CHAPTER 54--H.F.No. 2292

An act relating to early childhood; modifying provisions for early learning scholarships, Head Start, and early education programs; providing for early childhood educator programs; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 119A.52; 121A.17, subdivision 3; 121A.19; 124D.13, by adding a subdivision; 124D.141, subdivision 2; 124D.142, subdivision 2; 124D.162; 124D.165, subdivisions 2, 3, 4, 6, by adding a subdivision; 125A.13; proposing coding for new law in Minnesota Statutes, chapter 122A; proposing coding for new law as Minnesota Statutes, chapter 119C.

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

Section 1. Minnesota Statutes 2022, section 119A.52, is amended to read:

119A.52 DISTRIBUTION OF APPROPRIATION.

(a) The commissioner of education must distribute money appropriated for that purpose to federally designated Head Start programs to expand services and to serve additional low-income children~~. Migrant and Indian reservation programs must be initially allocated money based on the programs' share of federal funds.~~, which may include costs associated with program operations, infrastructure, or reconfiguration to serve children from birth to age five in center-based services. The distribution must occur in the following order: (1) 10.72 percent of the total Head Start appropriation must be initially allocated to federally designated Tribal Head Start programs; (2) the Tribal Head Start portion of the appropriation must be initially allocated to Tribal Head Start programs based on the programs' share of federal funds; and (3) migrant programs must be initially allocated funding based on the programs' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start program must be funded at a per child rate equal to its contracted, federally funded base level at the start of the fiscal year. For all agencies without a federal Early Head Start rate, the state average federal cost per child for Early Head Start applies. In allocating funds under this paragraph, the commissioner of education must assure that each Head Start program in existence in 1993 is allocated no less funding in any fiscal year than was allocated to that program in fiscal year 1993. Before paying money to the programs, the commissioner must notify each program of its initial allocation and how the money must be used. Each program must present a plan under section 119A.535. For any program that cannot utilize its full allocation at the beginning of the fiscal year, the commissioner must reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible programs.

(b) The commissioner must develop procedures to make payments to programs based upon the number of children reported to be enrolled during the required time period of program operations. Enrollment is defined by federal Head Start regulations. The procedures must include a reporting schedule, corrective action plan requirements, and financial consequences to be imposed on programs that do not meet full enrollment after the period of corrective action. Programs reporting chronic underenrollment, as defined by the commissioner, will have their subsequent program year allocation reduced proportionately. Funds made available by prorating payments and allocations to programs with reported underenrollment will be made available to the extent funds exist to fully enrolled Head Start programs through a form and manner prescribed by the department.

(c) Programs with approved innovative initiatives that target services to high-risk populations, including homeless families and families living in homeless shelters and transitional housing, are exempt from the procedures in paragraph (b). This exemption does not apply to entire programs. The exemption applies only to approved innovative initiatives that target services to high-risk populations, including homeless families and families living in homeless shelters, transitional housing, and permanent supportive housing.

Sec. 2. **[119C.01] GREAT START SCHOLARSHIPS PROGRAM.**

Subdivision 1. **Establishment; purpose.** The commissioner of children, youth, and families, in collaboration with the commissioner of education and the commissioner of human services, shall develop and, to the extent funds are available and notwithstanding federal and state laws to the contrary, implement a plan for the great start scholarships program to ensure affordable access to high-quality early care and learning for children from birth to kindergarten entry.

Subd. 2. **Development.** In developing the plan and implementing the program under this section, the commissioner shall:

(1) identify ways to integrate the functions, administrative structures, and funding mechanisms of early care and learning programs administered by the state with the great start scholarships program;

(2) consider the recommendations made by the Great Start for All Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article 14, section 18, subdivision 2;

(3) create a process and timeline to transition the following families to the great start scholarships program by July 1, 2028:

(i) families with at least one child receiving an early learning scholarship under section 124D.165; and

(ii) families with at least one child who is not yet in kindergarten and is receiving child care assistance under section 119B.03 or 119B.05 for care received from a provider licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed, or a Head Start program that has a rating under section 124D.142;

(4) create mechanisms for members of local communities, including families and members of the early care and learning workforce, to have input in decisions regarding needs and preferences for early care and learning options;

(5) develop a proposed method for funding early care and learning slots in response to local need through contracts with eligible providers that may be used to deliver services that meet quality and compensation standards with the intent to build early care and learning capacity statewide for children from birth to kindergarten entry; and

(6) consider how to maximize available federal resources while maintaining access to child care assistance funding under sections 119B.03 and 119B.05 for school-age children. The commissioner, in consultation with an appropriate state agency, may seek federal technical assistance or outside consultation as necessary to provide minimally burdensome program access to all participating families.

