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STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2393

(SENATE AUTHORS: NELSON)

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OFFICIAL STATUS

Introduction and first reading
 Referred to Human Services Reform Finance and Policy
 See First Special Session 2021, HF33, Art. 14, Sec. 3-6

- 1.1 A bill for an act
- 1.2 relating to human services; allocating funding for early learning scholarships and
- 1.3 child care assistance; modifying child care assistance funding priorities for eligible
- 1.4 families; adjusting allocation formula for basic sliding fee child care assistance
- 1.5 program; modifying definition of eligible child for early learning scholarship
- 1.6 program; establishing the retaining early educators through attaining incentives
- 1.7 now grant program; modifying certain early educator incentive programs;
- 1.8 establishing COVID-19 public health support funds for child care programs;
- 1.9 directing the commissioner of human services to evaluate the parent aware program;
- 1.10 requiring reports; allocating funds from the American Rescue Plan Act of 2021;
- 1.11 appropriating money; amending Minnesota Statutes 2020, sections 119B.03,
- 1.12 subdivisions 4, 6; 124D.142; 124D.165, subdivision 2; 136A.128, subdivisions 2,
- 1.13 4; proposing coding for new law in Minnesota Statutes, chapter 119B.
- 1.14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.15 Section 1. Minnesota Statutes 2020, section 119B.03, subdivision 4, is amended to read:
- 1.16 Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic
- 1.17 sliding fee program must be given to eligible non-MFIP families who do not have a high
- 1.18 school diploma or commissioner of education-selected high school equivalency certification
- 1.19 or who need remedial and basic skill courses in order to pursue employment or to pursue
- 1.20 education leading to employment and who need child care assistance to participate in the
- 1.21 education program. This includes student parents as defined under section 119B.011,
- 1.22 subdivision 19b. Within this priority, the following subpriorities must be used:
- 1.23 (1) child care needs of minor parents;
- 1.24 (2) child care needs of parents under 21 years of age; and
- 1.25 (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to ~~parents who have completed their MFIP or DWP transition year, or parents who are no longer receiving or eligible for diversionary work program supports~~ families in which at least one parent is a veteran, as defined under section 197.447.

(c) Third priority must be given to eligible families who ~~are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9~~ do not meet the specifications of paragraph (a), (b), (d), or (e).

(d) Fourth priority must be given to families ~~in which at least one parent is a veteran as defined under section 197.447~~ who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

(e) Fifth priority must be given to eligible families receiving services under section 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition year or if the parents are no longer receiving or eligible for DWP supports.

~~(e)~~ (f) Families under paragraph ~~(b)~~ (e) must be added to the basic sliding fee waiting list on the date they ~~begin the complete their~~ transition year under section 119B.011, subdivision 20, ~~and must be moved into the basic sliding fee program as soon as possible after they complete their transition year.~~

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 119B.03, subdivision 6, is amended to read:

Subd. 6. **Allocation formula.** The allocation component of basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 8, with any remaining available funds allocated according to the following formula:

(a) One-fourth of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation.

(b) Up to one-fourth of the funds shall be allocated in proportion to the number of families participating in the transition year child care program as reported during and averaged over the most recent six months completed at the time of the notice of allocation. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph ~~(f)~~ (e).

~~(e) Up to one-fourth of the funds shall be allocated in proportion to the average of each county's most recent six months of reported first, second, and third priority waiting list as defined in subdivision 2 and the reinstatement list of those families whose assistance was terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).~~

~~(d)~~ (c) Up to ~~one-fourth~~ one-half of the funds shall be allocated in proportion to the average of each county's most recent ~~six~~ 12 months of reported waiting list as defined in subdivision 2 and the reinstatement list of those families whose assistance was terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph ~~(f)~~ (e).

~~(e)~~ (d) The amount necessary to serve all families in paragraphs (b), ~~(e)~~, and ~~(d)~~ (c) shall be calculated based on the basic sliding fee average cost of care per family in the county with the highest cost in the most recently completed calendar year.

