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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 4329

04/09/2018 Authored by Bernardy, Hansen, Bly, Olson, Schultz and others
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; making funding for voluntary prekindergarten
1.3 permanent; codifying school readiness plus; amending Minnesota Statutes 2016,
1.4 sections 124D.151, subdivision 2; 126C.10, subdivision 2d; 126C.126; Minnesota
1.5 Statutes 2017 Supplement, sections 124D.151, subdivisions 5, 6; 126C.05,
1.6 subdivision 1; Laws 2017, First Special Session chapter 5, article 8, section 9,
1.7 subdivisions 2, 5, 6; repealing Laws 2017, First Special Session chapter 5, article
1.8 8, section 8.

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

1.10 Section 1. Minnesota Statutes 2016, section 124D.151, subdivision 2, is amended to read:

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

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

1.17 (2) measure each child's cognitive and social skills using a formative measure aligned
1.18 to the state's early learning standards when the child enters and again before the child leaves
1.19 the program, screening and progress monitoring measures, and ~~others~~ other age-appropriate
1.20 versions from the state-approved menu of kindergarten entry profile measures;

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

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

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

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

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

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

2.14 (9) coordinate with all relevant school district programs and services including early
2.15 childhood special education, homeless students, and English learners;

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

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

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

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

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

3.1 Sec. 2. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 5, is amended
3.2 to read:

3.3 Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for~~
3.4 ~~program approval for fiscal year 2017, a district or charter school must submit an application~~
3.5 ~~to the commissioner by July 1, 2016.~~ To qualify for program approval for fiscal year 2018
3.6 ~~and later~~ voluntary prekindergarten under this section or school readiness plus under section
3.7 124D.152, a district or charter school must submit an application to the commissioner by
3.8 January 30 of the fiscal year prior to the fiscal year in which the program will be
3.9 implemented. The application must include:

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

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

3.14 (3) a statement of assurances signed by the superintendent or charter school director that
3.15 the proposed program meets the requirements of subdivision 2 or section 124D.152,
3.16 subdivision 2.

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

3.21 (c) The commissioner must divide all applications for new or expanded voluntary
3.22 prekindergarten programs under this section and school readiness plus programs under
3.23 section 124D.152 meeting the requirements of paragraph (a) ~~and school readiness plus~~
3.24 ~~programs~~ into ~~four~~ five groups as follows: the Minneapolis ~~and~~ school district; the St. Paul
3.25 school ~~districts~~ district; other school districts located in the metropolitan equity region as
3.26 defined in section 126C.10, subdivision 28; school districts located in the rural equity region
3.27 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the
3.28 applications must be ordered by rank using a sliding scale based on the following criteria:

3.29 (1) concentration of kindergarten students eligible for free or reduced-price lunches by
3.30 school site on October 1 of the previous school year. A school site may contract to partner
3.31 with a community-based provider or Head Start under subdivision 3 or establish an early
3.32 childhood center and use the concentration of kindergarten students eligible for free or
3.33 reduced-price meals from a specific school site as long as those eligible children are
3.34 prioritized and guaranteed services at the mixed-delivery site or early education center. For

4.1 school district programs to be operated at locations that do not have free and reduced-price
4.2 lunch concentration data for kindergarten programs for October 1 of the previous school
4.3 year, including mixed-delivery programs, the school district average concentration of
4.4 kindergarten students eligible for free or reduced-price lunches must be used for the rank
4.5 ordering;

4.6 (2) presence or absence of a three- or four-star Parent Aware rated program within the
4.7 school district or close proximity of the district. School sites with the highest concentration
4.8 of kindergarten students eligible for free or reduced-price lunches that do not have a three-
4.9 or four-star Parent Aware program within the district or close proximity of the district shall
4.10 receive the highest priority, and school sites with the lowest concentration of kindergarten
4.11 students eligible for free or reduced-price lunches that have a three- or four-star Parent
4.12 Aware rated program within the district or close proximity of the district shall receive the
4.13 lowest priority; and

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

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

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

4.32 (f) If the total number of participants approved based on applications submitted under
4.33 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must
4.34 notify all school districts and charter schools of the amount that remains available within

5.1 30 days of the initial application deadline under paragraph (a), and complete a second round
5.2 of allocations based on applications received within 60 days of the initial application deadline.

5.3 (g) Procedures for approving applications submitted under paragraph (f) shall be the
5.4 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
5.5 highest priority school sites not funded in the initial allocation on a statewide basis.

5.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

5.7 Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 6, is amended
5.8 to read:

5.9 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,
5.10 paragraph ~~(d)~~ (c), the pupil units for a voluntary prekindergarten program for an eligible
5.11 school district or charter school must not exceed 60 percent of the kindergarten pupil units
5.12 for that school district or charter school under section 126C.05, subdivision 1, paragraph
5.13 ~~(e)~~ (d).