Subd. 3. **Program requirements.** The great start scholarships program must include at a minimum:

(1) a method to provide financial assistance to families voluntarily participating in the program;

(2) family eligibility for any qualifying family that has at least one child who is not yet in kindergarten;

(3) provider eligibility for:

(i) any program licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed, that participates in the quality rating and improvement system under section 124D.142; and

(ii) any school-based program and Head Start program that has a rating under section 124D.142;

(4) a unified, integrated, and simple online application process that utilizes administrative data to ease qualification and benefit determination and meet federal reporting requirements;

(5) an electronic attendance tracking system that is integrated, to the extent practicable, and payments system to safeguard program integrity and streamline billing and payment processes for providers; and

(6) a schedule for family contributions and provider payments that ensures that no participating family pays more than seven percent of annual income for early care and learning services for children from birth to kindergarten entry. Family contributions and provider payments may vary by family income, program quality, geography, and need for compensatory services, and may take into consideration the results of the market rate survey under section 119B.02, subdivision 7; information from cost estimation models for providing early care and learning in the state; and cost information gathered through contracts under subdivision 2, clause (5).

Subd. 4. **Administration; reporting requirement.** (a) By July 1, 2028, to the extent funding is appropriated and notwithstanding federal and state laws to the contrary, the commissioner shall have in place the administrative structures and systems needed for the great start scholarships program to meet the operational needs of participating families and eligible providers.

(b) By July 1, 2026, the commissioner, in consultation with the commissioners of education and human services, must submit a report to the legislative committees with jurisdiction over early care and learning on the status of planning for the program under this section. The report must:

(1) include information on progress made and work underway to develop the program;

(2) provide details about the administrative structures, systems, and funding needed to meet the needs of families and providers who may participate in the program; and

(3) identify any statutory or regulatory changes necessary for implementation of the program.

Sec. 3. Minnesota Statutes 2022, section 121A.17, subdivision 3, is amended to read:

Subd. 3. **Screening program.** (a) A screening program must include at least the following components: developmental assessments, including virtual developmental screening for families who make the request based on their immunocompromised health status or other health conditions, hearing and vision screening or referral, immunization review and referral, the child's height and weight, the date of the child's most recent comprehensive vision examination, if any, identification of risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. The district and the person performing or supervising the screening must provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice must state "Early childhood developmental screening helps a school district identify children who may benefit from district and community resources available to help in their development. Early childhood developmental screening includes a vision screening that helps detect potential eye problems but is not a substitute for a comprehensive eye exam." The notice must clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in

kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the district and the person performing or supervising the screening must convey the information in another manner. The notice must also inform the parent or guardian that a child need not submit to the district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice must be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and must be given again at the screening location.

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. A developmental screening program must not provide laboratory tests or a physical examination to any child. The district must request from the public or private health care organization or the individual health care provider the results of any laboratory test or physical examination within the 12 months preceding a child's scheduled screening. For the purposes of this section, "comprehensive vision examination" means a vision examination performed by an optometrist or ophthalmologist.

(c) If a child is without health coverage, the school district must refer the child to an appropriate health care provider.

(d) A board may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

(e) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

Sec. 4. Minnesota Statutes 2022, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~$75~~ $98 for a child screened at age three; (2) ~~$50~~ $65 for a child screened at age four; (3) ~~$40~~ $52 for a child screened at age five or six prior to kindergarten; and (4) ~~$30~~ $39 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

Sec. 5. **[122A.261] PREKINDERGARTEN, SCHOOL READINESS, PRESCHOOL, AND EARLY EDUCATION PROGRAMS; LICENSURE REQUIREMENT.**

Subdivision 1. **Licensure requirement.** (a) A school district or charter school must employ a qualified teacher, as defined in section 122A.16, to provide instruction in a preschool, school readiness, school readiness plus, or prekindergarten program or other school district or charter school-based early education program.

(b) This subdivision does not apply to individuals providing instruction in a child care center licensed under Minnesota Rules, chapter 9503, or in a certified license-exempt child care center under chapter 245H.

Subd. 2. **Exemptions.** Any teacher who has taught in a preschool, school readiness, school readiness plus, or prekindergarten program, or other early learning program for at least five years prior to September 1, 2028, may continue to teach without obtaining a license. Notwithstanding this exemption from the licensure requirement, these individuals are teachers under section 179A.03, subdivision 18.

EFFECTIVE DATE. This section is effective July 1, 2028.

Sec. 6. **[122A.731] GRANTS FOR GROW YOUR OWN EARLY CHILDHOOD AND FAMILY EDUCATOR PROGRAMS.**

Subdivision 1. **Establishment.** The commissioner of education must award grants for Grow Your Own Early Childhood Educator programs established under this section in order to develop an early childhood education workforce that more closely reflects the state's increasingly diverse student population and ensures all students have equitable access to high-quality early educators.