~~(f)~~ (e) Funds in excess of the amount necessary to serve all families in paragraphs (b), ~~(e)~~, and ~~(d)~~ (c) shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation.

EFFECTIVE DATE. This section is effective January 1, 2022. The 2022 calendar year shall be a phase-in year for the allocation formula in this section using phase-in provisions determined by the commissioner of human services.

Sec. 3. [119B.195] RETAINING EARLY EDUCATORS THROUGH ATTAINING INCENTIVES NOW (REETAIN) GRANT PROGRAM.

Subdivision 1. Establishment; purpose. The retaining early educators through attaining incentives now (REETAIN) grant program is established to provide competitive grants to incentivize well-trained child care professionals to remain in the workforce. The overall goal of the REETAIN grant program is to create more consistent care for children over time.

Subd. 2. Administration. The commissioner shall administer the REETAIN grant program through a grant to a nonprofit with the demonstrated ability to manage benefit programs for child care professionals. Up to ten percent of grant money may be used for administration of the grant program.

4.1 Subd. 3. **Application.** Applicants must apply for the REETAIN grant program using
4.2 the forms and according to timelines established by the commissioner.

4.3 Subd. 4. **Eligibility.** (a) To be eligible for a grant, an applicant must:

4.4 (1) be licensed to provide child care or work for a licensed child care program;

4.5 (2) work directly with children at least 30 hours per week;

4.6 (3) have worked in the applicant's current position for at least 12 months;

4.7 (4) agree to work in the early childhood care and education field for at least 12 months
4.8 upon receiving a grant under this section;

4.9 (5) have a career lattice step of five or higher;

4.10 (6) have a current membership with the Minnesota quality improvement and registry
4.11 tool;

4.12 (7) not be a current teacher education and compensation helps scholarship recipient; and

4.13 (8) meet any other requirements determined by the commissioner.

4.14 (b) Grant recipients must sign a contract agreeing to remain in the early childhood care
4.15 and education field for 12 months.

4.16 Subd. 5. **Grant awards.** Grant awards must be made annually and may be made up to
4.17 an amount for each recipient determined by the commissioner. Grant recipients may use
4.18 grant money for program supplies, training, or personal expenses.

4.19 Subd. 6. **Report.** By January 1 of each year, the commissioner must report to the
4.20 legislative committees with jurisdiction over child care about the number of grants awarded
4.21 to recipients, and outcomes of the grant program since the last report.

4.22 Sec. 4. Minnesota Statutes 2020, section 124D.142, is amended to read:

4.23 **124D.142 QUALITY RATING AND IMPROVEMENT SYSTEM.**

4.24 Subdivision 1. **System established.** (a) There is established a quality rating and
4.25 improvement system (QRIS) framework, known as Parent Aware, to ensure that Minnesota's
4.26 children have access to high-quality early learning and care programs in a range of settings
4.27 so that they are fully ready for kindergarten by 2020. ~~Creation of a standards-based voluntary~~
4.28 ~~quality rating and improvement system includes:~~

4.29 Subd. 2. **System components.** The standards-based, voluntary quality rating and
4.30 improvement system includes:

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

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

~~(2) (3) 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) voluntary participation that ensures 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. ~~The state shall develop a plan to link future early learning and care state funding to the framework in a manner that complies with federal requirements; and~~

~~(3) (5) 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) In planning a statewide quality rating and improvement system framework in paragraph (a), the state shall use evaluation results of the Minnesota quality rating system rating tool in use in fiscal year 2008 to recommend:~~

~~(1) a framework of a common set of child outcome and program standards for a voluntary statewide quality rating and improvement system;~~

~~(2) a plan to link future funding to the framework described in paragraph (a), clause (2); and~~

~~(3) a plan for how the state will realign existing state and federal administrative resources to implement the voluntary quality rating and improvement system framework. The state shall provide the recommendation in this paragraph to the early childhood education finance committees of the legislature by March 15, 2011.~~

