

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 820

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Introduction and first reading
Referred to Health and Human Services Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to early childhood; creating additional funding and opportunities for
1.3 children ages birth to three; governing certain programs and funding for prenatal
1.4 care services, home visiting, early childhood education, and child care assistance;
1.5 appropriating money; amending Minnesota Statutes 2018, sections 119B.13,
1.6 subdivision 1; 124D.151, subdivision 6; 126C.05, subdivision 1; 145.928,
1.7 subdivisions 1, 7; Laws 2017, First Special Session chapter 5, article 8, section 8;
1.8 proposing coding for new law in Minnesota Statutes, chapters 16A; 145.

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

1.10 **ARTICLE 1**
1.11 **PRENATAL CARE**

1.12 Section 1. **GREAT START FOR ALL MINNESOTA CHILDREN ACT.**

1.13 This act may be cited as the "Great Start For All Minnesota Children Act."

1.14 Sec. 2. Minnesota Statutes 2018, section 145.928, subdivision 1, is amended to read:

1.15 Subdivision 1. **Goal; establishment.** It is the goal of the state, by 2010, to decrease by
1.16 50 percent the disparities in infant mortality rates and adult and child immunization rates
1.17 for American Indians and populations of color, as compared with rates for whites. To do
1.18 so and to achieve other measurable outcomes, the commissioner of health shall establish a
1.19 program to close the gap in the health status of American Indians and populations of color
1.20 as compared with whites in the following priority areas: infant mortality, access to and
1.21 utilization of high-quality prenatal care, breast and cervical cancer screening, HIV/AIDS
1.22 and sexually transmitted infections, adult and child immunizations, cardiovascular disease,
1.23 diabetes, and accidental injuries and violence.

2.1 Sec. 3. Minnesota Statutes 2018, section 145.928, subdivision 7, is amended to read:

2.2 Subd. 7. **Community grant program; immunization rates, prenatal care access and**
 2.3 **utilization, and infant mortality rates.** (a) The commissioner shall award grants to eligible
 2.4 applicants for local or regional projects and initiatives directed at reducing health disparities
 2.5 in one or ~~both~~ more of the following priority areas:

2.6 (1) decreasing racial and ethnic disparities in infant mortality rates; ~~or~~

2.7 (2) decreasing racial and ethnic disparities in access to and utilization of high-quality
 2.8 prenatal care; or

2.9 ~~(2)~~ (3) increasing adult and child immunization rates in nonwhite racial and ethnic
 2.10 populations.

2.11 (b) The commissioner may award up to 20 percent of the funds available as planning
 2.12 grants. Planning grants must be used to address such areas as community assessment,
 2.13 coordination activities, and development of community supported strategies.

2.14 (c) Eligible applicants may include, but are not limited to, faith-based organizations,
 2.15 social service organizations, community nonprofit organizations, community health boards,
 2.16 tribal governments, and community clinics. Applicants must submit proposals to the
 2.17 commissioner. A proposal must specify the strategies to be implemented to address one or
 2.18 ~~both~~ more of the priority areas listed in paragraph (a) and must be targeted to achieve the
 2.19 outcomes established according to subdivision 3.

2.20 (d) The commissioner shall give priority to applicants who demonstrate that their
 2.21 proposed project or initiative:

2.22 (1) is supported by the community the applicant will serve;

2.23 (2) is research-based or based on promising strategies;

2.24 (3) is designed to complement other related community activities;

2.25 (4) utilizes strategies that positively impact ~~both~~ two or more priority areas;

2.26 (5) reflects racially and ethnically appropriate approaches; and

2.27 (6) will be implemented through or with community-based organizations that reflect the
 2.28 race or ethnicity of the population to be reached.

2.29 Sec. 4. **APPROPRIATION.**

2.30 \$5,000,000 in fiscal year 2020 and \$5,000,000 in fiscal year 2021 are appropriated from
 2.31 the general fund to the commissioner of health for grants under Minnesota Statutes, section

3.1 145.928, subdivision 7, paragraph (a), clause (2), to decrease racial and ethnic disparities
3.2 in access to and utilization of high-quality prenatal care. This amount is in addition to base
3.3 appropriations and funding.

