program data and have an approved biennial plan on file with the commissioner before certifying a levy under section 124D.135.~~

Sec. 4. Minnesota Statutes 2008, section 124D.135, subdivision 3, is amended to read:

Subd. 3. **Early childhood family education levy.** (a) By September 30 of each year, the commissioner shall establish a tax rate for early childhood family education revenue that raises \$22,135,000 in each fiscal year. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy must equal the early childhood family education revenue. ~~Beginning with levies for fiscal year 2011,~~ A district may not certify an early childhood family education levy unless it has met the annual program data reporting ~~and biennial plan~~ requirements under section 124D.13, subdivision 13.

(b) Notwithstanding paragraph (a), for fiscal year 2009 only, the commissioner shall establish a tax rate for early education revenue that raises \$13,565,000.

Sec. 5. **[124D.142] QUALITY RATING AND IMPROVEMENT SYSTEM.**

(a) There is established a voluntary quality rating and improvement system to ensure that Minnesota's children have access to high-quality early learning and care programs in a range of settings so that children are fully ready for kindergarten by 2020. Creation of a standards-based voluntary quality rating and improvement system includes:

(1) establishing an early care and education framework that improves quality opportunities in order to improve the educational outcomes of children so that children are ready for school. The framework shall be based on the Minnesota quality rating system rating tool and a common set of child outcome standards and informed by evaluation results;

(2) using the framework as a tool to increase the number of publicly funded and regulated early learning and care services in both public and private market programs that are high quality. If a program or provider chooses to participate, the program or provider will be rated and may receive public supports associated with the rating. The state shall develop a plan to link future early learning and care state funding to the framework in a manner that complies with federal requirements; and

(3) using the framework to track progress toward statewide access to high-quality early learning and care programs, progress toward the number of low-income children whose parents can access quality programs, and progress toward increasing the number of children who are fully prepared to enter kindergarten.

(b) Prior to the creation of a voluntary statewide quality rating and improvement system in paragraph (a), the state shall employ the Minnesota quality rating system rating tool in use in fiscal year 2008 with its modification as a result of the evaluation results of the pilot project.

(c) The Departments of Education and Human Services must report to the legislative committees with jurisdiction over the early childhood education and child care programs by January 15, 2010, with how they will realign their existing state and federal administrative resources to implement the voluntary quality rating and improvement system. Any remaining design work required of the Departments of Education and Human Services should be completed within existing department resources currently allocated for early care and education activities. Additional implementation resources will be determined after both departments present early care and education administrative realignment plans to the legislature.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 6. [124D.145] EARLY LEARNING SYSTEM.

The early learning system is defined to be the coherent structure of research-based curriculum content, instructional practice, program and child assessment, performance-based child and programmatic standards, professional development, engagement and outreach, accountability, financing, and governance efforts that contribute to all aspects of children's development and to prepare children for kindergarten. This includes children's readiness for success in meeting Minnesota's kindergarten academic standards under section 120B.021. The system is delivered through a variety of public and private child care, preschool, Head Start, and school-based programs and services.

Sec. 7. Minnesota Statutes 2008, section 124D.15, subdivision 1, is amended to read:

Subdivision 1. **Establishment; purpose.** A district or a group of districts may establish a school readiness program for children age three to kindergarten entrance. The purpose of a school readiness program is to prepare children to enter kindergarten, especially children most at risk for being unprepared for kindergarten.

Sec. 8. Minnesota Statutes 2008, section 124D.15, subdivision 3, is amended to read:

Subd. 3. **Program requirements.** A school readiness program provider must:

(1) assess each child's cognitive skills with a comprehensive child assessment instrument when the child enters and again before the child leaves the program to inform program planning and parents and promote kindergarten readiness;

(2) provide comprehensive program content and intentional instructional practice aligned with the state early childhood learning guidelines and kindergarten standards and based on early childhood research and professional practice that is focused on children's cognitive, social, emotional, and physical skills and development and prepares children for the transition to kindergarten, including early literacy skills;

(3) coordinate appropriate kindergarten transition with parents and kindergarten teachers;

~~(3)~~ (4) arrange for early childhood screening and appropriate referral;

~~(4)~~ (5) involve parents in program planning and decision making;

~~(5)~~ (6) coordinate with relevant community-based services; ~~and~~

~~(6)~~ (7) cooperate with adult basic education programs and other adult literacy programs;

(8) ensure staff-child ratios of one-to-ten and maximum group size of 20 children with the first staff required to be a teacher; and

(9) have teachers knowledgeable in early childhood curriculum content, assessment, and instruction.

