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State of Minnesota

HOUSE OF REPRESENTATIVES

SPECIAL SESSION

H. F. No. 19

06/12/2020 Authored by Kotyza-Witthuhn, Davnie, Becker-Finn, Vang, Lillie and others
The bill was read for the first time and referred to the Early Childhood Finance and Policy Division

1.1 A bill for an act
1.2 relating to early childhood education; appropriating money for child care site
1.3 assistance.

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

1.5 Section 1. FIRST CHILDREN'S FINANCE CHILD CARE SITE ASSISTANCE;
1.6 APPROPRIATION .

1.7 Subdivision 1. Appropriation. \$5,000,000 in fiscal year 2021 is appropriated from the
1.8 coronavirus relief federal fund to the commissioner of human services for a grant to First
1.9 Children's Finance to make loans to improve child care or early childhood education sites,
1.10 or loans to plan, design, and construct or expand licensed and legal unlicensed sites to
1.11 increase the availability of child care or early childhood education.

1.12 Subd. 2. Financing program. (a) First Children's Finance shall use the money to:

1.13 (1) establish a revolving loan fund to make loans to existing, expanding, and newly
1.14 licensed and legally unlicensed child care and early childhood education sites;

1.15 (2) establish a fund to guarantee private loans to improve or construct a child care or
1.16 early childhood education site;

1.17 (3) establish a fund to provide forgivable loans or grants to match all or part of a loan
1.18 made under this section;

1.19 (4) establish a fund as a reserve against bad debt; and

1.20 (5) establish a fund to provide business planning assistance for child care providers.

2.1 (b) First Children's Finance shall establish the terms and conditions for loans and loan
2.2 guarantees including interest rates, repayment agreements, private match requirements, and
2.3 conditions for loan forgiveness. A minimum interest rate for loans must be established to
2.4 ensure that necessary loan administration costs are covered. Interest earnings may be used
2.5 for administrative expenses.

2.6 (c) First Children's Finance must distribute the funds proportionately between the
2.7 11-county metropolitan area and greater Minnesota.

2.8 Subd. 3. **Reporting.** First Children's Finance shall:

2.9 (1) by September 30 each year, report to the commissioner of human services the purposes
2.10 for which the money was used during the past fiscal year, including a description of projects
2.11 supported by the financing, an account of loans made during the calendar year, the financing
2.12 program's assets and liabilities, and an explanation of administrative expenses; and

2.13 (2) annually submit to the commissioner of human services a copy of the report of an
2.14 independent audit performed in accordance with generally accepted accounting practices
2.15 and auditing standards.

2.16 Subd. 4. **Eligible expenditure from the coronavirus relief fund.** (a) No money in this
2.17 section may be spent until the commissioner of management and budget determines that
2.18 the appropriations in this section are an eligible use of the coronavirus relief fund.

2.19 (b) The appropriations in this section are available until December 30, 2020.