Subd. 2. **Grow Your Own Early Childhood and Family Educator programs.** (a) Minnesota-licensed family child care or licensed center-based child care programs, school district or charter school early learning programs, Head Start programs, institutions of higher education, and other community partnership nongovernmental organizations may apply for a grant to host, build, or expand an early childhood educator preparation program that leads to an individual earning the credential or degree needed to enter or advance in the early childhood education workforce. Examples include programs that help interested individuals earn the child development associate (CDA) credential, an associate's degree in child development, or a bachelor's degree in early childhood and family education studies or early childhood licensures. The grant recipient must use at least 80 percent of grant money for student stipends, tuition scholarships, or unique student teaching or field placement experiences.

(b) Programs providing financial support to interested individuals may require a commitment from the individuals awarded, as determined by the commissioner, to teach in the program or school for a reasonable amount of time that does not exceed one year.

Subd. 3. **Grant procedure.** (a) Eligible programs must apply for a grant under this section in the form and manner specified by the commissioner. To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between applicants in greater Minnesota and those in the metropolitan area.

(b) For the 2023-2024 school year and later, grant applications for new and existing programs must be received by the commissioner no later than January 15 of the year prior to the school year in which the grant will be used. The commissioner must review all applications and notify grant recipients by March 15 or as soon as practicable of the anticipated amount awarded. If the commissioner determines that sufficient funding is unavailable for the grants, the commissioner must notify grant applicants by June 30 or as soon as practicable that there is insufficient money.

Subd. 4. **Grow Your Own Early Childhood Education program account.** (a) The Grow Your Own Early Childhood Education program account is established in the special revenue fund.

(b) Money appropriated for the Grow Your Own Early Childhood Education program under this section must be transferred to the Grow Your Own Early Childhood Education program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for the Grow Your Own Early Childhood Education program under this section. Any returned money is available to be regranted. Grant recipients may apply to use grant money over a period of up to 60 months.

(d) Up to $175,000 annually is appropriated to the commissioner for costs associated with administering and monitoring the program under this section.

Subd. 5. **Report.** Grant recipients must annually report to the commissioner in the form and manner determined by the commissioner on their activities under this section, including the number of educators supported through grant money and the number of educators obtaining credentials by type. Data must indicate the beginning level of education and ending level of education of individual participants and an assessment of program effectiveness, including participant feedback, areas for improvement, and employment changes and current employment status, where applicable, after completing preparation programs. The commissioner must publish a report for the public that summarizes the activities and outcomes of grant recipients and what was done to promote sharing of effective practices among grant recipients and potential grant applicants.

Sec. 7. Minnesota Statutes 2022, section 124D.13, is amended by adding a subdivision to read:

Subd. 12a. **Support staff.** (a) The department must employ two full-time equivalent staff to serve as resources for programs described in this section. The staff persons must provide operational support and guidance to programs, including but not limited to providing professional development and education support, assisting with marketing and outreach, and facilitating collaborations with public and private organizations serving families.

(b) Each staff person described in this subdivision must hold a valid license as a teacher of parent and family education.

Sec. 8. Minnesota Statutes 2022, section 124D.141, subdivision 2, is amended to read:

Subd. 2. **Additional duties.** The following duties are added to those assigned to the council under federal law:

(1) make recommendations on the most efficient and effective way to leverage state and federal funding streams for early childhood and child care programs;

~~(2) make recommendations on how to coordinate or colocate early childhood and child care programs in one state Office of Early Learning. The council shall establish a task force to develop these recommendations. The task force shall include two nonexecutive branch or nonlegislative branch representatives from the council; six representatives from the early childhood caucus; two representatives each from the Departments of Education, Human Services, and Health; one representative each from a local public health agency, a local county human services agency, and a school district; and two representatives from the private nonprofit organizations that support early childhood programs in Minnesota. In developing recommendations in coordination with existing efforts of the council, the task force shall consider how to:~~

~~(i) consolidate and coordinate resources and public funding streams for early childhood education and child care, and ensure the accountability and coordinated development of all early childhood education and child care services to children from birth to kindergarten entrance;~~

~~(ii) create a seamless transition from early childhood programs to kindergarten;~~

~~(iii) encourage family choice by ensuring a mixed system of high-quality public and private programs, with local points of entry, staffed by well-qualified professionals;~~

~~(iv) ensure parents a decisive role in the planning, operation, and evaluation of programs that aid families in the care of children;~~

~~(v) provide consumer education and accessibility to early childhood education and child care resources;~~