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. School readiness. For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

\$	<u>8,379,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>10,095,000</u>	<u>.....</u>	<u>2011</u>

The 2010 appropriation includes \$1,009,000 for 2009 and \$7,370,000 for 2010.
The 2011 appropriation includes \$2,725,000 for 2010 and \$7,370,000 for 2011.

Subd. 3. Early childhood family education aid. For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	<u>19,189,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>22,473,000</u>	<u>.....</u>	<u>2011</u>

The 2010 appropriation includes \$3,020,000 for 2009 and \$16,169,000 for 2010.
The 2011 appropriation includes \$5,980,000 for 2010 and \$16,493,000 for 2011.

Subd. 4. Health and developmental screening aid. For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$	<u>3,066,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>3,780,000</u>	<u>.....</u>	<u>2011</u>

The 2010 appropriation includes \$367,000 for 2009 and \$2,699,000 for 2010.
The 2011 appropriation includes \$997,000 for 2010 and \$2,783,000 for 2011.

Subd. 5. Head Start program. For Head Start programs under Minnesota Statutes, section 119A.52:

\$	<u>20,100,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>20,100,000</u>	<u>.....</u>	<u>2011</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 6. Educate parents partnership. For the educate parents partnership under Minnesota Statutes, section 124D.129:

\$	<u>50,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>50,000</u>	<u>.....</u>	<u>2011</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 7. **Kindergarten entrance assessment initiative and intervention program.** For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

\$ 287,000 2010

\$ 287,000 2011

Any balance in the first year does not cancel but is available in the second year.

Sec. 10. **REVISOR'S INSTRUCTION.**

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the term "director" for "commissioner" and "commissioner of education" in the following: Minnesota Statutes, sections 119A.50; 119A.52; 119A.53; 119A.535; 119A.5411; 119A.545; 121A.16 to 121A.19; 124D.129; 124D.13; 124D.135; 124D.141; 124D.142; 124D.15; 124D.16; 124D.162; and 125A.259 to 125A.48. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the term "director" for "commissioner" and "commissioner of human services" in Minnesota Statutes, sections 119B.189 to 119B.23.

ARTICLE 2
PREVENTION

Section 1. Minnesota Statutes 2008, section 124D.19, subdivision 10, is amended to read:

Subd. 10. **Youth service programs.** (a) A school board may offer, as part of a community education program with a youth development program, a youth service program that provides young people with meaningful opportunities to become involved in their community, develop individual capabilities, make career connections, seek support networks and services, become active citizens, and address community needs through youth service. The board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council, after considering the results of the commissioner's study under section 124D.50, subdivision 1, must design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services.

(b) Programs must include:

(1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;

(2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self-esteem and self-worth, and to give genuine service to their community;

(4) integration of academic learning with the service experience; and

(5) integration of youth community service with elementary and secondary curriculum.

(c) Youth service projects include, but are not limited to, the following:

(1) human services for the elderly, including home care and related services;

(2) tutoring and mentoring;

(3) training for and providing emergency services;

(4) services at extended day programs;

(5) environmental services; and

(6) service-learning programs in which schools, including postsecondary schools, and employers work together with young people to provide them with meaningful opportunities for community service and with the academic and technical skills that employers require.

~~(d) The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.~~

~~(e)~~ (d) A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

~~(f)~~ (e) The commissioner shall assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Sec. 2. Minnesota Statutes 2008, section 124D.19, subdivision 14, is amended to read:

Subd. 14. **Community education; annual report.** Each district offering a community education program under this section must annually report to the department information regarding ~~the cost per participant and cost per contact hour for each~~ community education program, including youth after-school enrichment programs, that receives aid or levy. ~~The department must include cost per participant and cost per contact hour information by program in the community education annual report.~~

Sec. 3. 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. Community education aid. For community education aid under Minnesota Statutes, section 124D.20:

\$	<u>488,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>486,000</u>	<u>.....</u>	<u>2011</u>

The 2010 appropriation includes \$73,000 for 2009 and \$415,000 for 2010.
The 2011 appropriation includes \$153,000 for 2010 and \$333,000 for 2011.

Subd. 3. Adults with disabilities program aid. For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	<u>590,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>710,000</u>	<u>.....</u>	<u>2011</u>

The 2010 appropriation includes \$71,000 for 2009 and \$519,000 for 2010.
The 2011 appropriation includes \$191,000 for 2010 and \$519,000 for 2011.

