

1.1 A bill for an act  
1.2 relating to early childhood; establishing an allowance for early childhood  
1.3 learning preparedness and enrichment expenses; reducing class sizes for K-3 to  
1.4 meet the statutory state standard; amending Minnesota Statutes 2006, sections  
1.5 126C.05, subdivision 1; 126C.12, subdivision 1; proposing coding for new law  
1.6 in Minnesota Statutes, chapter 124D.

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

1.8 Section 1. **[124D.332] EARLY CHILDHOOD LEARNING PREPAREDNESS**  
1.9 **AND ENRICHMENT ALLOWANCE.**

1.10 Subdivision 1. **Allowance; purpose.** An early childhood learning preparedness and  
1.11 enrichment allowance program is established, to provide an allowance to families of  
1.12 young children, to be used for learning preparedness and to enrich, enhance, improve, or  
1.13 benefit the child's physical, educational, artistic, or musical development.

1.14 Subd. 2. **Eligibility; allowance amount.** A claimant with a child who is at least  
1.15 six months old through age five on April 15 of the year when the allowance is claimed is  
1.16 eligible to receive an allowance of \$..... for each eligible child. In addition, the allowance  
1.17 for each eligible child must be increased according to the following:

|      |                              |                                    |
|------|------------------------------|------------------------------------|
| 1.18 | <u>Family Income</u>         | <u>Additional Allowance Amount</u> |
| 1.19 | <u>Under \$10,000</u>        | <u>\$.....</u>                     |
| 1.20 | <u>\$10,000 - \$19,999</u>   | <u>\$.....</u>                     |
| 1.21 | <u>\$20,000 - \$29,999</u>   | <u>\$.....</u>                     |
| 1.22 | <u>\$30,000 - \$39,999</u>   | <u>\$.....</u>                     |
| 1.23 | <u>\$40,000 - \$49,999</u>   | <u>\$.....</u>                     |
| 1.24 | <u>\$50,000 - \$74,999</u>   | <u>\$.....</u>                     |
| 1.25 | <u>\$75,000 - \$99,999</u>   | <u>\$.....</u>                     |
| 1.26 | <u>\$100,000 - \$149,999</u> | <u>\$.....</u>                     |

|     |                              |                |
|-----|------------------------------|----------------|
| 2.1 | <u>\$150,000 - \$249,999</u> | <u>\$.....</u> |
| 2.2 | <u>\$250,000 and over</u>    | <u>\$.....</u> |

2.3           As used in this section, "family income" is equal to "income" as defined in  
2.4 Minnesota Statutes, section 290.067, subdivision 2a, for the taxable year preceding the  
2.5 calendar year when the allowance is claimed, and "claimant" means an individual who  
2.6 meets the requirements of section 152 of the Internal Revenue Code of 1986, as amended  
2.7 through December 31, 2005, to claim the eligible child as a dependent.

2.8           Subd. 3. **Commissioner of revenue duties; determining eligible claimants;**  
2.9 **payment of the allowance.** (a) The commissioner of revenue shall include on the  
2.10 individual income tax form the information that is necessary to determine claimants who  
2.11 are eligible to receive an allowance, and must develop a method to locate potential  
2.12 claimants who do not file state income tax forms and inform them of the availability of  
2.13 the allowance.

2.14           (b) The commissioner of revenue shall establish a process to transfer the allowance  
2.15 to claimants electronically.

2.16           (c) Claims for the allowance must be submitted by April 15. The commissioner of  
2.17 revenue must certify the allowance no later than August 15 of the year when the claim is  
2.18 submitted.

2.19           Subd. 4. **Commissioner of education duties.** (a) The commissioner shall, after  
2.20 consultation with stakeholders and professionals:

- 2.21           (1) define outcomes and indicators for local early childhood boards;
- 2.22           (2) provide technical assistance to local early childhood boards;
- 2.23           (3) establish minimum administrative and service guidelines and standards for  
2.24 the local early childhood boards;
- 2.25           (4) design and implement a method of monitoring and evaluating early childhood  
2.26 education enrichment criteria and local early childhood boards; and
- 2.27           (5) develop a process to review program categories recommended by local early  
2.28 childhood boards, and timely make a determination regarding the program category  
2.29 submitted by the local board.

2.30           (b) The commissioner is granted rulemaking authority as necessary to carry out the  
2.31 duties in paragraph (a).

