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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2474

03/14/2019 Authored by Claflin
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to economic development; creating a child care economic grant program;
1.3 appropriating money.

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

1.5 Section 1. CHILD CARE ECONOMIC DEVELOPMENT GRANT PROGRAM.

1.6 Subdivision 1. Establishment. A grant program is established under the Department of
1.7 Employment and Economic Development to award grants to eligible local communities to
1.8 increase the availability of child care in order to reduce the child care shortage in the
1.9 community, and support increased workforce participation, business expansion and retention,
1.10 and new business location.

1.11 Subd. 2. Definitions. For the purposes of this section, the following terms have the
1.12 meanings given them:

1.13 (1) "commissioner" means the commissioner of employment and economic development;

1.14 (2) "child care" has the meaning given in section 119B.011;

1.15 (3) "political subdivision" means a county, statutory or home rule charter city, or school
1.16 district; and

1.17 (4) "Indian tribe" means one of the federally recognized Minnesota tribes listed in section
1.18 3.922, subdivision 1, clause (1).

1.19 Subd. 3. Eligible expenditures. The commissioner may make grants under this section
1.20 to implement solutions to reduce the child care shortage in the state including but not limited
1.21 to funding for child care business start-ups or expansions, training, facility modifications

2.1 or improvements required for licensing, and assistance with licensing and other regulatory
2.2 requirements.

2.3 Subd. 4. **Eligible applicants.** Eligible applicants for grants awarded under this section
2.4 include:

2.5 (1) a political subdivision;

2.6 (2) an Indian tribe;

2.7 (3) a Minnesota nonprofit organization organized under chapter 317 having experience
2.8 in one or more of the following: the operation of, planning for, financing of, advocacy for,
2.9 or advancement of the delivery of child care services in a defined service area spanning the
2.10 boundaries of one or more political subdivisions.

2.11 Subd. 5. **Application process.** (a) An eligible applicant must submit an application to
2.12 the commissioner on a form prescribed by the commissioner. The commissioner shall
2.13 develop procedures governing the application and grant award process. The commissioner
2.14 shall act as fiscal agent for the grant program and shall be responsible for receiving and
2.15 reviewing grant applications and awarding grants under this section.

2.16 (b) At least 30 days prior to the first day applications may be submitted each fiscal year,
2.17 the commissioner must publish on the department's website the specific criteria and any
2.18 quantitative weighting scheme or scoring system the commissioner will use to evaluate or
2.19 rank applications and award grants under subdivision 6.

2.20 Subd. 6. **Application contents.** An applicant for a grant under this section shall provide
2.21 the following information on the application:

2.22 (1) the service area of the project;

2.23 (2) the project budget;

2.24 (3) evidence of the child care shortage in the community in which the project is to be
2.25 located;

2.26 (4) the number of licensed child care slots that will be created as a result of the project;

2.27 (5) the number of families with children under age six that will have access to child care
2.28 as a result of the project;

2.29 (6) community employers and businesses that will benefit from the proposed project;

2.30 (7) evidence of community support for the project;

2.31 (8) the total cost of the project;

3.1 (9) sources of funding or in-kind contributions for the project that will supplement any
3.2 grant award; and

3.3 (10) any additional information requested by the commissioner.

3.4 Subd. 7. **Awarding grants.** (a) In evaluating applications and awarding grants, the
3.5 commissioner may give priority to applications that:

3.6 (1) are in areas that have a documented shortage of affordable quality child care;

3.7 (2) demonstrate programmatic or financial collaborations and partnering among private
3.8 sector employers, public and nonprofit organizations within geographic areas;

3.9 (3) serve areas of the state experiencing worker shortages, low prime age workforce
3.10 participation rates, or prime age worker population loss that is significantly greater than the
3.11 statewide average;

3.12 (4) provide evidence of strong support for the project from citizens, government,
3.13 businesses, and institutions in the community;

3.14 (5) leverage greater amounts of funding for the project from private and nonstate public
3.15 sources.

3.16 (b) The commissioner shall endeavor to award grants under this section to qualified
3.17 applicants in all regions of the state.

3.18 Subd. 8. **Limitation.** (a) No grant awarded under this section may fund more than 50
3.19 percent of the total cost of a project.

3.20 (b) Grants awarded to a single project under this section must not exceed \$100,000.

3.21 Sec. 2. **APPROPRIATION.**

3.22 \$500,000 in fiscal year 2020 and \$500,000 in fiscal year 2021 are appropriated from the
3.23 general fund to the commissioner of employment and economic development for the child
3.24 care economic grant program in section 1. This is a onetime appropriation.