~~(c) Prior to the creation of a statewide quality rating and improvement system in paragraph (a), the state shall employ the Minnesota quality rating system rating tool in use in fiscal year 2008 in the original Minnesota Early Learning Foundation pilot areas and additional pilot areas supported by private or public funds with its modification as a result of the evaluation results of the pilot project.~~

Subd. 3. **Evaluation.** (a) By February 1, 2022, the commissioner of human services must arrange an independent evaluation of the quality rating and improvement system's effectiveness and impact on:

6.1 (1) children's progress toward school readiness;

6.2 (2) the quality of the early learning and care system supply and workforce; and

6.3 (3) parents' ability to access and use meaningful information about early learning and
6.4 care program quality.

6.5 (b) The evaluation must be performed by a staff member from another agency or a
6.6 consultant. An evaluator must have experience in program evaluation and must not be
6.7 regularly involved in implementation of the quality rating and improvement system.

6.8 (c) The evaluation findings, along with the commissioner's recommendations for
6.9 revisions, potential future evaluations, and plans for continuous improvement, must be
6.10 reported to the chairs and ranking members of the legislative committees with jurisdiction
6.11 over early childhood programs by December 31, 2024.

6.12 (d) At a minimum, the evaluation must:

6.13 (1) analyze the effectiveness of the quality rating and improvement system, including
6.14 but not limited to reviewing:

6.15 (i) whether quality indicators and measures used in the quality rating and improvement
6.16 system are consistent with evidence and research findings on early learning and care program
6.17 quality; and

6.18 (ii) patterns or differences in observed quality of participating early learning and care
6.19 programs compared to programs at other quality rating and improvement system star rating
6.20 levels and accounting for other factors;

6.21 (2) perform evidence-based assessments of children's developmental gains in ways that
6.22 are appropriate for children's linguistic and cultural backgrounds and are aligned with the
6.23 state early childhood indicators of progress;

6.24 (3) analyze the extent to which differences in developmental gains among children
6.25 correspond to the star ratings of the early learning and care programs, providing disaggregated
6.26 findings by:

6.27 (i) children's demographic factors, including geographic area, family income level, and
6.28 racial and ethnic groups;

6.29 (ii) type of provider, including family child care providers, child care centers, Head Start
6.30 and Early Head Start, and school-based early childhood providers; and

6.31 (iii) any other categories identified by the commissioner, in consultation with the
6.32 commissioners of health and education or entity performing the evaluation;

(4) analyze the accessibility for providers to participate in the quality rating and improvement system, including ease of application and supports for a provider to receive or improve a rating, and provide disaggregated findings by geographic area and type of provider, including family child care providers, child care centers, Head Start and Early Head Start, and school-based early childhood providers; and

(5) analyze the availability of providers participating in the quality rating and improvement system to families, and provide disaggregated findings by geographic area and type of provider, including family child care providers, child care centers, Head Start and Early Head Start, and school-based early childhood providers.

Sec. 5. Minnesota Statutes 2020, 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 meet the following eligibility requirements:

(1) have an eligible child; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch 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 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~~ six years of age on September 1 of the current school year;

(2) a sibling from birth to age ~~five~~ six 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.

Sec. 6. Minnesota Statutes 2020, section 136A.128, subdivision 2, is amended to read:

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

(1) tuition scholarships up to ~~\$5,000~~ \$10,000 per year for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's degree or bachelor's degree in early childhood development and school-age care; and

(2) education incentives of a minimum of ~~\$100~~ \$250 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed early childhood or child care program and working directly with children, a licensed family child care provider, employed by a public prekindergarten program, or an employee in a school-age program exempt from licensing under section 245A.03, subdivision 2, paragraph (a), clause (12). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute at least ten percent of the total scholarship and must be sponsored by their employers, who must also contribute ~~ten~~ at least five percent of the total scholarship. Scholarship recipients who are self-employed must contribute 20 percent of the total scholarship.

Sec. 7. Minnesota Statutes 2020, section 136A.128, subdivision 4, is amended to read:

Subd. 4. **Administration.** A nonprofit organization that receives a grant under this section may use ~~five~~ ten percent of the grant amount to administer the program.