2.32           Subd. 5. **Local early childhood board composition and duties.** (a) "Local early  
2.33 childhood board" means the group composed of one member of the following groups, if  
2.34 they exist in the school district:

- 2.35           (1) other early childhood education-related boards;

3.1           (2) three parents of children age five or under who represent the economic and  
3.2 ethnic diversity of the community;  
3.3           (3) licensed child care providers;  
3.4           (4) early childhood education providers;  
3.5           (5) Head Start providers;  
3.6           (6) a representative from a program that provides physical education opportunities to  
3.7 children;  
3.8           (7) school superintendents' designee;  
3.9           (8) public or private nonprofit agencies serving youth and families;  
3.10          (9) an individual or a representative from a program that provides musical instruction  
3.11 or classes to children;  
3.12          (10) a representative from the arts community;  
3.13          (11) local child care resource and referral programs; and  
3.14          (12) the county board of commissioners.  
3.15          (b) A local early childhood board must:  
3.16          (1) assess the community's current capacity to address the early childhood learning  
3.17 preparedness and enrichment needs of children from six months to kindergarten entrance;  
3.18          (2) create and implement a method to qualify early childhood program learning  
3.19 preparedness and categories in the community, according to the criteria under subdivision  
3.20 7;  
3.21          (3) qualify program categories that aim to meet early childhood learning  
3.22 preparedness and enrichment needs;  
3.23          (4) create an ongoing evaluation of program categories in relation to outcomes  
3.24 for children and families;  
3.25          (5) provide an appropriate public forum in the community to evaluate whether  
3.26 a program category continues to meet community expectations and the criteria under  
3.27 subdivision 7; and  
3.28          (6) develop procedures to restrict allowance payments only to providers that meet  
3.29 community expectations and the criteria under subdivision 7.  
3.30          Subd. 6. **Local school boards; charter school boards; nonpublic school boards.**  
3.31 School boards in the school district, including boards from the public school system,  
3.32 charter schools, and nonpublic schools, may provide comments and recommendations  
3.33 to the local early childhood board, with regard to the board's duties under subdivision 5,  
3.34 paragraph (b), clauses (2), (3), and (4). The commissioner of education makes the final  
3.35 program category determination under subdivision 4, paragraph (a), clause (5).

Subd. 7. **General criteria for activities.** The early childhood allowance must be used during the 12 months following receipt of the allowance by the claimant for a child who is at least six months old through age five, to pay for research-based learning preparedness activities, or programs or classes that enrich, improve, or benefit the child's physical, educational, artistic, or musical development. The allowance may not be used for base child care costs or expenses.

Subd. 8. **Allowance not income for purposes of other publicly funded programs.** Notwithstanding any law to the contrary, the allowance does not count as earned income for purposes of the medical assistance, MinnesotaCare, MFIP, or child care assistance programs.

**EFFECTIVE DATE.** This section is effective for claims filed after December 31, 2006.

Sec. 2. Minnesota Statutes 2006, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age 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.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; 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 individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum average daily membership of 0.28, but not more than 1.25 pupil units.

(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 1.25.

(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 individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as ~~557~~ 1.2 of a pupil unit for fiscal year ~~2000~~ 2008 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as ~~1.15~~ 1.2 pupil units for fiscal year ~~2000~~ 2008 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.3 pupil units.

Sec. 3. Minnesota Statutes 2006, section 126C.12, subdivision 1, is amended to read:

Subdivision 1. **Revenue.** Of a district's general education revenue for fiscal year ~~2000~~ 2008 and thereafter each school district shall reserve an amount equal to the formula allowance multiplied by the following calculation:

(1) the sum of adjusted marginal cost pupils in average daily membership, according to section 126C.05, subdivision 5, in kindergarten times ~~.057~~ .2; plus

(2) the sum of adjusted marginal cost pupils in average daily membership, according to section 126C.05, subdivision 5, in grades 1 to 3 times ~~.115~~ .2; plus

(3) the sum of adjusted marginal cost pupils in average daily membership, according to section 126C.05, subdivision 5, in grades 4 to 6 times .06.

Sec. 4. **DIRECTION TO DEPARTMENT.**

The commissioner of education shall adjust all formulas in taxes payable in 2007 to ensure that education finance levies are not increased as a result of the pupil weight changes in section 2.