Subd. 4. Hearing-impaired adults. For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

\$	<u>70,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>70,000</u>	<u>.....</u>	<u>2011</u>

Subd. 5. School-age care revenue. For extended day aid under Minnesota Statutes, section 124D.22:

\$	<u>1,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>1,000</u>	<u>.....</u>	<u>2011</u>

The 2010 appropriation includes \$0 for 2009 and \$1,000 for 2010.
The 2011 appropriation includes \$0 for 2010 and \$1,000 for 2011.

ARTICLE 3
SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2008, section 124D.522, is amended to read:

124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from the state total adult basic education aid set aside for supplemental service grants under section 124D.531. Up to one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed ~~\$100,000~~ 20 percent of the total supplemental services aid. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services.

Sec. 2. **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. Adult basic education aid. For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	<u>35,648,000</u>	<u>.....</u>	<u>2010</u>
\$	<u>44,039,000</u>	<u>.....</u>	<u>2011</u>

The 2010 appropriation includes \$4,187,000 for 2009 and \$31,461,000 for 2010.

The 2011 appropriation includes \$11,636,000 for 2010 and \$32,403,000 for 2011.

12.3	\$	<u>125,000</u>		<u>2010</u>
12.4	\$	<u>125,000</u>		<u>2011</u>

ARTICLE 4

Section 1. **HUMAN SERVICES APPROPRIATION.**

APPROPRIATIONS
Available for the Year
Ending June 30
2010 **2011**

Subdivision 1. Total Appropriation	\$	130,860,000	\$	131,947,000
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	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>118,352,000</u>	<u>118,358,000</u>
<u>Child Care</u>		
<u>Development Fund</u>	<u>12,508,000</u>	<u>13,589,000</u>

Unexpended Balance. (a) The commissioner shall determine the unexpended balance of the federal Child Care and Development Fund (CCDF) for the basic sliding fee child care program by February 28, 2009. The balance must first be used to fund programs described in paragraph (b) and the remainder

13.1 must be available for the basic sliding fee
13.2 child care under Minnesota Statutes, section
13.3 119B.03.
13.4 (b) Notwithstanding Minnesota Statutes,
13.5 section 119B.03, subdivision 6b, and
13.6 Minnesota Rules, part 3400.0060, subpart
13.7 4, the commissioner shall transfer to the
13.8 commissioner of education \$500,000 in fiscal
13.9 year 2010 and \$500,000 in fiscal year 2011
13.10 for the purposes of after-school community
13.11 learning grants under Minnesota Statutes,
13.12 section 124D.2211. Any funds unexpended
13.13 in fiscal year 2010 may be used in fiscal year
13.14 2011. The commissioner shall transfer to the
13.15 commissioner of education \$500,000 in fiscal
13.16 year 2010 and \$500,000 in fiscal year 2011
13.17 for the words work program under Minnesota
13.18 Statutes, section 119A.50, subdivision 3,
13.19 paragraph (a). Any unexpended funds in
13.20 fiscal year 2010 may be used in fiscal year
13.21 2011. The commissioner shall ensure that
13.22 all transferred funds are expended according
13.23 to federal child care and development fund
13.24 regulations.

13.25 **Subd. 2. Children and Economic Assistance**
13.26 **Grants**

13.27 The amounts that may be spent from this
13.28 appropriation for each purpose are as follows:

13.29 <u>(a) MFIP Child Care Assistance Grants</u>	<u>74,209,000</u>	<u>74,393,000</u>
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13.30 **Child care assistance provider rates.**
13.31 \$2,112,000 in fiscal year 2010 and
13.32 \$2,067,000 in fiscal year 2011 are from
13.33 the federal child care development fund
13.34 from American Recovery and Reinvestment
13.35 Act of 2009, Public Law 111-5, funds

14.1 to the commissioner of human services
14.2 consistent with federal regulations for the
14.3 purpose of child care assistance provider rate
14.4 increases under Minnesota Statutes, section
14.5 119B.13, subdivision 1. This is a onetime
14.6 appropriation. Any unexpended balance the
14.7 first year is available in the second year.
14.8 From the child care development fund,
14.9 the base appropriations are increased by
14.10 \$286,000 in fiscal year 2012 and by \$140,000
14.11 in fiscal year 2013.
14.12 **Provider rate differential.** \$31,000 in fiscal
14.13 year 2010 and \$66,000 in fiscal year 2011
14.14 are from the federal child care development
14.15 funds received from the American Recovery
14.16 and Reinvestment Act of 2009, Public
14.17 Law 111-5, to the commissioner of human
14.18 services for the purposes of the provider rate
14.19 differential under Minnesota Statutes, section
14.20 119B.13, subdivision 3a.
14.21 **School readiness service agreements.**
14.22 \$406,000 in fiscal year 2010 and \$406,000
14.23 in fiscal year 2011 are from the federal
14.24 child care development funds received from
14.25 the American Recovery and Reinvestment
14.26 Act of 2009, Public Law 111-5, to the
14.27 commissioner of human services consistent
14.28 with federal regulations for the purpose of
14.29 school readiness service agreements under
14.30 Minnesota Statutes, section 119B.231. This
14.31 is a onetime appropriation. Any unexpended
14.32 balance the first year is available in the
14.33 second year.
14.34 **(b) Basic Sliding Fee Child Care Assistance**
14.35 **Grants**

