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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SIXTH  
SESSION

**HOUSE FILE No. 601**

February 9, 2009

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to early education; continuing the prekindergarten exploratory projects;  
1.3 continuing family, friend, and neighbor grants; continuing school readiness  
1.4 service agreements; appropriating money; amending Minnesota Statutes 2008,  
1.5 section 119B.231, subdivisions 2, 3, 4; Laws 2007, chapter 147, article 2, section  
1.6 62.

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

1.8 Section 1. Minnesota Statutes 2008, section 119B.231, subdivision 2, is amended to  
1.9 read:

1.10 Subd. 2. **Provider eligibility.** (a) To be considered for an SRSA, a provider shall  
1.11 apply to the commissioner or have been chosen as an SRSA provider prior to June 30,  
1.12 2009, and have complied with all requirements of the SRSA agreement. Priority for funds  
1.13 is given to providers who had agreements prior to June 30, 2009. If sufficient funds are  
1.14 available, the commissioner shall make applications available to additional providers. To  
1.15 be eligible to apply for an SRSA, a provider shall:

1.16 (1) be eligible for child care assistance payments under chapter 119B;

1.17 (2) have at least 25 percent of the children enrolled with the provider subsidized  
1.18 through the child care assistance program;

1.19 (3) provide full-time, full-year child care services; and

1.20 (4) ~~serve at least one child who is subsidized through the child care assistance~~  
1.21 ~~program and who is expected to enter kindergarten within the following 30 months~~ have  
1.22 obtained a level 3 or 4 rating under the Parent Aware quality rating system.

1.23 (b) The commissioner may waive the 25 percent requirement in paragraph (a),  
1.24 clause (2), if necessary to achieve geographic distribution of SRSA providers and diversity  
1.25 of types of care provided by SRSA providers.

2.1 (c) An eligible provider who would like to enter into an SRSA with the commissioner  
 2.2 shall submit an SRSA application. To determine whether to enter into an SRSA with a  
 2.3 provider, the commissioner shall evaluate the following factors:

2.4 (1) the ~~qualifications of the provider and the provider's staff~~ provider's Parent  
 2.5 Aware rating score;

2.6 ~~(2) the provider's staff-child ratios;~~

2.7 ~~(3) the provider's curriculum;~~

2.8 ~~(4) the provider's current or planned parent education activities;~~

2.9 ~~(5)~~ (2) the provider's current or planned social service and employment linkages;

2.10 ~~(6) the provider's child development assessment plan;~~

2.11 ~~(7)~~ (3) the geographic distribution needed for SRSA providers;

2.12 ~~(8)~~ (4) the inclusion of a variety of child care delivery models; and

2.13 ~~(9)~~ (5) other related factors determined by the commissioner.

2.14 Sec. 2. Minnesota Statutes 2008, section 119B.231, subdivision 3, is amended to read:

2.15 Subd. 3. **Family and child eligibility.** (a) A family eligible to choose an SRSA  
 2.16 provider for their children shall:

2.17 (1) be eligible to receive child care assistance under any provision in chapter 119B  
 2.18 except section 119B.035;

2.19 (2) be in an authorized activity for an average of at least 35 hours per week when  
 2.20 initial eligibility is determined; and

2.21 (3) include a child who has not yet entered kindergarten.

2.22 (b) A family who is determined to be eligible to choose an SRSA provider remains  
 2.23 eligible to be paid at a higher rate through the SRSA provider when the following  
 2.24 conditions exist:

2.25 (1) the child attends child care with the SRSA provider a minimum of 25 hours per  
 2.26 week, on average;

2.27 (2) the family has a child who has not yet entered kindergarten; and

2.28 (3) the family maintains eligibility under chapter 119B except section 119B.035.

2.29 (c) ~~For the 12 months~~ After initial eligibility has been determined, a decrease in the  
 2.30 family's authorized activities to an average of less than 35 hours per week does not result  
 2.31 in ineligibility for the SRSA rate. A family must continue to maintain eligibility under this  
 2.32 chapter and be in an authorized activity.

2.33 (d) A family that moves between counties but continues to use the same SRSA  
 2.34 provider shall continue to receive SRSA funding for the increased payments.

3.1 Sec. 3. Minnesota Statutes 2008, section 119B.231, subdivision 4, is amended to read:

3.2 Subd. 4. **Requirements of providers.** An SRSA must include assessment,  
 3.3 evaluation, and reporting requirements that promote the goals of improved school  
 3.4 readiness and movement toward appropriate child development milestones. A provider  
 3.5 who enters into an SRSA shall comply with all SRSA requirements, including the  
 3.6 assessment, evaluation, and reporting requirements in the SRSA. Providers who have been  
 3.7 selected previously for SRSAs must begin the process to obtain a rating using Parent  
 3.8 Aware according to timelines established by the commissioner. If the initial Parent Aware  
 3.9 rating is less than three stars, the provider must submit a plan to improve the rating. If a  
 3.10 three- or four-star rating is not obtained within established timelines, the commissioner  
 3.11 may consider continuation of the agreement, depending upon the progress made and other  
 3.12 factors. Providers who apply and are selected for a new SRSA agreement on or after July  
 3.13 1, 2009, must have a level three- or four-star rating under the Parent Aware quality rating  
 3.14 system at the time the SRSA agreement is signed.

