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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 3658

03/12/2018 Authored by Wagenius, Lee, Ecklund, Slocum, Davnie and others
The bill was read for the first time and referred to the Committee on Education Innovation Policy

1.1 A bill for an act
1.2 relating to education finance; funding universal voluntary prekindergarten;
1.3 amending Minnesota Statutes 2016, sections 124D.15, subdivisions 1, 3a;
1.4 124D.151, subdivision 2; Minnesota Statutes 2017 Supplement, sections 124D.151,
1.5 subdivisions 5, 6; 124D.165, subdivision 3.

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

1.7 Section 1. Minnesota Statutes 2016, section 124D.15, subdivision 1, is amended to read:

1.8 Subdivision 1. **Establishment; purpose.** A district or a group of districts may establish
1.9 a school readiness program for children age three to kindergarten entrance. The purpose of
1.10 a school readiness program is to prepare children to enter kindergarten. A district must
1.11 coordinate its school readiness program with its voluntary prekindergarten program.

1.12 Sec. 2. Minnesota Statutes 2016, section 124D.15, subdivision 3a, is amended to read:

1.13 Subd. 3a. **Application and reporting requirements.** (a) A school readiness program
1.14 provider must include a biennial plan in the district's world's best workforce plan under
1.15 section 120B.11, describing how the school readiness program meets the program
1.16 requirements under subdivision 3; and how the program coordinates with other early learning
1.17 programs, including voluntary prekindergarten and early learning scholarships.

1.18 (b) Programs receiving school readiness funds annually must submit a report to the
1.19 department.

1.20 Sec. 3. Minnesota Statutes 2016, section 124D.151, subdivision 2, is amended to read:

1.21 Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program provider
1.22 must:

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

2.5 (2) measure each child's cognitive and social skills using a formative measure aligned
2.6 to the state's early learning standards when the child enters and again before the child leaves
2.7 the program, screening and progress monitoring measures, and others from the state-approved
2.8 menu of kindergarten entry profile measures;

2.9 (3) provide comprehensive program content including the implementation of curriculum,
2.10 assessment, and instructional strategies aligned with the state early learning standards, and
2.11 kindergarten through grade 3 academic standards;

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

2.15 (5) provide voluntary prekindergarten instructional staff salaries comparable to the
2.16 salaries of local kindergarten through grade 12 instructional staff;

2.17 (6) coordinate appropriate kindergarten transition with families, community-based
2.18 prekindergarten programs, and school district kindergarten programs;

2.19 (7) involve parents in program planning and transition planning by implementing parent
2.20 engagement strategies that include culturally and linguistically responsive activities in
2.21 prekindergarten through third grade that are aligned with early childhood family education
2.22 under section 124D.13;

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

2.25 (9) coordinate with all relevant school district programs and services, including school
2.26 readiness programs, early childhood special education programs, programs for homeless
2.27 students, and programs for English learners;

2.28 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

2.29 (11) provide high-quality coordinated professional development, training, and coaching
2.30 for both school district and community-based early learning providers that is informed by
2.31 a measure of adult-child interactions and enables teachers to be highly knowledgeable in
2.32 early childhood curriculum content, assessment, native and English language development
2.33 programs, and instruction; and

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

3.3 (b) A voluntary prekindergarten program must have teachers knowledgeable in early
3.4 childhood curriculum content, assessment, native and English language programs, and
3.5 instruction.

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

3.10 Sec. 4. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 5, is amended
3.11 to read:

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

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

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

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

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

3.28 (c) For fiscal years prior to 2020, the commissioner must divide all applications for new
3.29 or expanded voluntary prekindergarten programs under this section meeting the requirements
3.30 of paragraph (a) and school readiness plus programs into four groups as follows: the
3.31 Minneapolis and St. Paul school districts; other school districts located in the metropolitan
3.32 equity region as defined in section 126C.10, subdivision 28; school districts located in the
3.33 rural equity region as defined in section 126C.10, subdivision 28; and charter schools.