3.4 **ARTICLE 2**

3.5 **HOME VISITING**

3.6 **Section 1. [145.87] HOME VISITING FOR PREGNANT WOMEN AND FAMILIES**
3.7 **WITH YOUNG CHILDREN.**

3.8 Subdivision 1. **Grants for home visiting programs.** (a) The commissioner shall award
3.9 grants to community health boards, nonprofit organizations, and tribal nations to start up
3.10 or expand home visiting programs serving pregnant women and families with young children.
3.11 Grant funds must be used:

3.12 (1) to start up or expand evidence-based home visiting programs, or home visiting
3.13 programs that are culturally or ethnically targeted to the county, reservation, or region of
3.14 operation; and

3.15 (2) to serve families with young children or pregnant women who are high risk or have
3.16 high needs; parents who have a history of mental illness, domestic abuse, or substance
3.17 abuse; first-time mothers; or families who are eligible for medical assistance or the federal
3.18 Special Supplemental Nutrition Program for Women, Infants, and Children.

3.19 (b) If a home visiting program serves first-time mothers, the program must provide
3.20 services prenatally until the child is three years of age in order to receive grant funds under
3.21 this section.

3.22 Subd. 2. **Grant awards.** (a) The commissioner shall award grants to entities in urban
3.23 and rural areas of the state. In awarding grants in rural areas, the commissioner shall give
3.24 priority to community health boards, nonprofit organizations, and tribal nations seeking to
3.25 expand home visiting services within regional partnerships that provide home visiting
3.26 services.

3.27 (b) The commissioner shall allocate at least 75 percent of the grant funds awarded each
3.28 grant cycle to evidence-based home visiting programs and up to 25 percent of the grant
3.29 funds awarded each grant cycle to culturally or ethnically targeted home visiting programs.

3.30 Subd. 3. **No supplanting of existing funds.** Funding awarded under this section shall
3.31 only be used to supplement, and not to replace, funds being used for evidence-based or
3.32 culturally or ethnically targeted home visiting services as of June 30, 2017.

4.1 Subd. 4. **Administrative costs.** The commissioner may use up to seven percent of the
 4.2 annual appropriation under this section to provide training and technical assistance and to
 4.3 administer and evaluate the program.

4.4 Sec. 2. **APPROPRIATIONS.**

4.5 \$23,000,000 in fiscal year 2020 and \$41,600,000 in fiscal year 2021 are appropriated
 4.6 from the general fund to the commissioner of health for grants for home visiting services
 4.7 under Minnesota Statutes, section 145.87. This amount is in addition to base appropriations,
 4.8 and \$56,500,000 is added to the base in each year for fiscal years 2022 and after.

4.9 **ARTICLE 3**

4.10 **EARLY LEARNING AND CARE**

4.11 Section 1. **[16A.89] GREAT START FUND.**

4.12 Subdivision 1. **Fund established.** A great start fund is established in the state treasury.
 4.13 The fund consists of money provided by law, and any other funds donated, allotted,
 4.14 transferred, or otherwise provided.

4.15 Subd. 2. **Birth to three; appropriations.** (a) An amount is annually appropriated from
 4.16 the great start fund to the commissioner of education for early learning scholarships under
 4.17 section 124D.165. The amount appropriated is as necessary to ensure program availability
 4.18 to all eligible applicants, taking into account funds available for the basic sliding fee child
 4.19 care assistance program.

4.20 (b) An amount is annually appropriated from the great start fund to the commissioner
 4.21 of human services for the basic sliding fee child care assistance program under section
 4.22 119B.03. The amount appropriated is as necessary to ensure program availability to all
 4.23 eligible applicants, taking into account any other funds available for the program from state
 4.24 and federal sources and available for early learning scholarships.