53,862,000 53,755,000

15.1 **Child care assistance provider rates.**
15.2 \$1,322,000 in fiscal year 2010 and
15.3 \$1,435,000 in fiscal year 2011 are from
15.4 the federal child care development funds
15.5 received from the American Recovery and
15.6 Reinvestment Act of 2009, Public Law 111-5,
15.7 to the commissioner of human services
15.8 consistent with federal regulations for the
15.9 purpose of child care assistance provider rate
15.10 increases under Minnesota Statutes, section
15.11 119B.13, subdivision 1. This is a onetime
15.12 appropriation. Any unexpended balance the
15.13 first year is available in the second year.
15.14 From the child care development fund,
15.15 the base appropriations are increased by
15.16 \$250,000 in fiscal year 2012 and by \$142,000
15.17 in fiscal year 2013.

15.18 **Provider Rate Differential. \$33,000**
15.19 in fiscal year 2010 and \$68,000 in fiscal
15.20 year 2011 are from the federal child care
15.21 development fund from American Recovery
15.22 and Reinvestment Act of 2009, Public Law
15.23 111-5, funds to the commissioner of human
15.24 services for the purposes of the provider rate
15.25 differential under Minnesota Statutes, section
15.26 119B.13, subdivision 3a.

15.27 **School readiness service agreements.**
15.28 \$261,000 in fiscal year 2010 and \$261,000
15.29 in fiscal year 2011 are from the federal
15.30 child care development funds received from
15.31 the American Recovery and Reinvestment
15.32 Act of 2009, Public Law 111-5, to the
15.33 commissioner of human services consistent
15.34 with federal regulations for the purpose of
15.35 school readiness service agreements under
15.36 Minnesota Statutes, section 119B.231. This

16.1 is a onetime appropriation. Any unexpended
16.2 balance the first year is available in the
16.3 second year.

16.4 **Basic sliding fee.** \$7,045,000 in fiscal year
16.5 2010 and \$6,974,000 in fiscal year 2011 are
16.6 from the federal child care development
16.7 funds received from the American Recovery
16.8 and Reinvestment Act of 2009, Public
16.9 Law 111-5, to the commissioner of human
16.10 services consistent with federal regulations
16.11 for the purpose of basic sliding fee child care
16.12 assistance under Minnesota Statutes, section
16.13 119B.03. This is a onetime appropriation.
16.14 Any unexpended balance the first year is
16.15 available in the second year.

16.16 **Base adjustment.** The general fund base is
16.17 increased by \$180,000 in fiscal year 2012
16.18 and \$178,000 in fiscal year 2013.

16.19	<u>(c) Child Care Development Grants</u>	<u>2,679,000</u>	<u>3,695,000</u>
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16.20 **Family, friends, and neighbor grants.**
16.21 \$375,000 in fiscal year 2010 and \$375,000
16.22 in fiscal year 2011 are from the child care
16.23 development fund required targeted funds for
16.24 quality expansion and infant/toddler from the
16.25 American Recovery and Reinvestment Act of
16.26 2009, Public Law 111-5, to the commissioner
16.27 of human services for family, friends, and
16.28 neighbor grants under Minnesota Statutes,
16.29 section 119B.232. This appropriation may be
16.30 used on programs receiving family, friends,
16.31 and neighbor grant funds as of June 30,
16.32 2009, or on new programs or projects. This
16.33 is a onetime appropriation. Any unexpended
16.34 balance the first year is available in the
16.35 second year.