~~(vi) advance the quality of early childhood education and child care programs in order to support the healthy development of children and preparation for their success in school;~~

~~(vii) develop a seamless service delivery system with local points of entry for early childhood education and child care programs administered by local, state, and federal agencies;~~

~~(viii) ensure effective collaboration between state and local child welfare programs and early childhood mental health programs and the Office of Early Learning;~~

~~(ix) develop and manage an effective data collection system to support the necessary functions of a coordinated system of early childhood education and child care in order to enable accurate evaluation of its impact;~~

~~(x) respect and be sensitive to family values and cultural heritage; and~~

~~(xi) establish the administrative framework for and promote the development of early childhood education and child care services in order to provide that these services, staffed by well-qualified professionals, are available in every community for all families that express a need for them.~~

~~In addition, the task force must consider the following responsibilities for transfer to the Office of Early Learning:~~

~~(A) responsibilities of the commissioner of education for early childhood education programs and financing under sections 119A.50 to 119A.535, 121A.16 to 121A.19, and 124D.129 to 124D.2211;~~

~~(B) responsibilities of the commissioner of human services for child care assistance, child care development, and early childhood learning and child protection facilities programs and financing under chapter 119B and section 256E.37; and~~

~~(C) responsibilities of the commissioner of health for family home visiting programs and financing under section 145A.17.~~

~~Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations. The council must report its recommendations to the governor and the legislature by January 15, 2011;~~

~~(3)~~ (2) review program evaluations regarding high-quality early childhood programs;

~~(4)~~ (3) make recommendations to the governor and legislature, including proposed legislation on how to most effectively create a high-quality early childhood system in Minnesota in order to improve the educational outcomes of children so that all children ~~are school-ready by 2020~~ have the opportunities and experiences to support a successful transition to kindergarten; and

~~(5) make recommendations to the governor and the legislature by March 1, 2011, on the creation and implementation of a statewide school readiness report card to monitor progress toward the goal of having all children ready for kindergarten by the year 2020. The recommendations shall include what should be~~

~~measured including both children and system indicators, what benchmarks should be established to measure state progress toward the goal, and how frequently the report card should be published. In making their recommendations, the council shall consider the indicators and strategies for Minnesota's early childhood system report, the Minnesota school readiness study, developmental assessment at kindergarten entrance, and the work of the council's accountability committee. Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations; and~~

~~(6) make recommendations to the governor and the legislature on how to screen earlier and comprehensively assess children for school readiness in order to provide increased early interventions and increase the number of children ready for kindergarten. In formulating their recommendations, the council shall consider (i) ways to interface with parents of children who are not participating in early childhood education or care programs, (ii) ways to interface with family child care providers, child care centers, and school-based early childhood and Head Start programs, (iii) if there are age-appropriate and culturally sensitive screening and assessment tools for three-, four-, and five-year-olds, (iv) the role of the medical community in screening, (v) incentives for parents to have children screened at an earlier age, (vi) incentives for early education and care providers to comprehensively assess children in order to improve instructional practice, (vii) how to phase in increases in screening and assessment over time, (viii) how the screening and assessment data will be collected and used and who will have access to the data, (ix) how to monitor progress toward the goal of having 50 percent of three-year-old children screened and 50 percent of entering kindergarteners assessed for school readiness by 2015 and 100 percent of three-year-old children screened and entering kindergarteners assessed for school readiness by 2020, and (x) costs to meet these benchmarks. The council shall consider the screening instruments and comprehensive assessment tools used in Minnesota early childhood education and care programs and kindergarten. The council may survey early childhood education and care programs in the state to determine the screening and assessment tools being used or rely on previously collected survey data, if available. For purposes of this subdivision, "school readiness" is defined as the child's skills, knowledge, and behaviors at kindergarten entrance in these areas of child development: social; self-regulation; cognitive, including language, literacy, and mathematical thinking; and physical. For purposes of this subdivision, "screening" is defined as the activities used to identify a child who may need further evaluation to determine delay in development or disability. For purposes of this subdivision, "assessment" is defined as the activities used to determine a child's level of performance in order to promote the child's learning and development. Work on this duty will begin in fiscal year 2012. Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations. The council must report its recommendations to the governor and legislature by January 15, 2013, with an interim report on February 15, 2011.~~

(4) review and provide input on the recommendations and implementation timelines developed by the Great Start For All Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article 14, section 18, subdivision 2.

