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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3806

02/28/2022 Authored by Demuth, Novotny, Erickson, Heinrich and Jurgens The bill was read for the first time and referred to the Committee on Early Childhood Finance and Policy

1.1 A bill for an act
1.2 relating to early childhood; making changes to the quality rating improvement
1.3 system and the early learning scholarships program; amending Minnesota Statutes
1.4 2020, section 124D.165, subdivisions 2, 3; Minnesota Statutes 2021 Supplement,
1.5 section 124D.142, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2021 Supplement, section 124D.142, subdivision 2, is
1.8 amended to read:

1.9 Subd. 2. System components. The standards-based voluntary quality rating and
1.10 improvement system includes:

1.11 (1) quality opportunities in order to improve the educational outcomes of children so
1.12 that they are ready for school;

1.13 (2) a framework based on the Minnesota quality rating system rating tool and a common
1.14 set of child outcome and program standards informed by evaluation results;

1.15 (3) a tool to increase the number of publicly funded and regulated early learning and
1.16 care services in both public and private market programs that are high quality;

1.17 (4) voluntary participation ensuring that if a program or provider chooses to participate,
1.18 the program or provider will be rated and may receive public funding associated with the
1.19 rating; and

1.20 (5) tracking progress toward statewide access to high-quality early learning and care
1.21 programs, progress toward the number of low-income children whose parents can access

2.1 quality programs, and progress toward increasing the number of children who are fully
 2.2 prepared to enter kindergarten; and

2.3 (6) a uniform rating process for all programs under the system, with a prohibition on an
 2.4 automatic rating process for any program, including but not limited to a voluntary
 2.5 prekindergarten program under section 124D.151.

2.6 Sec. 2. Minnesota Statutes 2020, section 124D.165, subdivision 2, is amended to read:

2.7 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
 2.8 parents or guardians must meet the following eligibility requirements:

2.9 (1) have an eligible child; and

2.10 (2) have income equal to or less than ~~185~~ 200 percent of federal poverty level income
 2.11 in the current calendar year, or be able to document their child's current participation in the
 2.12 free and reduced-price lunch program or Child and Adult Care Food Program, National
 2.13 School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food
 2.14 Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code,
 2.15 title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School
 2.16 Readiness Act of 2007; Minnesota family investment program under chapter 256J; child
 2.17 care assistance programs under chapter 119B; the supplemental nutrition assistance program;
 2.18 or placement in foster care under section 260C.212.

2.19 (b) An "eligible child" means a child who has not yet enrolled in kindergarten and is;
 2.20 not yet five years of age on September 1 of the current school year.

2.21 ~~(1) at least three but not yet five years of age on September 1 of the current school year;~~

2.22 ~~(2) a sibling from birth to age five of a child who has been awarded a scholarship under~~
 2.23 ~~this section provided the sibling attends the same program as long as funds are available;~~

2.24 ~~(3) the child of a parent under age 21 who is pursuing a high school degree or a course~~
 2.25 ~~of study for a high school equivalency test; or~~

2.26 ~~(4) homeless, in foster care, or in need of child protective services.~~

2.27 (c) A child who has received a scholarship under this section must continue to receive
 2.28 a scholarship each year until that child is eligible for kindergarten under section 120A.20
 2.29 and as long as funds are available.

2.30 (d) Early learning scholarships may not be counted as earned income for the purposes
 2.31 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota
 2.32 family investment program under chapter 256J, child care assistance programs under chapter

3.1 119B, or Head Start under the federal Improving Head Start for School Readiness Act of
3.2 2007.

3.3 (e) A child from an adjoining state whose family resides at a Minnesota address as
3.4 assigned by the United States Postal Service, who has received developmental screening
3.5 under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,
3.6 and whose family meets the criteria of paragraph (a) is eligible for an early learning
3.7 scholarship under this section.

3.8 Sec. 3. Minnesota Statutes 2020, section 124D.165, subdivision 3, is amended to read:

3.9 Subd. 3. **Administration.** (a) The commissioner shall establish application timelines
3.10 and determine the schedule for awarding scholarships that meets operational needs of eligible
3.11 families and programs. The commissioner must give highest priority to applications from
3.12 children who:

3.13 (1) have a parent under age 21 who is pursuing a high school diploma or a course of
3.14 study for a high school equivalency test;

3.15 (2) are in foster care or otherwise in need of protection or services; or

3.16 (3) have experienced homelessness in the last 24 months, as defined under the federal
3.17 McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

3.18 The commissioner may prioritize applications on additional factors including family
3.19 income, geographic location, and whether the child's family is on a waiting list for a publicly
3.20 funded program providing early education or child care services.

3.21 (b) The commissioner shall ~~establish a target for the average~~ annually set a scholarship
3.22 amount per child based on the results of the rate survey conducted under section 119B.02.
3.23 that is equal to the greater of:

3.24 (1) the rate paid under section 119B.13, subdivision 1; or

3.25 (2) the statewide average general education revenue per average daily membership.

3.26 (c) The commissioner shall not differentiate the per child scholarship amount based on
3.27 program type or a program's rating status under section 124D.142, but may pay a 15 percent
3.28 differential above the per child scholarship amount when programs meet the applicable
3.29 requirements in section 119B.13, subdivision 3a.

3.30 ~~(e) A four-star rated program that has children eligible for a scholarship enrolled in or~~
3.31 ~~on a waiting list for a program beginning in July, August, or September may notify the~~
3.32 ~~commissioner, in the form and manner prescribed by the commissioner, each year of the~~

4.1 ~~program's desire to enhance program services or to serve more children than current funding~~
4.2 ~~provides. The commissioner may designate a predetermined number of scholarship slots~~
4.3 ~~for that program and notify the program of that number. For fiscal year 2018 and later, the~~
4.4 ~~statewide amount of funding directly designated by the commissioner must not exceed the~~
4.5 ~~funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district~~
4.6 ~~or Head Start program qualifying under this paragraph may use its established registration~~
4.7 ~~process to enroll scholarship recipients and may verify a scholarship recipient's family~~
4.8 ~~income in the same manner as for other program participants.~~

4.9 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not
4.10 been accepted and subsequently enrolled in a rated program within ten months of the
4.11 awarding of the scholarship, the scholarship cancels and the recipient must reapply in order
4.12 to be eligible for another scholarship. A child may not be awarded more than one scholarship
4.13 in a 12-month period.

4.14 (e) A child who receives a scholarship who has not completed development screening
4.15 under sections 121A.16 to 121A.19 must complete that screening within 90 days of first
4.16 attending an eligible program or within 90 days after the child's third birthday if awarded
4.17 a scholarship under the age of three.

4.18 ~~(f) For fiscal year 2017 and later, a school district or Head Start program enrolling~~
4.19 ~~scholarship recipients under paragraph (e) may apply to the commissioner, in the form and~~
4.20 ~~manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of~~
4.21 ~~the application, the commissioner must pay each program directly for each approved~~
4.22 ~~scholarship recipient enrolled under paragraph (e) according to the metered payment system~~
4.23 ~~or another schedule established by the commissioner.~~