17.1 **Voluntary quality rating system training,**
17.2 **coaching, consultation, and supports.**
17.3 \$633,000 in fiscal year 2010 and \$633,000
17.4 in fiscal year 2011 are from the federal
17.5 child care development fund required
17.6 targeted funds for quality expansion and
17.7 infant/toddler from the American Recovery
17.8 and Reinvestment Act of 2009, Public
17.9 Law 111-5, to the commissioner of human
17.10 services consistent with federal regulations
17.11 for the purpose of providing grants to provide
17.12 statewide child-care provider training,
17.13 coaching, consultation, and supports to
17.14 prepare for the voluntary Minnesota quality
17.15 rating system rating tool. This is a onetime
17.16 appropriation. Any unexpended balance the
17.17 first year is available in the second year.

17.18 **Voluntary quality rating system. \$184,000**
17.19 in fiscal year 2010 and \$1,200,000 in fiscal
17.20 year 2011 are from the federal child care
17.21 development fund required targeted funds for
17.22 quality expansion and infant/toddler from the
17.23 American Recovery and Reinvestment Act of
17.24 2009, Public Law 111-5, to the commissioner
17.25 of human services consistent with federal
17.26 regulations for the purpose of implementing
17.27 the voluntary Parent Aware quality star
17.28 rating system pilot in coordination with the
17.29 Minnesota Early Learning Foundation. The
17.30 appropriation for the first year is to complete
17.31 and promote the voluntary Parent Aware
17.32 quality rating system pilot program through
17.33 June 30, 2010, and the appropriation for the
17.34 second year is to continue the voluntary
17.35 Minnesota quality rating system pilot
17.36 through June 30, 2011. This is a onetime

18.1	<u>appropriation. Any unexpended balance the</u>		
18.2	<u>first year is available in the second year.</u>		
18.3	<u>(d) Children and Economic Assistance</u>		
18.4	<u>Administration</u>	<u>106,000</u>	<u>104,000</u>
18.5	<u>School readiness service agreements.</u>		
18.6	<u>\$106,000 in fiscal year 2010 and \$104,000</u>		
18.7	<u>in fiscal year 2011 are from the federal</u>		
18.8	<u>child care development funds received from</u>		
18.9	<u>the American Recovery and Reinvestment</u>		
18.10	<u>Act of 2009, Public Law 111-5, to the</u>		
18.11	<u>commissioner of human services consistent</u>		
18.12	<u>with federal regulations for the purpose of</u>		
18.13	<u>school readiness service agreements under</u>		
18.14	<u>Minnesota Statutes, section 119B.231. This</u>		
18.15	<u>is a onetime appropriation.</u>		
18.16	<u>(e) Children and Economic Assistance</u>		
18.17	<u>Operations</u>	<u>4,000</u>	<u>0</u>
18.18	<u>\$4,000 in fiscal year 2010 is for systems</u>		
18.19	<u>costs.</u>		
18.20	<u>(f) Spending Directions</u>		
18.21	<u>The commissioner must expend federal</u>		
18.22	<u>child care development funds, including the</u>		
18.23	<u>federal stimulus within federal expenditure</u>		
18.24	<u>timelines to the extent necessary to meet</u>		
18.25	<u>legislative appropriations and maximize the</u>		
18.26	<u>use of federal funds.</u>		
18.27	Sec. 3. Minnesota Statutes 2008, section 119B.09, subdivision 7, is amended to read:		
18.28	Subd. 7. Date of eligibility for assistance. (a) The date of eligibility for child		
18.29	care assistance under this chapter is the later of the date the application was signed; the		
18.30	beginning date of employment, education, or training; the date the infant is born for		
18.31	applicants to the at-home infant care program; or the date a determination has been made		
18.32	that the applicant is a participant in employment and training services under Minnesota		
18.33	Rules, part 3400.0080, or chapter 256J.		

(b) Payment ceases for a family under the at-home infant child care program when a family has used a total of 12 months of assistance as specified under section 119B.035. Payment of child care assistance for employed persons on MFIP is effective the date of employment or the date of MFIP eligibility, whichever is later. Payment of child care assistance for MFIP or DWP participants in employment and training services is effective the date of commencement of the services or the date of MFIP or DWP eligibility, whichever is later. Payment of child care assistance for transition year child care must be made retroactive to the date of eligibility for transition year child care.

(c) Notwithstanding paragraph (b), payment of child care assistance for participants eligible under section 119B.05 may only be made retroactively for a maximum of six months from the date of application for child care assistance.

EFFECTIVE DATE. This section is effective October 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) Beginning July 1, ~~2006~~ 2009, the maximum rate paid for child care assistance in any county or multicounty region under the child care fund shall be the rate for like-care arrangements in the county effective ~~January 1, 2006~~ July 1, 2008, increased by ~~six~~ two percent ~~through the end of fiscal year 2011~~.

