ARTICLE 10
EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2023 Supplement, section 124D.151, subdivision 5, is amended to read:

Subd. 5. Application process; priority for high poverty schools.

(a) To qualify for program approval for fiscal year 2017, a district or charter school must submit an application to the commissioner by July 1, 2016. To qualify for program approval for fiscal year 2018 and later, a district or charter school must submit an application to the commissioner by January 30 of the fiscal year prior to the fiscal year in which the program will be implemented. The application must include:

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

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

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

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

(c) The commissioner must divide all applications for new or expanded voluntary prekindergarten programs under this section meeting the requirements of paragraph (a) and school readiness plus programs into four five groups as follows: the Minneapolis school district; the St. Paul school districts; other school districts located in the metropolitan equity region as defined in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools.

Within each group, the applications must be ordered by rank using a sliding scale based on:

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

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price meals that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price meals that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority; and

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

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

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

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

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

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 2. Minnesota Statutes 2022, section 124D.151, is amended by adding a subdivision to read:

Subd. 5a. Participation limit allocation. (a) Beginning July 1, 2024, the participation limit specified in subdivision 6 must be initially allocated as follows:

(1) a school site or mixed delivery site must receive the same number of seats the site received in fiscal year 2024; and

(2) the remaining seats must be allocated among the five groups identified under subdivision 5, paragraph (c), based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year.

(b) Within each group:

(1) the seats must be first allocated to any school sites and mixed delivery sites approved for aid in the previous year; and

(2) any remaining seats must be allocated among school sites in priority order, as determined under subdivision 5, paragraph (c), until the group's share of seats are allocated.

(c) If a group's entire share of seats is not allocated under paragraphs (a) and (b), then the remaining seats must be allocated to the highest priority school sites and mixed delivery sites in the state, as designated under subdivision 5, paragraph (c), not funded in the allocation under paragraphs (a) and (b).

(d) Once a school site or a mixed delivery site is approved for aid under subdivision 5 and is allocated seats under this subdivision, it shall remain eligible for aid and seats if it continues to meet program requirements, regardless of changes in the concentration of students eligible for free or reduced-price meals.

(e) If the total number of participants approved based on applications submitted under subdivision 5, paragraph (a), is less than the participation limit under subdivision 6, the commissioner must notify all school districts and charter schools of the amount that remains available within 30 days of the initial application deadline under subdivision 5, paragraph (a), and complete a second round of allocations based on applications received within 60 days of the initial application deadline.

(f) Procedures for approving applications submitted under paragraph (e) shall be the same as specified in subdivision 5, and the allocations shall be made to the highest priority school sites in the state as designated under subdivision 5, paragraph (c), not funded in the initial allocation under paragraphs (a) and (b).

EFFECTIVE DATE. This section is effective the day following final enactment.
Section 1. Minnesota Statutes 2023 Supplement, section 124D.151, subdivision 6, is amended to read:

Subd. 6. Participation limits. (a) Notwithstanding section 126C.05, subdivision 1, paragraph (c), 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 (d).

(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 2023, 2024, and 2025, and 12,360 participants for fiscal year 2026 and later.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2023 Supplement, section 124D.165, subdivision 3, is amended to read:

Subd. 3. Administration. (a) The commissioner shall establish a 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 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...

EFFECTIVE DATE. This section is effective the day following final enactment.
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 through calendar year 2025, 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.

(g) Beginning January 1, 2026, the commissioner must:

(1) make scholarship payments to eligible programs in advance of or at the beginning
of the delivery of services based on an approved scholarship recipient's enrollment; and

(2) implement a process for transferring scholarship awards between eligible programs,
when initiated by a scholarship recipient. Under the process, the commissioner:

(i) may adjust scholarship payment schedules for eligible programs to account for changes
in a scholarship recipient's enrollment; and

(ii) must specify a period of time for which scholarship payments must continue to an
eligible program for a scholarship recipient who transfers to a different eligible program.