Sec. 9. Minnesota Statutes 2022, section 124D.142, subdivision 2, is amended to read:

Subd. 2. **System components.** (a) The standards-based voluntary quality rating and improvement system includes:

(1) at least a one-star rating for all programs licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed that do not opt out of the system under paragraph (b) and that are not:

(i) the subject of a finding of fraud for which the program or individual is currently serving a penalty or exclusion;

(ii) prohibited from receiving public funds under section 245.095, regardless of whether the action is under appeal;

(iii) under revocation, suspension, temporary immediate suspension, or decertification, or is operating under a conditional license, regardless of whether the action is under appeal; or

(iv) the subject of suspended, denied, or terminated payments to a provider under section 119B.13, subdivision 6, paragraph (d), clause (1) or (2); 245E.02, subdivision 4, paragraph (c), clause (4); or 256.98, subdivision 1, regardless of whether the action is under appeal;

~~(1)~~ (2) quality opportunities in order to improve the educational outcomes of children so that they are ready for school;

~~(2)~~ (3) a framework based on the Minnesota quality rating system rating tool and a common set of child outcome and program standards informed by evaluation results;

~~(3)~~ (4) a tool to increase the number of publicly funded and regulated early learning and care services in both public and private market programs that are high quality;

~~(4)~~ (5) voluntary participation ensuring that if a program or provider chooses to participate, the program or provider will be rated and may receive public funding associated with the rating; and

~~(5)~~ (6) tracking progress toward statewide access to high-quality early learning and care programs, progress toward the number of low-income children whose parents can access quality programs, and progress toward increasing the number of children who are fully prepared to enter kindergarten.

(b) By July 1, 2026, the commissioner of human services shall establish a process by which a program may opt out of the rating under paragraph (a), clause (1). The commissioner shall consult with Tribes to develop a process for rating Tribally licensed programs that is consistent with the goal outlined in paragraph (a), clause (1).

Sec. 10. Minnesota Statutes 2022, section 124D.162, is amended to read:

124D.162 KINDERGARTEN ~~READINESS~~ ENTRY ASSESSMENT.

Subdivision 1. **Assessment required.** The commissioner of education ~~may~~ must implement a kindergarten ~~readiness~~ entry assessment ~~representative~~ of incoming kindergartners to identify the percent of kindergartners who meet or exceed end-of-year prekindergarten early learning standards. ~~The assessment must be based on the Department of Education Kindergarten Readiness Assessment at kindergarten entrance study.~~

Subd. 2. **Process.** (a) School districts and charter schools must choose a kindergarten entry assessment tool from a menu of valid and reliable measurement instruments approved by the department that:

(1) are aligned to the state early childhood indicators of progress and kindergarten standards and are based on the criteria to be an early learning assessment approved by the department;

(2) support the world's best workforce goals in section 120B.11, subdivision 1, paragraph (c); and

(3) are based, in part, on information collected from teachers, early learning professionals, families, and other partners.

(b) The department must provide technical assistance and professional development related to the assessment required under this section to educators, school districts, and charter schools.

Subd. 3. **Reporting.** School districts and charter schools must annually report the results of kindergarten entry assessments to the department in a form and manner determined by the commissioner that is concurrent with a district's and charter school's world's best workforce report under section 120B.11, subdivision 5. The commissioner must publicly report kindergarten readiness results as part of the performance reports required under section 120B.36 and in a manner consistent with section 120B.35, subdivision 3, paragraph (a), clause (2).

Subd. 4. **Implementation.** The requirements under this section must be phased in over three school years with all school districts and charter schools complying beginning with the 2025-2026 school year.

Sec. 11. Minnesota Statutes 2022, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must have an eligible child and meet at least one of the following ~~eligibility~~ requirements:

~~(1) have an eligible child; and~~

~~(2)~~ (1) have income equal to or less than ~~185 percent of federal poverty level income~~:

(i) the at-application rate specified in section 119B.09, subdivision 1, paragraph (a), clause (2), in the current calendar year~~, or~~; or

(ii) beginning July 1, 2025, the rate specified in United States Code, title 42, section 9858n(4)(B), as adjusted for family size;

(2) be able to document their child's current participation in the free and reduced-price ~~lunch~~ meal program or Child and Adult Care Food Program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or ~~placement~~

(3) have a child referred as in need of child protection services or placed in foster care under section 260C.212.

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is~~:~~

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

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

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

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

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

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

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

EFFECTIVE DATE. This section is effective July 1, 2024, except paragraph (b) is effective January 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 124D.165, is amended by adding a subdivision to read:

Subd. 2a. **Applications; priorities.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meet the operational needs of eligible families and programs.

(b) The commissioner must give highest priority to applications from children who:

(1) are not yet four years of age;

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

(3) are in foster care;

(4) have been referred as in need of child protection services;

(5) have an incarcerated parent;

(6) have a parent in a substance use treatment program;

(7) have a parent in a mental health treatment program;

(8) have experienced domestic violence; or

(9) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 1143a.

