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.

(e) 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. 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 for a child screened at age three; (2) $50 for a child screened at age four; (3) $40 for a child screened at age five or six prior to kindergarten; and (4) $30 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. 3. 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 collocate 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.221;

(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.

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

(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;

(4) 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

(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, and (vi) incentives for early education and care providers to comprehensively assess children ready for kindergarten.
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 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.

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

(b) In reviewing applications under subdivision 5, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants for fiscal years 2019, 2020, 2021, 2022, and 2023, and 3,160 participants for fiscal years 2024 and later. EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

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EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

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

(b) In reviewing applications under subdivision 5, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants for fiscal years 2019, 2020, 2021, 2022, and 2023, and 3,160 participants for fiscal years 2024 and later. EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.
Sec. 4. 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 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 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.
Sec. 4. 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) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or;

(3) 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.

(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;

(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. 5. 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. 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 or otherwise;
4. have been referred as in need of child protection or services;
5. have an incarcerated parent; or
6. 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;

(b) 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.

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

(d) 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 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.

(e) 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 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 can be requested if a program is
A child may not be awarded more than one scholarship in a 12-month period. 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.

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.

Sec. 5. 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;
3. have been referred as in need of child protection services;
4. have an incarcerated parent;
5. have a parent in a substance use treatment program;
6. have a parent in a mental health treatment program;
7. have experienced domestic violence;
8. have family income less than or equal to 185 percent of federal poverty level income in the current calendar year; 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 11434a;

The commissioner may prioritize applications or 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.
The commissioner shall establish a target for the average scholarship amount per
child based on the results of the rate survey conducted under section 119B.02.

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.

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 months of the
awarding of the scholarship, the scholarship cancels and the recipient must reapply in order
to be eligible for another scholarship. A child may not be awarded more than one scholarship
in a 12-month period.

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.

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.

Sec. 6. 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.
Section 2. Minnesota Statutes 2022, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. Pupil unit. Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 123D.03, 124D.08, or 124D.68; in a charter school under chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

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

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

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

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

(e) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.
A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

For fiscal years 2018 through 2023, a prekindergarten pupil who:

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

(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program.

For fiscal years 2018 through 2023, a prekindergarten pupil who:

(1) is not included in paragraph (a), (b), or (c); and

(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program.

For fiscal years 2018 through 2023, a prekindergarten pupil who:

(1) is not included in paragraph (a), (b), or (c); and

(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program.

Compensation revenue pupil units. Compensation revenue pupil units must be computed according to this subdivision.

Subd. 3. Compensation revenue pupil units. Compensation revenue pupil units must be computed according to this subdivision.

(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; to

(2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building’s compensation revenue concentration percentage by 80.0.

(c) The compensation revenue pupil units for a building equals the product of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; to

(2) the compensation revenue pupil weighting factor for the building; times

(3) .60.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.
(d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs under section 124D.151; charter schools; and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten seats discontinued in fiscal year 2024 due to the reduction in the participation limit under section 124D.151, subdivision 6, those discontinued seats must not be used to calculate compensation revenue pupil units for fiscal year 2024.

(f) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

(g) Notwithstanding paragraphs (a) to (f), for revenue in fiscal year 2025 only, the compensation revenue pupil units for each building in a district equals the greater of the building's actual compensation revenue pupil units computed according to paragraphs (a) to (f), for revenue in fiscal year 2025, or the building's actual compensation revenue pupil units computed according to paragraphs (a) to (f), for revenue in fiscal year 2024.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 6. Minnesota Statutes 2022, section 126C.10, subdivision 2d, is amended to read:

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

(b) Notwithstanding paragraph (a), for fiscal year 2024 only, prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be excluded from the calculation of declining enrollment revenue.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 7. Appropriations.

Subd. 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. Developmental screening aid. (d) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19.
Subd. 3. Early childhood family education aid. (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

- $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. 4. 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. 5. Early childhood teacher shortage. (a) For transfer to the Office of Higher Education for grants to Minnesota institutions of higher education to address the early childhood education teacher shortage:

- $490,000 2024
- $490,000 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.

(e) The base for fiscal year 2026 and later is $700,000.
Subd. 6. Early learning scholarships. (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
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<tr>
<td>2024</td>
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</tr>
<tr>
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<td>$205,969,000</td>
<td>2025</td>
</tr>
</tbody>
</table>

(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 $105,974,000.

Subd. 7. Educate parents partnership. (a) For the educate parents partnership under Minnesota Statutes, section 124D.129:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$49,000</td>
<td>2024</td>
</tr>
<tr>
<td>2025</td>
<td>$49,000</td>
<td>2025</td>
</tr>
</tbody>
</table>

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

Subd. 8. Head Start program. (a) For Head Start programs under Minnesota Statutes, section 119A.52:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$35,100,000</td>
<td>2024</td>
</tr>
<tr>
<td>2025</td>
<td>$35,100,000</td>
<td>2025</td>
</tr>
</tbody>
</table>

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

Subd. 9. Home visiting aid. (a) For home visiting aid under Minnesota Statutes, section 124D.135:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$391,000</td>
<td>2024</td>
</tr>
<tr>
<td>2025</td>
<td>$309,000</td>
<td>2025</td>
</tr>
</tbody>
</table>

(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. 10. Kindergarten entrance assessment initiative and intervention program. For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:
Subd. 11. Learning with Music program. (a) For a grant to the MacPhail Center for Music to expand the Learning with Music program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$281,000</td>
<td></td>
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<tr>
<td>2025</td>
<td>$281,000</td>
<td></td>
</tr>
</tbody>
</table>

(b) The MacPhail Center for Music must use the grant funds 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. 12. ParentChild+ program. For a grant to the ParentChild+ program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$1,800,000</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>$1,800,000</td>
<td></td>
</tr>
</tbody>
</table>

(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.

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:
(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.

Subd. 14. 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:

2024 $1,750,000
2025 $1,750,000

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

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

(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.