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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 150

01/09/2023 Authored by Pinto, Kotyza-Witthuhn, Hicks, Coulter, Pérez-Vega and others
The bill was read for the first time and referred to the Committee on Children and Families Finance and Policy
01/23/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
01/25/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to child care; modifying child care stabilization base grants and early
1.3 learning scholarships; appropriating money; amending Minnesota Statutes 2022,
1.4 section 124D.165, subdivision 2; Laws 2021, First Special Session chapter 7,
1.5 article 14, section 21, subdivision 4.

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

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

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

1.10 (1) have an eligible child; and

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

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

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

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

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

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

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

2.9 (d) Early learning scholarships may not be counted as earned income for the purposes
2.10 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota
2.11 family investment program under chapter 256J, child care assistance programs under chapter
2.12 119B, or Head Start under the federal Improving Head Start for School Readiness Act of
2.13 2007.

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

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

2.20 Sec. 2. Laws 2021, First Special Session chapter 7, article 14, section 21, subdivision 4,
2.21 is amended to read:

2.22 Subd. 4. **Grant awards.** (a) The commissioner shall award transition grants to all eligible
2.23 programs on a noncompetitive basis through August 31, 2021.

2.24 (b) The commissioner shall award base grant amounts to all eligible programs on a
2.25 noncompetitive basis beginning September 1, 2021, through June 30, 2023. The base grant
2.26 amounts shall be:

2.27 (1) based on the full-time equivalent number of staff who regularly care for children in
2.28 the program, including any employees, sole proprietors, or independent contractors;

2.29 (2) reduced between July 1, 2022, and ~~June 30, 2023, with amounts for the final month~~
2.30 ~~being no more than 50 percent of the amounts awarded in September 2021~~ March 31, 2023,
2.31 and increased, to the extent possible, to at least the amount awarded in September 2021 for
2.32 each of April through June 2023; and

3.1 (3) enhanced in amounts determined by the commissioner for any providers receiving
3.2 payments through the child care assistance program under sections 119B.03 and 119B.05
3.3 or early learning scholarships under section 124D.165.

3.4 (c) The commissioner may provide grant amounts in addition to any base grants received
3.5 to eligible programs in extreme financial hardship until all money set aside for that purpose
3.6 is awarded.

3.7 (d) The commissioner may pay any grants awarded to eligible programs under this
3.8 section in the form and manner established by the commissioner, except that such payments
3.9 must occur on a monthly basis.

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

3.11 Sec. 3. **APPROPRIATION; CHILD CARE STABILIZATION GRANTS.**

3.12 \$12,250,000 in fiscal year 2023 is appropriated from the general fund to the commissioner
3.13 of human services to increase the child care stabilization base grant amounts under Laws
3.14 2021, First Special Session chapter 7, article 14, section 21, for April through June 2023.
3.15 This amount is in addition to any other amount appropriated for this purpose. This is a
3.16 onetime appropriation.

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

3.18 Sec. 4. **APPROPRIATION; EARLY LEARNING SCHOLARSHIPS.**

3.19 \$40,000,000 in fiscal year 2023 is appropriated from the general fund to the Department
3.20 of Education for early learning scholarships. This amount is in addition to any other amount
3.21 appropriated for this purpose and is subject to the requirements under Minnesota Statutes,
3.22 section 124D.165, subdivision 6. This amount must not be added to the base for fiscal year
3.23 2024.

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