5.14 (b) In reviewing applications under subdivision 5, ~~the commissioner must limit the~~
5.15 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~
5.16 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~
5.17 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

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

5.20 ~~(d) Notwithstanding paragraph (c), the commissioner must limit the total number of~~
5.21 ~~participants in the voluntary prekindergarten and school readiness plus programs to not~~
5.22 ~~more than 6,160 participants for fiscal year 2018 and 7,160 participants for fiscal year 2019.~~
5.23 For fiscal year 2020 and later, the commissioner must limit the total number of participants
5.24 in the voluntary prekindergarten and school readiness plus programs to not more than 105
5.25 percent of the participation limit for the previous fiscal year.

5.26 **EFFECTIVE DATE.** The changes to paragraph (a) are effective for revenue for fiscal
5.27 year 2019 and later. The changes to paragraphs (b) to (d) are effective for revenue for fiscal
5.28 year 2020 and later.

5.29 Sec. 4. Minnesota Statutes 2017 Supplement, section 126C.05, subdivision 1, is amended
5.30 to read:

5.31 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age
5.32 of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in

6.1 average daily membership enrolled in the district of residence, in another district under
 6.2 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
 6.3 chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22,
 6.4 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03
 6.5 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

6.6 (a) A prekindergarten pupil with a disability who is enrolled in a program approved by
 6.7 the commissioner and has an individualized education program is counted as the ratio of
 6.8 the number of hours of assessment and education service to 825 times 1.0 with a minimum
 6.9 average daily membership of 0.28, but not more than 1.0 pupil unit.

6.10 (b) A prekindergarten pupil who is assessed but determined not to be disabled is counted
 6.11 as the ratio of the number of hours of assessment service to 825 times 1.0.

6.12 ~~(c) A kindergarten pupil with a disability who is enrolled in a program approved by the~~
 6.13 ~~commissioner is counted as the ratio of the number of hours of assessment and education~~
 6.14 ~~services required in the fiscal year by the pupil's individualized education program to 875,~~
 6.15 ~~but not more than one.~~

6.16 ~~(d)~~ (c) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled
 6.17 in an approved voluntary prekindergarten program under section 124D.151 is counted as
 6.18 the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil
 6.19 units.

6.20 ~~(e)~~ (d) A kindergarten pupil who is not included in paragraph (e) is counted as 1.0 pupil
 6.21 unit if the pupil is enrolled in a free all-day, every day kindergarten program available to
 6.22 all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
 6.23 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
 6.24 every day kindergarten program available to all kindergarten pupils at the pupil's school.

6.25 ~~(f)~~ (e) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

6.26 ~~(g)~~ (f) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

6.27 ~~(h)~~ (g) A pupil who is in the postsecondary enrollment options program is counted as
 6.28 1.2 pupil units.

6.29 ~~(i) For fiscal years 2018 and 2019 only,~~ (h) A prekindergarten pupil who:

6.30 (1) is not included in paragraph (a), (b), or ~~(d)~~ (c);

6.31 (2) is enrolled in a school readiness plus program; and

7.1 (3) has one or more of the risk factors specified by the eligibility requirements for a
 7.2 school readiness plus program,
 7.3 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more
 7.4 than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same
 7.5 manner as a voluntary prekindergarten student for all general education and other school
 7.6 funding formulas.

7.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

7.8 Sec. 5. Minnesota Statutes 2016, section 126C.10, subdivision 2d, is amended to read:

7.9 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining enrollment
 7.10 revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance
 7.11 for that year and (2) the difference between the adjusted pupil units for the preceding year
 7.12 and the adjusted pupil units for the current year.

7.13 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil
 7.14 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the
 7.15 district or charter school in which the pupil was last counted in average daily membership.

7.16 (c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,
 7.17 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph ~~(d)~~ (c), must
 7.18 be excluded from the calculation of declining enrollment revenue.

7.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

7.20 Sec. 6. Minnesota Statutes 2016, section 126C.126, is amended to read:

7.21 **126C.126 USE OF GENERAL EDUCATION REVENUE FOR ALL-DAY**
 7.22 **KINDERGARTEN AND PREKINDERGARTEN.**

7.23 A school district may spend general education revenue on extended time kindergarten
 7.24 and prekindergarten programs. At the school board's discretion, the district may use revenue
 7.25 generated by the all-day kindergarten pupil count under section 126C.05, subdivision 1,
 7.26 paragraph ~~(d)~~ (c), to meet the needs of three- and four-year-olds in the district. A school
 7.27 district may not use these funds on programs for three- and four-year-old children while
 7.28 maintaining a fee-based all-day kindergarten program.