~~(b) Rate changes shall be implemented for services provided in September 2006 unless a participant eligibility redetermination or a new provider agreement is completed between July 1, 2006, and August 31, 2006.~~

~~As necessary, appropriate notice of adverse action must be made according to Minnesota Rules, part 3400.0185, subparts 3 and 4.~~

~~New cases approved on or after July 1, 2006, shall have the maximum rates under paragraph (a), implemented immediately.~~

~~(e)~~ (b) Every year, the commissioner shall survey rates charged by child care providers in Minnesota to determine the 75th percentile for like-care arrangements in counties. When the commissioner determines that, using the commissioner's established protocol, the number of providers responding to the survey is too small to determine the 75th percentile rate for like-care arrangements in a county or multicounty region, the commissioner may establish the 75th percentile maximum rate based on like-care arrangements in a county, region, or category that the commissioner deems to be similar.

~~(d)~~ (c) A rate which includes a special needs rate paid under subdivision 3 or under a school readiness service agreement paid under section 119B.231, may be in excess of the maximum rate allowed under this subdivision.

20.1 ~~(e)~~ (d) The department shall monitor the effect of this paragraph on provider rates.
20.2 The county shall pay the provider's full charges for every child in care up to the maximum
20.3 established. The commissioner shall determine the maximum rate for each type of care on
20.4 an hourly, full-day, and weekly basis, including special needs and disability care.

20.5 ~~(f)~~ (e) When the provider charge is greater than the maximum provider rate allowed,
20.6 the parent is responsible for payment of the difference in the rates in addition to any
20.7 family co-payment fee.

20.8 ~~(g)~~ (f) All maximum provider rates changes shall be implemented on the Monday
20.9 following the effective date of the maximum provider rate.

20.10 Sec. 5. Minnesota Statutes 2008, section 119B.13, subdivision 3a, is amended to read:

20.11 Subd. 3a. **Provider rate differential for accreditation quality.** A family child care
20.12 provider or child care center shall be paid a 15 percent differential above the maximum
20.13 rate established in subdivision 1, up to the actual provider rate, if the provider or center
20.14 holds a current early childhood development credential, has received a 3 or 4 star rating
20.15 on the Parent Aware star rating tool, or is accredited. For a family child care provider,
20.16 early childhood development credential and accreditation includes an individual who has
20.17 earned a child development associate degree, a child development associate credential, a
20.18 diploma in child development from a Minnesota state technical college, or a bachelor's
20.19 or post baccalaureate degree in early childhood education from an accredited college
20.20 or university, or who is accredited by the National Association for Family Child Care
20.21 or the Competency Based Training and Assessment Program. For a child care center,
20.22 accreditation includes accreditation by the National Association for the Education of
20.23 Young Children, the Council on Accreditation, the National Early Childhood Program
20.24 Accreditation, the National School-Age Care Association, or the National Head Start
20.25 Association Program of Excellence. For Montessori programs, accreditation includes
20.26 the American Montessori Society, Association of Montessori International-USA, or the
20.27 National Center for Montessori Education.

20.28 **EFFECTIVE DATE.** This section is effective November 1, 2009.

20.29 Sec. 6. Minnesota Statutes 2008, section 119B.13, subdivision 6, is amended to read:

20.30 Subd. 6. **Provider payments.** (a) Counties or the state shall make vendor payments
20.31 to the child care provider or pay the parent directly for eligible child care expenses.

20.32 (b) If payments for child care assistance are made to providers, the provider shall
20.33 bill the county for services provided within ten days of the end of the service period. If
20.34 bills are submitted within ten days of the end of the service period, a county or the state

21.1 shall issue payment to the provider of child care under the child care fund within 30 days
21.2 of receiving a bill from the provider. Counties or the state may establish policies that
21.3 make payments on a more frequent basis.

21.4 ~~(c) All bills~~ If a provider has received an authorization of care and been issued a
21.5 billing form for an eligible family, the bill must be submitted within 60 days of the last
21.6 date of service on the bill. A county may pay a bill submitted more than 60 days after
21.7 the last date of service if the provider shows good cause why the bill was not submitted
21.8 within 60 days. Good cause must be defined in the county's child care fund plan under
21.9 section 119B.08, subdivision 3, and the definition of good cause must include county
21.10 error. A county may not pay any bill submitted more than a year after the last date of
21.11 service on the bill.

