

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

S.F. No. 1276

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DATE
02/06/2023

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Introduction and first reading
Referred to Education Finance
See HF2292

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to early childhood; making changes to the early learning scholarships
1.3 program; appropriating money; amending Minnesota Statutes 2022, section
1.4 124D.165, subdivisions 2, 3.

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

1.6 Section 1. Minnesota Statutes 2022, section 124D.165, subdivision 2, is amended to read:

1.7 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
1.8 parents or guardians must meet the following eligibility requirements:

1.9 (1) have an eligible child; and

1.10 (2) have income equal to or less than ~~185~~ 200 percent of federal poverty level income
1.11 in the current calendar year, or be able to document their child's current participation in the
1.12 free and reduced-price lunch program or Child and Adult Care Food Program, National
1.13 School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food
1.14 Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code,
1.15 title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School
1.16 Readiness Act of 2007; Minnesota family investment program under chapter 256J; child
1.17 care assistance programs under chapter 119B; the supplemental nutrition assistance program;
1.18 or placement in foster care under section 260C.212.

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

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

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

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

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

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

2.7 (d) Early learning scholarships may not be counted as earned income for the purposes
 2.8 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota
 2.9 family investment program under chapter 256J, child care assistance programs under chapter
 2.10 119B, or Head Start under the federal Improving Head Start for School Readiness Act of
 2.11 2007.

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

2.17 Sec. 2. Minnesota Statutes 2022, section 124D.165, subdivision 3, is amended to read:

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

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

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

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

2.26 (4) have an incarcerated parent;

2.27 (5) have a parent in a substance use treatment program;

2.28 (6) have a parent in a mental health treatment program;

2.29 (7) have experienced domestic violence;

2.30 (8) have family income less than or equal to 185 percent of federal poverty level income
 2.31 in the current calendar year; or

3.1 ~~(3)~~(9) have experienced homelessness in the last 24 months, as defined under the federal
3.2 McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

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

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

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

3.19 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not
3.20 been accepted and subsequently enrolled in a rated program within ten months of the
3.21 awarding of the scholarship, the scholarship cancels and the recipient must reapply in order
3.22 to be eligible for another scholarship. A child may not be awarded more than one scholarship
3.23 in a 12-month period.

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

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

4.1 Sec. 3. **APPROPRIATIONS; EARLY LEARNING SCHOLARSHIPS.**

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

4.5 Subd. 2. Early learning scholarships. (a) For the early learning scholarships program
4.6 under Minnesota Statutes, section 124D.165:

4.7 \$ 555,709,000 2024

4.8 \$ 555,709,000 2025

4.9 (b) This appropriation is subject to the requirements under Minnesota Statutes, section
4.10 124D.165, subdivision 6.