Sec. 8. **COVID-19 PUBLIC HEALTH SUPPORT FUNDS FOR CHILD CARE PROGRAMS.**

Subdivision 1. Public health support funds. (a) The commissioner of human services shall distribute COVID-19 public health support funds to eligible child care programs to support the higher costs to operate safely as defined by state and federal public health guidance, including but not limited to efforts to create smaller and consistent child groupings, screening procedures, quarantine periods, cleaning and sanitation, additional sick leave, substitute teachers, supports for distance learning and incentive pay, and other public health measures that prevent transmission of COVID-19 and protect families and staff.

(b) The commissioner shall distribute monthly base grant awards under subdivision 4 for a distribution period beginning June 2021 until either December 2021, until one month following the end of the peacetime emergency declared in response to the COVID-19 pandemic, or until funds are no longer available, whichever is sooner.

(c) The commissioner shall distribute monthly bonus grant payments under subdivision 5 for a distribution period beginning June 2021 through September 30, 2023.

Subd. 2. Eligible programs. (a) The following programs are eligible to receive public health support funds under this section:

(1) family and group family day care homes licensed under Minnesota Rules, chapter 9502;

(2) child care centers licensed under Minnesota Rules, chapter 9503;

(3) certified license-exempt child care centers under Minnesota Statutes, chapter 245H; and

(4) tribally licensed child care programs.

(b) Programs must not be:

(1) the subject of a finding of fraud;

(2) prohibited from receiving public funds under Minnesota Statutes, section 245.095;

or

(3) under revocation, suspension, temporary immediate suspension, or decertification, regardless of whether the action is under appeal.

(c) Public health support funds under this section must be made available to all eligible programs on a noncompetitive basis.

Subd. 3. Requirements to receive public health support funds. (a) To receive funds under this section, an eligible program must complete a monthly application for COVID-19 public health support funds, attesting and agreeing in writing that the program has been operating and serving children during each month's funding period. An applicant program must further attest and agree in writing that the program intends to remain operating and serving children through the remainder of each month's funding period. Exceptions to this operating requirement are:

(1) service disruptions that are necessary due to public health guidance to protect the safety and health of children and child care programs issued by the Centers for Disease Control and Prevention, commissioner of health, commissioner of human services, or a local public health agency; and

(2) planned temporary closures for provider vacation and holidays for up to three weeks over the duration of the funding months from June 1, 2021, to December 31, 2021, but not sequentially.

Temporary closures must be reported to the Department of Human Services using a form prescribed by the commissioner. For licensed and certified centers, only temporary closures of the entire program need to be reported; classroom closures or other operating adjustments do not need to be reported.

(b) Providers who close permanently for any reason are subject to recovery of funds for any period of time after program closure. Permanent closures must be reported to the Department of Human Services using a form prescribed by the commissioner.

(c) Notwithstanding paragraphs (a) and (b), if the commissioner determines that the temporary or permanent closure of one program is undertaken to ensure the continued availability of services to children by another program, the commissioner may issue the closed program's public health support funds to the program that has agreed to accept the children previously cared for by the closed program whether or not all the children choose to go to the remaining program and whether or not the remaining program is already receiving public health support funds.

(d) To receive funds under this section, an eligible program must:

11.1 (1) continue to comply with all other requirements listed in the application for 2021
11.2 COVID-19 public health support funds; and

11.3 (2) prioritize use of the funds during the monthly award periods, and use the funds to
11.4 cover costs incurred during the peacetime emergency declared by the governor relating to
11.5 COVID-19.

11.6 Subd. 4. **Maximum base payment to programs.** (a) An eligible family child care
11.7 program may receive up to \$1,200 in monthly public health support funds.

11.8 (b) An eligible licensed child care center may receive up to \$8,500 in monthly public
11.9 health support funds.

11.10 (c) An eligible certified child care center may receive up to \$3,000 in monthly public
11.11 health support funds.