4.1 Within each group, the applications must be ordered by rank using a sliding scale based on
4.2 the following criteria:

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

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

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

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

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

5.5 (f) For fiscal years 2018 and 2019, if the total number of participants approved based
 5.6 on applications submitted under paragraph (a) is less than the participation limit under
 5.7 subdivision 6, the commissioner must notify all school districts and charter schools of the
 5.8 amount that remains available within 30 days of the initial application deadline under
 5.9 paragraph (a), and complete a second round of allocations based on applications received
 5.10 within 60 days of the initial application deadline.

5.11 (g) For fiscal years 2018 and 2019, procedures for approving applications submitted
 5.12 under paragraph (f) shall be the same as specified in paragraphs (a) to (d), except that the
 5.13 allocations shall be made to the highest priority school sites not funded in the initial allocation
 5.14 on a statewide basis.

5.15 (h) For fiscal year 2020 and later, the commissioner may approve all applications
 5.16 submitted under paragraph (a).

5.17 Sec. 5. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 6, is amended
 5.18 to read:

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

5.23 ~~(b) In reviewing applications under subdivision 5, the commissioner must limit the~~
 5.24 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~
 5.25 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~
 5.26 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

5.27 ~~(c) The commissioner must limit the total number of funded participants in the voluntary~~
 5.28 ~~prekindergarten program under this section to not more than 3,160.~~

5.29 ~~(d) Notwithstanding paragraph (c),~~ (b) The commissioner must limit the total number
 5.30 of participants in the voluntary prekindergarten and school readiness plus programs to not
 5.31 more than 6,160 participants for fiscal year 2018 and 7,160 participants for fiscal year 2019.
 5.32 The commissioner must not limit the total number of participants in the voluntary
 5.33 prekindergarten program for fiscal years 2020 and later.

6.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 3, is amended
6.2 to read:

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

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

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

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

6.12 The commissioner may prioritize applications on additional factors including family
6.13 income, geographic location, and whether the child's family is on a waiting list for a publicly
6.14 funded program providing early education or child care services. When prioritizing
6.15 scholarships, the commissioner may consider whether the child's geographic area lacks
6.16 voluntary prekindergarten programs or school readiness programs.

6.17 (b) The commissioner shall establish a target for the average scholarship amount per
6.18 child based on the results of the rate survey conducted under section 119B.02.

6.19 (c) A four-star rated program that has children eligible for a scholarship enrolled in or
6.20 on a waiting list for a program beginning in July, August, or September may notify the
6.21 commissioner, in the form and manner prescribed by the commissioner, each year of the
6.22 program's desire to enhance program services or to serve more children than current funding
6.23 provides. ~~The commissioner may designate a predetermined number of scholarship slots~~
6.24 ~~for that program and notify the program of that number.~~ For fiscal year 2018 and later, the
6.25 statewide amount of funding directly designated by the commissioner must not exceed the
6.26 funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district
6.27 or Head Start program qualifying under this paragraph may use its established registration
6.28 process to enroll scholarship recipients and may verify a scholarship recipient's family
6.29 income in the same manner as for other program participants.

6.30 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not
6.31 been accepted and subsequently enrolled in a rated program within ten months of the
6.32 awarding of the scholarship, the scholarship cancels and the recipient must reapply in order

7.1 to be eligible for another scholarship. A child may not be awarded more than one scholarship
7.2 in a 12-month period.

7.3 (e) A child who receives a scholarship who has not completed development screening
7.4 under sections 121A.16 to 121A.19 must complete that screening within 90 days of first
7.5 attending an eligible program.

7.6 (f) For fiscal year 2017 and later, a school district or Head Start program enrolling
7.7 scholarship recipients under paragraph (c) may apply to the commissioner, in the form and
7.8 manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of
7.9 the application, the commissioner must pay each program directly for each approved
7.10 scholarship recipient enrolled under paragraph (c) according to the metered payment system
7.11 or another schedule established by the commissioner.