(c) Notwithstanding paragraph (b), beginning July 1, 2025, the commissioner must give highest priority to applications from children in families with income equal to or less than the rate specified under subdivision 2, paragraph (a), clause (1), item (i), and within this group must prioritize children who meet one or more of the criteria listed in paragraph (b).

(d) The commissioner may prioritize applications on additional factors, including but not limited to availability of funding, family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

EFFECTIVE DATE. This section is effective July 1, 2024, except paragraph (b), clause (1), is effective January 1, 2025.

Sec. 13. Minnesota Statutes 2022, section 124D.165, subdivision 3, is amended to read:

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

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

~~(2) are in foster care or otherwise~~

~~in need of protection or services; or~~

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

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

~~(b)~~ (a) The commissioner shall establish a ~~target for the average scholarship amount per child~~ schedule of tiered per-child scholarship amounts based on the results of the rate survey conducted under section 119B.02, subdivision 7, the cost of providing high-quality early care and learning to children in varying circumstances, a family's income, and geographic location.

(b) Notwithstanding paragraph (a), a program that has a four-star rating under section 124D.142 must receive, for each scholarship recipient who meets the criteria in subdivision 2a, paragraph (b) or (c), an amount not less than the cost to provide full-time care at the 75th percentile of the most recent market rate survey under section 119B.02, subdivision 7.

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

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ~~ten~~ three months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. An extension may be requested if a program is unavailable for the child within the three-month timeline. A child may not be awarded more than one scholarship in a 12-month period.

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

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

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 124D.165, subdivision 4, is amended to read:

Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an early learning scholarship, a program must~~:~~

~~(1)~~ participate in the quality rating and improvement system under section 124D.142~~; and~~.

~~(2) beginning July 1, 2024, have a three- or four-star rating in the quality rating and improvement system.~~

(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.

Sec. 15. Minnesota Statutes 2022, section 124D.165, subdivision 6, is amended to read:

Subd. 6. **Early learning scholarship account.** (a) An account is established in the special revenue fund known as the "early learning scholarship account."

(b) Funds appropriated for early learning scholarships under this section must be transferred to the early learning scholarship account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for early learning scholarships under this section. Any returned funds are available to be regranted.

(d) Up to ~~$950,000~~ $2,133,000 annually is appropriated to the commissioner for costs associated with administering and monitoring early learning scholarships.

(e) The commissioner may use funds under paragraph (c) for the purpose of family outreach and distribution of scholarships.

(f) The commissioner may use up to $5,000,000 in funds under paragraph (c) to create information technology systems, including but not limited to an online application, a case management system, attendance tracking, and a centralized payment system. Beginning July 1, 2025, the commissioner may use up to $750,000 annually in funds under paragraph (c) to maintain the information technology systems created under this paragraph.

Sec. 16. Minnesota Statutes 2022, section 125A.13, is amended to read:

125A.13 SCHOOL OF PARENTS' CHOICE.

(a) Nothing in this chapter must be construed as preventing parents of a child with a disability from sending the child to a school of their choice, if they so elect, subject to admission standards and policies adopted according to sections 125A.62 to 125A.64 and 125A.66 to 125A.73, and all other provisions of chapters 120A to 129C.

(b) The parent of a student with a disability not yet enrolled in kindergarten and not open enrolled in a nonresident district may ~~request that the resident district enter into a tuition agreement with~~ elect, in the same manner as the parent of a resident student with a disability, a school in the nonresident district ~~if:~~

~~(1)~~ where the child is enrolled in a Head Start program or a licensed child care setting in the nonresident district~~; and~~, provided

~~(2)~~ the child can be served in the same setting as other children in the nonresident district with the same level of disability.

Sec. 17. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ONE-STAR RATING REPORT.**

The commissioner of human services must engage with early care and learning providers to assess how the availability of a one-star rating under Minnesota Statutes, section 124D.142, subdivision 2, paragraph (a), clause (1), may impact the number of providers that choose to work toward higher ratings under Minnesota Statutes, section 124D.142. The commissioner must determine the cost to establish the one-star rating under Minnesota Statutes, section 124D.142, subdivision 2, paragraph (a), clause (1), and the extent to which funding is needed to support quality improvement for providers that seek to earn higher ratings. By December 31, 2024, the commissioner must report on findings under this section to the legislative committees with jurisdiction over early care and learning programs.

Sec. 18. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once.

Sec. 19. **APPROPRIATION; GREAT START SCHOLARSHIPS PROGRAM.**

$2,610,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of human services for establishing and implementing the great start scholarships program under Minnesota Statutes, section 119C.01. The commissioner may transfer all or part of the appropriation to the commissioner of children, youth, and families beginning July 1, 2024. This is a onetime appropriation and is available until June 30, 2027.