11.12 (d) The commissioner of human services shall calculate monthly base payment amounts
11.13 that are based upon the changing needs of providers to comply with public health guidance
11.14 but do not exceed the amounts in paragraphs (a) to (c).

11.15 Subd. 5. **Bonus payment to programs.** (a) An eligible child care provider may receive
11.16 a monthly bonus payment if the provider meets one or both of the following criteria:

11.17 (1) the program currently operates or begins to operate in an area of the state with a
11.18 documented shortage of child care providers based on the current licensed capacity in the
11.19 area compared to the estimated number of children under age six with both parents working;
11.20 or

11.21 (2) the program serves children from families that qualify for the child care assistance
11.22 program under Minnesota Statutes, section 119B.03 or 119B.05, children from families that
11.23 qualify for early learning scholarships under Minnesota Statutes, section 124D.165, or
11.24 children with disabilities or who are otherwise in need of special assistance or support.

11.25 (b) The amount of a provider's bonus payment may be multiplied by a factor to be
11.26 determined by the commissioner of human services that corresponds with the program's
11.27 star rating in the Parent Aware program under Minnesota Statutes, section 124D.142.

11.28 (c) The commissioner of human services shall determine the amounts of each type of
11.29 bonus payment in paragraph (a). The amount for a bonus payment under paragraph (a),
11.30 clause (1), shall be proportionate to the number of children served by the program. The
11.31 amount for a bonus payment under paragraph (a), clause (2), shall be based upon the number
11.32 of program slots filled by children that meet the criteria. The multiplication factor under
11.33 paragraph (b) shall be tiered based upon the program's star rating in the quality rating and

12.1 improvement system under Minnesota Statutes, section 124D.142, with a four-star rating
12.2 receiving the highest multiplication factor.

12.3 **Sec. 9. CHILD CARE AND DEVELOPMENT BLOCK GRANT ALLOCATION;**
12.4 **TRANSFER FUNDS FOR EARLY LEARNING SCHOLARSHIPS.**

12.5 The commissioner of human services shall allocate \$73,000,000 in fiscal year 2022 and
12.6 \$73,000,000 in fiscal year 2023 from the amount Minnesota received under the American
12.7 Rescue Plan Act for the child care and development block grant, to be transferred to the
12.8 commissioner of education for the early learning scholarship program under Minnesota
12.9 Statutes, section 124D.165. For purposes of expending federal resources, the commissioner
12.10 of human services shall consult with the commissioner of education to ensure that the
12.11 transferred resources are deployed to support prioritized groups of children, including but
12.12 not limited to the groups identified in Minnesota Statutes, section 124D.165, while identifying
12.13 and implementing any other necessary changes to maintain compliance with the federal
12.14 child care and development block grant requirements.

12.15 **Sec. 10. CHILD CARE AND DEVELOPMENT BLOCK GRANT ALLOCATION;**
12.16 **CHILD CARE ASSISTANCE PROGRAM BASIC SLIDING FEE WAITING LIST.**

12.17 The commissioner of human services shall allocate up to \$33,000,000 in fiscal year 2022
12.18 and up to \$33,000,000 in fiscal year 2023 from the amount Minnesota received under the
12.19 American Rescue Plan Act for the child care and development block grant, for the basic
12.20 sliding fee child care assistance program waiting list under Minnesota Statutes, section
12.21 119B.03, subdivision 2.

12.22 **Sec. 11. CHILD CARE AND DEVELOPMENT BLOCK GRANT ALLOCATION;**
12.23 **PARENT AWARE PROGRAM EVALUATION.**

12.24 The commissioner of human services shall allocate \$1,650,000 in fiscal year 2022 from
12.25 the child care and development block grant funds in the federal fund for the Parent Aware
12.26 program evaluation in section 4.