4.25 (c) The appropriations in paragraphs (a) and (b) are only available for families who meet
 4.26 the requirements under subdivision 3.

4.27 Subd. 3. **Birth to three; eligibility.** (a) The eligibility requirements for funds appropriated
 4.28 under subdivision 2 are as follows:

4.29 (1) the parents or guardians have income equal to or less than 400 percent of the federal
 4.30 poverty level income in the current calendar year; and

4.31 (2) a child is from birth to age three on September 1 of the current school year.

5.1 (b) Eligibility under this subdivision applies notwithstanding sections 119B.09,
 5.2 subdivision 1, and 124D.165, subdivision 2.

5.3 Subd. 4. **Graduated early learning scholarships.** For funds appropriated under
 5.4 subdivision 2, the commissioner of education must use graduated scholarship award amounts
 5.5 for parents or guardians who have income that is more than 300 percent of the federal
 5.6 poverty level income. The graduated award amount is calculated as:

5.7 (1) the original award amount; multiplied by

5.8 (2) the ratio of (i) 400 percent, less the percent of the federal poverty level income for
 5.9 the parents or guardians; to (ii) 100 percent.

5.10 Subd. 5. **Administration.** (a) The commissioners of education and human services must
 5.11 collaborate to ensure effective and coordinated use of funds appropriated under this section.

5.12 (b) The commissioner of human services may extend the sliding fee scale under section
 5.13 119B.12 to accommodate family eligibility under this section, which must be structured in
 5.14 a manner that corresponds to the existing scale.

5.15 Subd. 6. **Transfers.** The amount necessary for the appropriations in this section is
 5.16 transferred in each year from the general fund to the commissioner of management and
 5.17 budget for deposit in the great start fund.

5.18 Sec. 2. Minnesota Statutes 2018, section 119B.13, subdivision 1, is amended to read:

5.19 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~February 3, 2014~~ July 1, 2019, the
 5.20 maximum rate paid for child care assistance in any county or county price cluster under the
 5.21 child care fund shall be the greater of:

5.22 (1) the ~~25th~~ 75th percentile of the ~~2011~~ most recent biennial child care provider rate
 5.23 survey ~~or~~ under section 119B.02, subdivision 7; or

5.24 (2) the maximum rate effective ~~November 28, 2011~~ June 30, 2019; or

5.25 (3) for infant care, the 100th percentile of the most recent child care provider rate survey.

5.26 For a child care provider located within the boundaries of a city located in two or more of
 5.27 the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child care
 5.28 assistance shall be equal to the maximum rate paid in the county with the highest maximum
 5.29 reimbursement rates or the provider's charge, whichever is less. The commissioner may:

5.30 (1) assign a county with no reported provider prices to a similar price cluster; and (2) consider
 5.31 county level access when determining final price clusters.

6.1 (b) A rate which includes a special needs rate paid under subdivision 3 may be in excess
6.2 of the maximum rate allowed under this subdivision.

6.3 (c) The department shall monitor the effect of this paragraph on provider rates. The
6.4 county shall pay the provider's full charges for every child in care up to the maximum
6.5 established. The commissioner shall determine the maximum rate for each type of care on
6.6 an hourly, full-day, and weekly basis, including special needs and disability care.

6.7 (d) If a child uses one provider, the maximum payment for one day of care must not
6.8 exceed the daily rate. The maximum payment for one week of care must not exceed the
6.9 weekly rate.

6.10 (e) If a child uses two providers under section 119B.097, the maximum payment must
6.11 not exceed:

6.12 (1) the daily rate for one day of care;

6.13 (2) the weekly rate for one week of care by the child's primary provider; and

6.14 (3) two daily rates during two weeks of care by a child's secondary provider.

6.15 (f) Child care providers receiving reimbursement under this chapter must not be paid
6.16 activity fees or an additional amount above the maximum rates for care provided during
6.17 nonstandard hours for families receiving assistance.