21.12 (d) If a provider provided care for a time period without receiving an authorization
21.13 of care and a billing form for an eligible family, payment of child care assistance may only
21.14 be made retroactively for a maximum of six months from the date the provider is issued
21.15 an authorization of care and billing form.

21.16 ~~(d)~~ (e) A county may stop payment issued to a provider or may refuse to pay a
21.17 bill submitted by a provider if:

21.18 (1) the provider admits to intentionally giving the county materially false information
21.19 on the provider's billing forms; or

21.20 (2) a county finds by a preponderance of the evidence that the provider intentionally
21.21 gave the county materially false information on the provider's billing forms.

21.22 ~~(e)~~ (f) A county's payment policies must be included in the county's child care plan
21.23 under section 119B.08, subdivision 3. If payments are made by the state, in addition to
21.24 being in compliance with this subdivision, the payments must be made in compliance
21.25 with section 16A.124.

21.26 **EFFECTIVE DATE.** This section is effective October 1, 2009.

21.27 Sec. 7. Minnesota Statutes 2008, section 119B.21, subdivision 5, is amended to read:

21.28 Subd. 5. **Child care services grants.** (a) A child care resource and referral program
21.29 designated under section 119B.19, subdivision 1a, may award child care services grants
21.30 for:

21.31 (1) creating new licensed child care facilities and expanding existing facilities,
21.32 including, but not limited to, supplies, equipment, facility renovation, and remodeling;

21.33 (2) improving licensed child care facility programs;

21.34 (3) staff training and development services including, but not limited to, in-service
21.35 training, curriculum development, accreditation, certification, consulting, resource

22.1 centers, program and resource materials, supporting effective teacher-child interactions,
22.2 child-focused teaching, and content-driven classroom instruction;

22.3 (4) interim financing;

22.4 (5) capacity building through the purchase of appropriate technology to create,
22.5 enhance, and maintain business management systems;

22.6 (6) emergency assistance for child care programs;

22.7 (7) new programs or projects for the creation, expansion, or improvement of
22.8 programs that serve ethnic immigrant and refugee communities; and

22.9 (8) targeted recruitment initiatives to expand and build the capacity of the child
22.10 care system and to improve the quality of care provided by legal nonlicensed child care
22.11 providers.

22.12 (b) A child care resource and referral program designated under section 119B.19,
22.13 subdivision 1a, may award child care services grants to:

22.14 (1) licensed providers;

22.15 (2) providers in the process of being licensed;

22.16 (3) corporations or public agencies that develop or provide child care services;

22.17 (4) school-age care programs;

22.18 (5) legal nonlicensed or family, friend, and neighbor care providers; or

22.19 (6) any combination of clauses (1) to (5).

22.20 (c) A recipient of a child care services grant for facility improvements, interim
22.21 financing, or staff training and development must provide a 25 percent local match.

22.22 (d) Beginning July 1, 2009, grants under this subdivision shall be increasingly
22.23 awarded for activities that improve provider quality, including activities under paragraph
22.24 (a), clauses (1) to (3) and (7).

22.25 Sec. 8. Minnesota Statutes 2008, section 119B.21, subdivision 10, is amended to read:

22.26 Subd. 10. **Family child care technical assistance grants.** (a) A child care resource
22.27 and referral organization designated under section 119B.19, subdivision 1a, may award
22.28 technical assistance grants of up to \$1,000. These grants may be used for:

22.29 (1) facility improvements, including, but not limited to, improvements to meet
22.30 licensing requirements;

22.31 (2) improvements to expand a child care facility or program;

22.32 (3) toys, materials, and equipment to improve the learning environment;

22.33 (4) technology and software to create, enhance, and maintain business management
22.34 systems;

22.35 (5) start-up costs;

23.1 (6) staff training and development; and

23.2 (7) other uses approved by the commissioner.

23.3 (b) A child care resource and referral program may award family child care technical
23.4 assistance grants to:

23.5 (1) licensed family child care providers;

23.6 (2) child care providers in the process of becoming licensed; or

23.7 (3) legal nonlicensed or family, friend, and neighbor care providers.

23.8 (c) A local match is not required for a family child care technical assistance grant.

23.9 (d) Beginning July 1, 2009, grants under this subdivision shall be increasingly
23.10 awarded for activities that improve provider quality, including activities under paragraph
23.11 (a), clauses (1), (3), and (6).