12.27 **Sec. 12. CHILD CARE STABILIZATION FUND ALLOCATION; COVID-19**
12.28 **PUBLIC HEALTH SUPPORT FUNDS FOR CHILD CARE.**

12.29 (a) The commissioner of human services shall allocate \$..... in fiscal year 2022 from
12.30 the amount Minnesota received under the American Rescue Plan Act for the child care
12.31 stabilization fund for COVID-19 public health support funds for child care base grant awards

in section 8, subdivision 4. This is a onetime allocation available until December 31, 2021, or until 60 days after the expiration of the peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19, whichever occurs earlier. Any unobligated or unexpended amounts cancel on January 1, 2022, or 60 days after the expiration of the peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19, whichever occurs earlier.

(b) The commissioner of human services shall allocate \$..... in fiscal year 2022 from the amount Minnesota received under the American Rescue Plan Act for the child care stabilization fund for COVID-19 public health support funds for child care bonus grant awards in section 8, subdivision 5. This is a onetime allocation available until September 30, 2023.

**Sec. 13. CHILD CARE STABILIZATION FUND ALLOCATION;
ADMINISTRATION AND CHILD CARE SUPPLY INCREASES.**

(a) The commissioner of human services shall allocate \$32,503,300 in fiscal year 2022 from the amount Minnesota received under the American Rescue Plan Act for the child care stabilization fund for administrative costs and to carry out activities to increase the supply of child care.

(b) Of the amount in paragraph (a), up to \$11,000,000 is for:

(1) administrative costs to administer the child care development grants in paragraph (c) and the COVID-19 public health support funds for child care providers in section 8;

(2) providing technical assistance and support for grant applicants;

(3) publicizing the availability of the grant programs;

(4) providing technical assistance to help child care providers understand and implement public health guidance; and

(5) evaluating the results of the grant programs funded by the child care stabilization fund, including but not limited to the effects on the available supply of child care, effects on child care quality, changes in child care compensation or workforce retention, and effects on continuity of care.

(c) Of the amount in paragraph (a), \$20,000,000 is for one grant of \$8,000,000 to the Minnesota Initiative Foundations to identify and fund projects outside the metropolitan area, one grant of \$8,000,000 to an intermediary entity to identify and fund projects in the metropolitan area, and \$4,000,000 is for a competitive grant process to be administered by

the Department of Human Services. Fifty percent of grant funds must be used for the authorized activities in clauses (1) to (4) of this paragraph, and 50 percent of grant funds must be used for the authorized activities in clause (5) of this paragraph. Grant funds shall be available until June 30, 2023, and must be used for the following authorized activities:

(1) facilitate planning processes for communities resulting in a community solution action plan that guides decision making to sustain and increase the number of quality child care providers in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure child care is a vital component of additional regional economic development planning processes;

(3) provide high quality, locally based training and technical assistance to child care business owners through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen;

(4) recruit child care programs to participate in Parent Aware under Minnesota Statutes, section 124D.142, by providing targeted resources designed to encourage high levels of participation. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and curriculum. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through Parent Aware; and

(5) fund proposals that modify or improve a child care setting that the applicant demonstrates would result in a program improvement or satisfy a licensing requirement.

(d) Of the amount in paragraph (a), \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are for teacher education and compensation helps (TEACH) program grants under Minnesota Statutes, section 136A.128.

(e) Of the amount in paragraph (a), \$250,000 in fiscal year 2022 and \$250,000 in fiscal year 2023 are for retaining early educators through attaining incentives now (REETAIN) grants under Minnesota Statutes, section 119B.195.

Sec. 14. APPROPRIATION; EARLY LEARNING SCHOLARSHIP PROGRAM.

\$123,709,000 in fiscal year 2022 and fiscal year 2023 is appropriated from the general fund to the commissioner of education for the early learning scholarship program under Minnesota Statutes, section 124D.165. The base for fiscal year 2024 and later shall be \$70,709,000.

15.1 Sec. 15. **REVISOR INSTRUCTION.**

15.2 The revisor of statutes shall renumber Minnesota Statutes, section 136A.128, in Minnesota
15.3 Statutes, chapter 119B. The revisor shall also make necessary cross-reference changes
15.4 consistent with the renumbering.