6.18 (g) If the provider charge is greater than the maximum provider rate allowed, the parent
6.19 is responsible for payment of the difference in the rates in addition to any family co-payment
6.20 fee.

6.21 (h) All maximum provider rates changes shall be implemented on the Monday following
6.22 the effective date of the maximum provider rate.

6.23 (i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration
6.24 fees in effect on January 1, 2013, shall remain in effect.

6.25 Sec. 3. Minnesota Statutes 2018, section 124D.151, subdivision 6, is amended to read:

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

6.30 ~~(b) In reviewing applications under subdivision 5, the commissioner must limit the~~
6.31 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~

7.1 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~
 7.2 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

7.3 ~~(c) The commissioner must limit the total number of funded participants in the voluntary~~
 7.4 ~~prekindergarten program under this section to not more than 3,160.~~

7.5 ~~(d) Notwithstanding paragraph (c),~~ (b) The commissioner must limit the combined total
 7.6 number of participants in the voluntary prekindergarten program under this section and the
 7.7 school readiness plus programs program under Laws 2017, First Special Session chapter 5,
 7.8 article 8, section 9, to not more than ~~6,160 participants for fiscal year 2018 and~~ 7,160
 7.9 participants for a fiscal year ~~2019~~.

7.10 Sec. 4. Minnesota Statutes 2018, section 126C.05, subdivision 1, is amended to read:

7.11 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age
 7.12 of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in
 7.13 average daily membership enrolled in the district of residence, in another district under
 7.14 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
 7.15 chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22,
 7.16 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03
 7.17 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

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

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

7.24 (c) A kindergarten pupil with a disability who is enrolled in a program approved by the
 7.25 commissioner is counted as the ratio of the number of hours of assessment and education
 7.26 services required in the fiscal year by the pupil's individualized education program to 875,
 7.27 but not more than one.

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

7.32 (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil
 7.33 unit if the pupil is enrolled in a free all-day, every day kindergarten program available to

8.1 all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
 8.2 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
 8.3 every day kindergarten program available to all kindergarten pupils at the pupil's school.

8.4 (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

8.5 (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

8.6 (h) A pupil who is in the postsecondary enrollment options program is counted as 1.2
 8.7 pupil units.

8.8 (i) ~~For fiscal years 2018 and 2019 only,~~ A prekindergarten pupil who:

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

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

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

8.14 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more
 8.15 than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same
 8.16 manner as a voluntary prekindergarten student for all general education and other school
 8.17 funding formulas.

8.18 Sec. 5. Laws 2017, First Special Session chapter 5, article 8, section 8, the effective date,
 8.19 is amended to read:

8.20 **EFFECTIVE DATE.** Paragraph (i) of this section ~~expires at the end of fiscal year 2019~~
 8.21 does not expire.

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

8.23 ARTICLE 4

8.24 CHILD CARE AVAILABILITY

8.25 Section 1. APPROPRIATION; CHILD CARE PROVIDER GRANTS.

8.26 Subdivision 1. Appropriation. \$5,000,000 in fiscal year 2020 and \$5,000,000 in fiscal
 8.27 year 2021 are appropriated from the general fund to the commissioner of employment and
 8.28 economic development for grants to local communities and cultural communities to increase
 8.29 the supply of quality child care providers in order to support economic development.

9.1 Subd. 2. **Use of funds.** Grant funds available under this section must be used to implement
9.2 solutions to reduce the child care shortage in the state, including but not limited to funding
9.3 for child care business start-up or expansion, training, facility modifications or improvements
9.4 required for licensing, and assistance with licensing and other regulatory requirements.

9.5 Subd. 3. **Grant requirements.** Fifty percent of grant funds under this section must go
9.6 to communities located outside of the seven-county metropolitan area, as defined under
9.7 Minnesota Statutes, section 473.121, subdivision 2. In awarding grants, the commissioner
9.8 must give priority to communities that have documented a shortage of child care providers
9.9 in the area, and must take into account traditionally underserved communities.