Sec. 20. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Grow Your Own.** (a) For grants to develop, continue, or expand Grow Your Own programs under Minnesota Statutes, section 122A.731:

$	2,500,000	.....	2024
$	2,500,000	.....	2025

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.731, subdivision 4.

(c) The base for fiscal year 2026 and later is $500,000.

Subd. 3. **Early childhood and family education teacher shortage.** (a) For transfer to the Office of Higher Education for grants to Minnesota institutions of higher education to address the early childhood and family education teacher shortage:

$	500,000	.....	2024
$	500,000	.....	2025

(b) Grant funds may be used to provide tuition and other supports to students.

(c) Up to five percent of the grant amount is available for grant administration and monitoring.

(d) Any balance in the first year does not cancel but is available in the second year.

Subd. 4. **School readiness.** (a) For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

$	33,683,000	.....	2024
$	33,683,000	.....	2025

(b) The 2024 appropriation includes $3,368,000 for 2023 and $30,315,000 for 2024.

(c) The 2025 appropriation includes $3,368,000 for 2024 and $30,315,000 for 2025.

Subd. 5. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

$	196,737,000	.....	2024
$	196,738,000	.....	2025

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

(c) The base for fiscal year 2026 and later is $100,173,000.

Subd. 6. **Head Start program.** (a) For Head Start programs under Minnesota Statutes, section 119A.52:

$	35,100,000	.....	2024
$	35,100,000	.....	2025

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

$	37,497,000	.....	2024
$	39,108,000	.....	2025

(b) The 2024 appropriation includes $3,518,000 for 2023 and $33,979,000 for 2024.

(c) The 2025 appropriation includes $3,775,000 for 2024 and $35,333,000 for 2025.

Subd. 8. **Early childhood family education support staff.** (a) For the purposes described under Minnesota Statutes, section 124D.13, subdivision 12a:

$	375,000	.....	2024
$	375,000	.....	2025

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 9. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

$	4,350,000	.....	2024
$	4,375,000	.....	2025

(b) The 2024 appropriation includes $349,000 for 2023 and $4,001,000 for 2024.

(c) The 2025 appropriation includes $445,000 for 2024 and $3,930,000 for 2025.

Subd. 10. **Administrative costs for developmental screening.** (a) For the administrative costs associated with developmental screening under Minnesota Statutes, sections 121A.17 and 121A.19:

$	127,000	.....	2024
$	77,000	.....	2025

(b) The base for fiscal year 2026 and later is $77,000.

Subd. 11. **ParentChild+ program.** (a) For a grant to the ParentChild+ program:

$	1,800,000	.....	2024
$	1,800,000	.....	2025

(b) The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must include urban and rural program locations for fiscal years 2024 and 2025.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2026 and later is $900,000.

Subd. 12. **Kindergarten entry assessment.** (a) For the kindergarten entry assessment under Minnesota Statutes, section 124D.162:

$	1,049,000	.....	2024
$	2,037,000	.....	2025

(b) The base for fiscal year 2026 is $2,357,000 and the base for fiscal year 2027 is $1,743,000.

Subd. 13. **Quality rating and improvement system.** (a) For transfer to the commissioner of human services for the purposes of expanding the quality rating and improvement system under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the quality rating and improvement system:

$	2,850,000	.....	2024
$	1,750,000	.....	2025

(b) The amounts in paragraph (a) must be in addition to any federal funding under the child care and development block grant authorized under Public Law 101-508 in that year for the system under Minnesota Statutes, section 124D.142.

(c) The commissioner of human services shall use up to $1,100,000 in fiscal year 2024 from the amount appropriated under paragraph (a) to establish and report on the automatic one-star rating under Minnesota Statutes, section 124D.142, subdivision 2, paragraph (a), and to offer related supports.

Subd. 14. **Children's savings accounts start-up grants.** (a) For a grant to Youthprise to implement and administer a pilot program to award grants to entities to start up new, local child savings account programs:

$	500,000	.....	2024
$	0	.....	2025

(b) Youthprise must allocate at least $400,000 of this appropriation for grants to entities in up to four locations in the state to start up new, local child savings account programs. To the extent possible, Youthprise must award grants in urban, rural, suburban, and Tribal settings.

(c) By December 1, 2025, Youthprise must report on the status and any outcomes of the pilot project to the Department of Education and relevant committees of the legislature.

(d) This is a onetime appropriation and is available through June 30, 2025.

Subd. 15. **Early childhood programs at Tribal contract schools.** (a) For early childhood family education programs at Tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

$	68,000	.....	2024
$	68,000	.....	2025

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 16. **Educate parents partnership.** (a) For the educate parents partnership under Minnesota Statutes, section 124D.129:

$	49,000	.....	2024
$	49,000	.....	2025

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 17. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

$	391,000	.....	2024
$	309,000	.....	2025

(b) The 2024 appropriation includes $41,000 for 2023 and $350,000 for 2024.