3.15 Sec. 4. Laws 2007, chapter 147, article 2, section 62, is amended to read:

3.16 Sec. 62. **PREKINDERGARTEN EXPLORATORY PROJECTS.**

3.17 Subdivision 1. **Early childhood allowance.** The commissioners of human services  
 3.18 and education shall establish three prekindergarten exploratory projects to be conducted in  
 3.19 partnership with the Minnesota Early Learning Foundation to promote children's school  
 3.20 readiness. The exploratory projects shall be designed and evaluated by the Minnesota  
 3.21 Early Learning Foundation.

3.22 Subd. 2. **Family eligibility.** Parents or legal guardians with incomes less than or  
 3.23 equal to ~~185~~ 46 percent of ~~the federal poverty guidelines~~ state median income are eligible  
 3.24 to receive allowances to pay for their children's education in a quality early education  
 3.25 program, in an amount not to exceed \$4,000 per child per year. The allowance must be  
 3.26 used during the 12 months following receipt of the allowance by the claimant for a child  
 3.27 who is age 3 or 4 on August 31, to pay for services designed to promote school readiness  
 3.28 in a quality early education setting. A quality program is one that meets the standards  
 3.29 in subdivision 3. Parents or legal guardians must not be asked to provide information  
 3.30 regarding immigration status as a condition of eligibility.

3.31 Subd. 3. **Quality standards.** (a) A quality early care and education setting is any  
 3.32 service or program that receives a quality rating from the Department of Human Services  
 3.33 under the Minnesota Early Learning Foundation quality rating system administered by  
 3.34 the Department of Human Services and agrees to accept a prekindergarten education  
 3.35 allowance to pay for services. For fiscal years 2008 and 2009 only, a provider may satisfy

4.1 the quality rating system requirements and be deemed eligible to participate in this  
4.2 program if the provider has received a provisional quality rating system approval from  
4.3 either the Department of Human Services or the Department of Education.

4.4 (b) For the purposes of receiving a provisional quality rating, a child care program or  
4.5 provider must be approved by the commissioner of human services and a school readiness  
4.6 program or a Head Start program must be approved by the commissioner of education.  
4.7 Programs and providers must apply for approval in the form and manner prescribed by the  
4.8 commissioners. To receive approval, the commissioners must determine that applicants:

4.9 (1) use research-based curricula that are aligned with the education standards under  
4.10 Minnesota Statutes, section 120B.021, instruction, and child assessment instruments  
4.11 approved by the Department of Education and the Department of Human Services, in  
4.12 consultation with the Minnesota Early Learning Foundation;

4.13 (2) provide a program of sufficient intensity and duration to improve the school  
4.14 readiness of participating children;

4.15 (3) provide opportunities for parent involvement; and

4.16 (4) meet other research-based criteria determined necessary by the commissioners.

4.17 (c) For 2008 and 2009, notwithstanding paragraph (b), Head Start programs  
4.18 meeting Head Start performance standards and accredited child care centers are granted  
4.19 a provisional quality rating for the purposes of receiving a prekindergarten education  
4.20 allowance under this statute.

4.21 (d) A provider deemed eligible to receive a prekindergarten education allowance  
4.22 under paragraphs (a) to (c) may use the allowance to enhance services above the current  
4.23 quality levels, increase the duration of services provided, or expand the number of children  
4.24 to whom services are provided.

4.25 (e) For fiscal years 2008 and 2009 only, when no quality program is available, a  
4.26 recipient may direct the prekindergarten education allowance to a provider or program for  
4.27 school readiness quality improvements that will make the provider or program eligible  
4.28 for a quality rating according to the quality rating system. Allowable expenditures that  
4.29 will increase the capacity of the provider or program to help children be ready for school  
4.30 include purchase of curricula and assessment tools, training on the use of curriculum and  
4.31 assessment tools, purchase of materials to improve the learning environment, or other  
4.32 expenditures approved by the commissioner of human services for child care providers  
4.33 and the commissioner of education for school readiness programs.

4.34 Subd. 4. **Eligibility; applications.** Eligible families must have incomes less  
4.35 than or equal to ~~185~~ 46 percent of ~~the federal poverty guidelines~~ state median income.  
4.36 Allowances paid to families under this program may not be counted as earned income

5.1 for the purposes of medical assistance, MinnesotaCare, MFIP, child care assistance, or  
5.2 Head Start programs.

5.3 Subd. 5. **Expenditures.** This program shall operate during fiscal years 2008 ~~and~~,  
5.4 2009, 2010, and 2011.

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

5.6 Sec. 5. **APPROPRIATIONS.**

5.7 Subdivision 1. **School readiness service agreements.** \$..... is appropriated from  
5.8 the general fund for the biennium ending June 30, 2011, to the commissioner of human  
5.9 services for the school readiness service agreements under Minnesota Statutes, section  
5.10 119B.231. This appropriation is added to the base.

5.11 Subd. 2. **Prekindergarten exploratory projects.** \$..... is appropriated from the  
5.12 general fund for the biennium ending June 30, 2011, to the commissioner of human  
5.13 services for the prekindergarten exploratory projects under Laws 2007, chapter 147, article  
5.14 2, section 62. This appropriation is for grants to the city of St. Paul, Hennepin County,  
5.15 and Blue Earth County to continue scholarship demonstration projects to be conducted in  
5.16 partnership with the Minnesota Early Learning Foundation to promote children's school  
5.17 readiness.

5.18 Subd. 3. **Family, friend, and neighbor grants.** \$..... is appropriated from the  
5.19 general fund for the biennium ending June 30, 2011, to the commissioner of human  
5.20 services for the family, friend, and neighbor grant program under Minnesota Statutes,  
5.21 section 119B.232. This appropriation is added to the base.