

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 1238**

(SENATE AUTHORS: NELSON)

DATE	D-PG	OFFICIAL STATUS
02/14/2019	387	Introduction and first reading Referred to E-12 Finance and Policy

1.1 A bill for an act

1.2 relating to education finance; requiring a portion of voluntary prekindergarten

1.3 participants to be served through mixed-delivery services; amending Minnesota

1.4 Statutes 2018, section 124D.151, subdivisions 3, 5, 6.

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

1.6 Section 1. Minnesota Statutes 2018, section 124D.151, subdivision 3, is amended to read:

1.7 Subd. 3. ~~Mixed-delivery of~~ Mixed-delivery services. (a) A district or charter school

1.8 may contract with a charter school, Head Start or child care centers, family child care

1.9 programs licensed under section 245A.03, or a community-based organization to provide

1.10 eligible children with developmentally appropriate services that meet the program

1.11 requirements in subdivision 2. Components of a mixed-delivery plan include strategies for

1.12 recruitment, contracting, and monitoring of fiscal compliance and program quality.

1.13 (b) For fiscal year 2021 and later, for any district or charter school serving more children

1.14 under this section than in fiscal year 2020, the district or charter school must contract with

1.15 a three- or four-star Parent Aware rated program operated by a charter school, Head Start,

1.16 child care center, licensed family child care, or community-based organization for at least

1.17 40 percent of the spaces for the additional eligible children.

1.18 Sec. 2. Minnesota Statutes 2018, section 124D.151, subdivision 5, is amended to read:

1.19 Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for~~

1.20 ~~program approval for fiscal year 2017, a district or charter school must submit an application~~

1.21 ~~to the commissioner by July 1, 2016. To qualify for program approval for fiscal year 2018~~

1.22 ~~and later, a district or charter school must submit an application to the commissioner by~~

2.1 January 30 of the fiscal year prior to the fiscal year in which the program will be  
2.2 implemented. The application must include:

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

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

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

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

2.13 (c) The commissioner must divide all applications for new or expanded voluntary  
2.14 prekindergarten programs under this section meeting the requirements of paragraph (a) and  
2.15 school readiness plus programs into four groups as follows: the Minneapolis and St. Paul  
2.16 school districts; other school districts located in the metropolitan equity region as defined  
2.17 in section 126C.10, subdivision 28; school districts located in the rural equity region as  
2.18 defined in section 126C.10, subdivision 28; and charter schools. Within each group, the  
2.19 applications must be ordered by rank using a sliding scale based on the following criteria:

2.20 (1) concentration of kindergarten students eligible for free or reduced-price lunches by  
2.21 school site on October 1 of the previous school year. A school site may contract to partner  
2.22 with a community-based provider or Head Start under subdivision 3 or establish an early  
2.23 childhood center and use the concentration of kindergarten students eligible for free or  
2.24 reduced-price meals from a specific school site as long as those eligible children are  
2.25 prioritized and guaranteed services at the mixed-delivery site or early education center. For  
2.26 school district programs to be operated at locations that do not have free and reduced-price  
2.27 lunch concentration data for kindergarten programs for October 1 of the previous school  
2.28 year, including mixed-delivery programs, the school district average concentration of  
2.29 kindergarten students eligible for free or reduced-price lunches must be used for the rank  
2.30 ordering;

2.31 (2) presence or absence of a three- or four-star Parent Aware rated program within the  
2.32 school district or close proximity of the district. School sites with the highest concentration  
2.33 of kindergarten students eligible for free or reduced-price lunches that do not have a three-  
2.34 or four-star Parent Aware program within the district or close proximity of the district shall

3.1 receive the highest priority, and school sites with the lowest concentration of kindergarten  
3.2 students eligible for free or reduced-price lunches that have a three- or four-star Parent  
3.3 Aware rated program within the district or close proximity of the district shall receive the  
3.4 lowest priority; and

3.5 (3) whether the district has implemented a ~~mixed-delivery~~ mixed-delivery system.

3.6 (d) The limit on participation for the programs as specified in subdivision 6 must initially  
3.7 be allocated among the four groups based on each group's percentage share of the statewide  
3.8 kindergarten enrollment on October 1 of the previous school year. Within each group, the  
3.9 participation limit for fiscal years 2018 and 2019 must first be allocated to school sites  
3.10 approved for aid in the previous year to ensure that those sites are funded for the same  
3.11 number of participants as approved for the previous year. The remainder of the participation  
3.12 limit for each group must be allocated among school sites in priority order until that region's  
3.13 share of the participation limit is reached. If the participation limit is not reached for all  
3.14 groups, the remaining amount must be allocated to the highest priority school sites, as  
3.15 designated under this section, not funded in the initial allocation on a statewide basis. For  
3.16 fiscal year 2020 and later, the participation limit must first be allocated to school sites  
3.17 approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year  
3.18 2018 based on the statewide rankings under paragraph (c).

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

3.23 (f) If the total number of participants approved based on applications submitted under  
3.24 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must  
3.25 notify all school districts and charter schools of the amount that remains available within  
3.26 30 days of the initial application deadline under paragraph (a), and complete a second round  
3.27 of allocations based on applications received within 60 days of the initial application deadline.

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

3.31 (h) For fiscal year 2021 and later, the commissioner may waive the mixed-delivery  
3.32 requirements under subdivisions 3 and 6 for an otherwise-qualified applicant that provides  
3.33 documented evidence that the school district or charter school was unable to provide a

4.1 mixed-delivery program because of the unavailability of providers willing to contract with  
4.2 the school district or charter school or other factors beyond their control.

4.3 Sec. 3. Minnesota Statutes 2018, section 124D.151, subdivision 6, is amended to read:

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

4.8 ~~(b) In reviewing applications under subdivision 5, the commissioner must limit the~~  
4.9 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~  
4.10 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~  
4.11 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

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

4.14 ~~(d) Notwithstanding paragraph (c), the commissioner must limit the total number of~~  
4.15 ~~participants in the voluntary prekindergarten and school readiness plus programs to not~~  
4.16 ~~more than 6,160 participants for fiscal year 2018 and 7,160 participants for fiscal year 2019.~~

4.17 (c) For fiscal year 2021 and later, at least 40 percent of the number of program participants  
4.18 served under this section in excess of 3,160 participants must be served through  
4.19 mixed-delivery services according to subdivision 3.