(c) The 2025 appropriation includes $38,000 for 2024 and $271,000 for 2025.

Subd. 18. **Learning with Music program.** (a) For a grant to the MacPhail Center for Music to expand the Learning with Music program:

$	250,000	.....	2024
$	250,000	.....	2025

(b) The MacPhail Center for Music must use the grant money received under this subdivision to:

(1) expand direct programming to four early childhood center locations in each year of the grant, with a focus on meeting the needs of children experiencing economic hardship in the metropolitan area; and

(2) create and deliver professional development training opportunities to early childhood educators statewide, both online and in person, that are based on current successful elements of the Learning with Music program.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2026 is $0.

Subd. 19. **Way to Grow.** (a) For a grant to Way to Grow:

$	150,000	.....	2024
$	150,000	.....	2025

(b) Way to Grow must use the grant money to extend its home visiting services, including family support services, health and wellness education, and learning support to more families with children from birth to age eight.

(c) This is a onetime appropriation.

Subd. 20. **Reach Out and Read Minnesota.** (a) For a grant to Reach Out and Read Minnesota to establish a statewide plan that encourages early childhood development through a network of health care clinics:

$	250,000	.....	2024
$	250,000	.....	2025

(b) The grant recipient must develop and implement a plan that includes:

(1) integrating children's books and parent education into well-child visits;

(2) creating literacy-rich environments at health care clinics by providing books to clinics for visits outside of Reach Out and Read Minnesota parameters, for waiting room use, or for volunteer readers to model read-aloud techniques for parents where possible;

(3) working with public health clinics, federally qualified health centers, Tribal sites, community health centers, and clinics that belong to health care systems, as well as independent clinics in underserved areas; and

(4) training medical professionals on discussing the importance of early literacy with parents of infants, toddlers, and preschoolers.

(c) The grant recipient must fully implement the plan on a statewide basis by 2030.

Subd. 21. **Executive function across generations curriculum grant.** (a) For a grant to the family partnership for an executive function curriculum pilot program:

$	300,000	.....	2024

(b) The family partnership must establish six sites across Minnesota to provide executive function across generations curriculum. The sites must be spread across the state and include rural, suburban, and urban early education and care providers, organizations providing home visiting services, or parenting groups in high-risk communities. The family partnership must report to the legislature by December 15, 2024, and December 15, 2025, on the progress made to expand the executive function curriculum across Minnesota.

(c) This is a onetime appropriation and is available until June 30, 2025.

Subd. 22. **Metro Deaf School.** (a) For a grant to Metro Deaf School to provide services to young children who have a primary disability of deaf, deafblind, or hard-of-hearing and who are not eligible for funding under Minnesota Statutes, section 124E.11, paragraph (h):

$	100,000	.....	2024
$	100,000	.....	2025

(b) This is a onetime appropriation.

Subd. 23. **Voluntary prekindergarten administrative costs.** For administrative and IT costs associated with the voluntary prekindergarten program under Minnesota Statutes, section 124D.151:

$	340,000	.....	2024
$	691,000	.....	2025

Subd. 24. **Early childhood curriculum grants.** (a) For competitive grants to Minnesota postsecondary institutions to improve the curricula of the recipient institution's early childhood education programs by incorporating or conforming to the Minnesota knowledge and competency frameworks for early childhood professionals:

$	250,000	.....	2024
$	250,000	.....	2025

(b) By December 1, 2024, and again by December 1, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over early childhood through grade 12 education and higher education finance and policy reporting on grants awarded under this subdivision. The report must include the following information for the previous fiscal year:

(1) the number of grant applications received;

(2) the criteria applied by the commissioner for evaluating applications;

(3) the number of grants awarded, grant recipients, and amounts awarded;

(4) early childhood education curricular reforms proposed by each recipient institution;

(5) grant outcomes for each recipient institution; and

(6) other information identified by the commissioner as outcome indicators.

(c) The commissioner may use no more than three percent of the appropriation under this subdivision to administer the grant program.

(d) This is a onetime appropriation.

Subd. 25. **Great start scholarships program.** (a) For establishing and implementing the great start scholarships program under Minnesota Statutes, section 119C.01:

$	1,656,000	...	2024
$	0	...	2025

(b) The commissioner may transfer all or part of the appropriation to the commissioner of children, youth, and families beginning July 1, 2024.

(c) This is a onetime appropriation and is available until June 30, 2027.

Presented to the governor May 23, 2023

Signed by the governor May 24, 2023, 9:00 a.m.