(h) By January 1, 2026, the commissioner must have information technology systems
in place that prioritize efficiency and usability for families and early childhood programs
and that support the following:

(1) the ability for a family to apply for a scholarship through an online system that allows
the family to upload documents that demonstrate scholarship eligibility;

(2) the administration of scholarships, including but not limited to verification of family
and child eligibility, identification of programs eligible to accept scholarships, management
of scholarship awards and payments, and communication with families and eligible programs;

(3) making scholarship payments to eligible programs in advance of or at the beginning
of the delivery of services for an approved scholarship recipient;

(i) In creating the information technology systems and functions under paragraph (h),
the commissioner must consider the requirements for and the potential transition to the great
start scholarships program under section 119B.99.
Sec. 3. Minnesota Statutes 2023 Supplement, 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 $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 and maintain the information technology systems, including but not limited to an online application, a case management system, attendance tracking, and a centralized payment system under subdivision 3, paragraph (h). 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.
(g) By December 31 of each year, the commissioner must provide a written report to the legislative committees with jurisdiction over early care and learning programs on the use of funds under paragraph (c) for purposes other than providing scholarships to eligible children.

Sec. 4. Minnesota Statutes 2022, section 124D.19, subdivision 11, is amended to read:

Subd. 11. School-age care programs. (a) A school board may offer, as part of a community education program, a school-age care program for children from kindergarten enrolled in the district through grade 6 for the purpose of expanding students' learning opportunities. If the school board chooses not to offer a school-age care program, it may allow an appropriate insured community group, for-profit entity or nonprofit organization to use available school facilities for the purpose of offering a school-age care program.
(b) A school-age care program must include the following:
(1) adult supervised programs while school is not in session;
(2) parental involvement in program design and direction;
(3) partnerships with the kindergarten through grade 12 system, and other public, private, or nonprofit entities;
opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program; and

(5) access to available school facilities, including the gymnasium, sports equipment, computer labs, and media centers, when not otherwise in use as part of the operation of the school. The school district may establish reasonable rules relating to access to these facilities and may require that

(i) the organization request access to the facilities and prepare and maintain a schedule of proposed use;

(ii) the organization provide evidence of adequate insurance to cover the activities to be conducted in the facilities; and

(iii) the organization prepare and maintain a plan demonstrating the adequacy and training of staff to supervise the use of the facilities.

The district may charge a sliding fee based upon family income for school-age care programs. The district may receive money from other public or private sources for the school-age care program. The board of the district must develop standards for school-age child care programs. The commissioner of education may not adopt rules for school-age care programs.

The district shall maintain a separate account within the community services fund for all funds related to the school-age care program.

A district is encouraged to coordinate the school-age care program with its special education, vocational education, adult basic education, early childhood family education programs, kindergarten through grade 12 instruction and curriculum services, youth development and youth service agencies, and with related services provided by other governmental agencies and nonprofit agencies.

Sec. 5. Laws 2023, chapter 54, section 20, subdivision 6, is amended to read:

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

(b) Up to two percent of the appropriation in fiscal year 2025 is available for administration.

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

Effect Date: This section is effective the day following final enactment.
Sec. 6. Laws 2023, chapter 54, section 20, subdivision 24, is amended to read:

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:

(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.

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

This is a one-time appropriation.

Section 7 is effective the day following final enactment.

(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.

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

This is a one-time appropriation.

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

EFFECTIVE DATE. This section is effective the day following final enactment.

The commissioner of education must retroactively adjust the voluntary prekindergarten and school readiness plus seat allocation under Minnesota Statutes, section 124D.151, subdivision 5a, for fiscal year 2025 to match the participation limit under Minnesota Statutes, section 124D.141, subdivision 6, for fiscal year 2025. The commissioner of education, in consultation with the Department of Children, Youth, and Families Implementation Office, must finish allocating the new seats for fiscal year 2025 by June 1, 2024, and must notify qualifying school districts and charter schools about the new seats by June 15, 2024.
78.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

78.27 Sec. 8. **REPEALER.**

78.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Laws 2023, chapter 55, article 10, section 4, is repealed.