23.12 Sec. 9. Minnesota Statutes 2008, section 119B.231, subdivision 2, is amended to read:

23.13 Subd. 2. **Provider eligibility.** (a) To be considered for an SRSA, a provider shall
23.14 apply to the commissioner or have been chosen as an SRSA provider prior to June 30,
23.15 2009, and have complied with all requirements of the SRSA agreement. Priority for funds
23.16 is given to providers who had agreements prior to June 30, 2009. If sufficient funds are
23.17 available, the commissioner shall make applications available to additional providers. To
23.18 be eligible to apply for an SRSA, a provider shall:

23.19 (1) be eligible for child care assistance payments under chapter 119B;

23.20 (2) have at least 25 percent of the children enrolled with the provider subsidized
23.21 through the child care assistance program;

23.22 (3) provide full-time, full-year child care services; and

23.23 ~~(4) serve at least one child who is subsidized through the child care assistance~~
23.24 ~~program and who is expected to enter kindergarten within the following 30 months~~ have
23.25 obtained a level 3 or 4 star rating under the voluntary Parent Aware quality rating system.

23.26 (b) The commissioner may waive the 25 percent requirement in paragraph (a),
23.27 clause (2), if necessary to achieve geographic distribution of SRSA providers and diversity
23.28 of types of care provided by SRSA providers.

23.29 (c) An eligible provider who would like to enter into an SRSA with the commissioner
23.30 shall submit an SRSA application. To determine whether to enter into an SRSA with a
23.31 provider, the commissioner shall evaluate the following factors:

23.32 (1) ~~the qualifications of the provider and the provider's staff~~ provider's Parent
23.33 Aware rating score;

23.34 ~~(2) the provider's staff-child ratios;~~

23.35 ~~(3) the provider's curriculum;~~

- 24.1 ~~(4) the provider's current or planned parent education activities;~~
24.2 ~~(5)~~ (2) the provider's current or planned social service and employment linkages;
24.3 ~~(6) the provider's child development assessment plan;~~
24.4 ~~(7)~~ (3) the geographic distribution needed for SRSA providers;
24.5 ~~(8)~~ (4) the inclusion of a variety of child care delivery models; and
24.6 ~~(9)~~ (5) other related factors determined by the commissioner.

24.7 Sec. 10. Minnesota Statutes 2008, section 119B.231, subdivision 3, is amended to read:

24.8 Subd. 3. **Family and child eligibility.** (a) A family eligible to choose an SRSA
24.9 provider for their children shall:

24.10 (1) be eligible to receive child care assistance under any provision in chapter 119B
24.11 except section 119B.035;

24.12 (2) be in an authorized activity for an average of at least 35 hours per week when
24.13 initial eligibility is determined; and

24.14 (3) include a child who has not yet entered kindergarten.

24.15 (b) A family who is determined to be eligible to choose an SRSA provider remains
24.16 eligible to be paid at a higher rate through the SRSA provider when the following
24.17 conditions exist:

24.18 (1) the child attends child care with the SRSA provider a minimum of 25 hours per
24.19 week, on average;

24.20 (2) the family has a child who has not yet entered kindergarten; and

24.21 (3) the family maintains eligibility under chapter 119B except section 119B.035.

24.22 (c) ~~For the 12 months~~ After initial eligibility has been determined, a decrease in the
24.23 family's authorized activities to an average of less than 35 hours per week does not result
24.24 in ineligibility for the SRSA rate. A family must continue to maintain eligibility under this
24.25 chapter and be in an authorized activity.

24.26 (d) A family that moves between counties but continues to use the same SRSA
24.27 provider shall continue to receive SRSA funding for the increased payments.

24.28 Sec. 11. Minnesota Statutes 2008, section 119B.231, subdivision 4, is amended to read:

24.29 Subd. 4. **Requirements of providers.** An SRSA must include assessment,
24.30 evaluation, and reporting requirements that promote the goals of improved school
24.31 readiness and movement toward appropriate child development milestones. A provider
24.32 who enters into an SRSA shall comply with all SRSA requirements, including the
24.33 assessment, evaluation, and reporting requirements in the SRSA. Providers who have been
24.34 selected previously for SRSAs must begin the process to obtain a rating using Parent

25.1 Aware according to timelines established by the commissioner. If the initial Parent Aware
25.2 rating is less than three stars, the provider must submit a plan to improve the rating. If
25.3 a 3 or 4 star rating is not obtained within established timelines, the commissioner may
25.4 consider continuation of the agreement, depending upon the progress made and other
25.5 factors. Providers who apply and are selected for a new SRSA agreement on or after July
25.6 1, 2009, must have a level 3 or 4 star rating under the voluntary Parent Aware quality
25.7 rating system at the time the SRSA agreement is signed.

APPENDIX
Article locations in H2088-2

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