7.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

8.1 Sec. 7. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 2, is
8.2 amended to read:

8.3 Subd. 2. **Program requirements.** A school readiness plus program provider must:

8.4 (1) assess each child's cognitive and language skills with ~~a~~ an age-appropriate
8.5 comprehensive child assessment instrument when the child enters and again before the child
8.6 leaves the program to improve program planning and implementation, communicate with
8.7 parents, and promote kindergarten readiness;

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

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

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

8.15 (5) coordinate with relevant community-based services;

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

8.17 (7) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children
8.18 with at least one licensed teacher;

8.19 (8) have teachers knowledgeable in early childhood curriculum content, assessment,
8.20 native and English language development programs, and instruction; and

8.21 (9) provide instructional content and activities that are of sufficient length and intensity
8.22 to address learning needs including offering a program with at least 350 hours of instruction
8.23 per school year.

8.24 Sec. 8. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 5, is
8.25 amended to read:

8.26 Subd. 5. **Application process; priority for high poverty schools.** ~~(a) For 2017-2018~~
8.27 ~~school year, a school district or charter school that did not apply to participate in a voluntary~~
8.28 ~~prekindergarten program under Minnesota Statutes, section 124D.151, may apply to the~~
8.29 ~~commissioner by July 1, 2017, to participate in a school readiness plus program in the form~~
8.30 ~~and manner specified by the commissioner. By June 15, 2017, the commissioner must notify~~
8.31 ~~districts and charter schools of the availability of additional money for voluntary~~
8.32 ~~prekindergarten and school readiness plus programs. A school district or charter school that~~

9.1 ~~previously applied to participate in a voluntary prekindergarten program may amend its~~
 9.2 ~~application by July 1, 2017, to apply instead for school readiness plus. The commissioner~~
 9.3 ~~must review all applications for school readiness plus and notify applicant districts and~~
 9.4 ~~charter schools by August 1, 2017, whether they have been selected for participation.~~

9.5 (b) ~~For the 2018-2019 school year, a school district or charter school may apply to the~~
 9.6 ~~commissioner by January 30, 2018, to participate in school readiness plus in the form and~~
 9.7 ~~manner specified by the commissioner.~~

9.8 (c) ~~A district or charter school submitting an application under this section must include:~~
 9.9 ~~(1) a description of the proposed program, including the number of hours per week the~~
 9.10 ~~program will be offered at each school site or mixed-delivery location; (2) an estimate of~~
 9.11 ~~the number of eligible children to be served in the program at each school site or~~
 9.12 ~~mixed-delivery location; (3) the number of children being served that will be new to the~~
 9.13 ~~program; and (4) a statement of assurances signed by the superintendent or charter school~~
 9.14 ~~director that the proposed program meets the requirements of subdivision 2.~~

9.15 (d) ~~The commissioner must award funding for school readiness plus programs across~~
 9.16 ~~school districts and charter schools in the same manner as for the voluntary prekindergarten~~
 9.17 ~~program.~~

9.18 (e) ~~A school site or mixed-delivery site approved for aid under this subdivision remains~~
 9.19 ~~eligible for aid if the site continues to meet program requirements, regardless of changes in~~
 9.20 ~~the concentration of students eligible for free or reduced-price lunches. Applications for~~
 9.21 ~~school readiness plus must be submitted according to Minnesota Statutes, section 124D.151,
 9.22 ~~subdivision 5.~~~~

9.23 Sec. 9. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 6, is
 9.24 amended to read:

9.25 Subd. 6. **No supplanting.** For a site first qualifying in fiscal year 2018 or 2019 later,
 9.26 ~~mixed-delivery revenue, including~~ voluntary prekindergarten and school readiness plus
 9.27 program revenue; must be used to supplement not supplant existing state, federal, and local
 9.28 revenue for prekindergarten activities.

9.29 Sec. 10. REVISOR'S INSTRUCTION.

9.30 The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article
 9.31 8, section 9, as amended, as Minnesota Statutes, section 124D.152.

10.1 Sec. 11. **REPEALER.**

10.2 Laws 2017, First Special Session chapter 5, article 8, section 8, the effective date, is

10.3 repealed.

APPENDIX
Repealed Minnesota Session Laws: HF4329-0

Laws 2017, First Special Session chapter 5, article 8, section 8

Sec. 8. Minnesota Statutes 2016, section 126C.05, subdivision 1, is amended to read:

EFFECTIVE DATE. Paragraph (i) of this section expires at the end of fiscal year 2019.