



LEGISLATIVE UPDATE | April 4, 2017

We'll post the [Legislative Update and Bill Tracker](#) on the Child Care Aware of Minnesota website each Tuesday to reflect the activity through the previous Friday. You can read a brief overview of introduced bills, committee level or floor action, and other news related to **early care and education and school age care**. If you have questions or additions to recommend, please email Ann McCully at: AnnM@childcareawaremn.org.

OMNIBUS BILLS

*The remaining four omnibus bills with components impacting early care and education were completed this week, including the **House and Senate Health and Human Services bills, the Senate E-12 Education Bill and the Senate Tax bill**. Here is a summary of their components (and any elements that had been laid over for consideration but were not included):*

HOUSE HEALTH AND HUMAN SERVICES BILLS (HF945)

The omnibus bill includes all or parts of the following bills:

- Child care assistance subsidy restrictions modified (**HF 139-Knoblach**)
- Hands Off Child Care Act adopted (**HF 604-Quam**)
- Governor's HHS bill (**HF 887**): *Child Care Assistance Program integrity and Fraud and Abuse investigations only*
- Positive support strategy rule exemption provided (**HF 904- Franson**)
- County licensing agencies required to offer and conduct exit interviews for family child care providers, and fix-it ticket alternative to a correction order authorized (**HF 1311-Quam**)
- Crisis nursery services appropriation (**HF 1402-Allen**)
- Child care status report to the legislature required (**HF 1422-Franson**)
- Early preventive dental intervention and care for infants, toddlers, and school-aged children pilot program developed (**HF 1490-Pierson**)
- Basic sliding fee child care funding priorities and allocation formula modified (**HF 1583-Peterson**)
- Medical assistance reimbursement rate for public health nurse home visits increased (**HF 1703-Barr**)

The bill does the following:

- Sets MA payment rates for prenatal and post-partum follow-up **home visits** provided by a public health nurse, or a registered nurse supervised by a public health nurse, using evidence-based models, at a minimum of \$140 per visit.
- Implements a pilot program to increase awareness and encourage **early preventive dental disease interventions for infants and toddlers**. Under this program, the commissioner shall award grants to five communities of color or recent immigrant communities to participate in the program.
- Modifies child care assistance program maximum rates by setting the maximum rate for child care providers who are located **within the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns** at

the maximum rate paid in the county with the highest maximum reimbursement rates or the provider’s charge, whichever is less.

- Makes changes to the **MFIP and DWP transition year** funding and changes priorities for **Child Care Assistance** and changes the formula for county CCAP allocations.
- Incorporates the Governor’s proposed changes to the Child Care Assistance Program to address **program integrity concerns** including recipient potential fraud and misuse, provider fraud, and administrative errors.
- Specifies that “annual” or “annually” in family child care training requirements means the **12-month period beginning on the license anniversary** and ending the day prior to the anniversary.
- Requires a licensing agency to offer a **child care license holder an exit interview** to discuss violations observed during inspection and offer technical assistance to help the license holder comply, before completing a licensing inspection.
- Requires the commissioner to issue **an amended correction order** and requires the license holder to post the amended order, if the commissioner reverses or rescinds a violation in a correction order upon reconsideration.
- Prohibits the commissioner and county licensing agencies **from mandating or suggesting quotas** for issuing correction orders to any person responsible for licensing or inspecting child care centers or family child care providers.
- Requires the commissioner to issue a **“fix-it ticket”** to a child care license holder under a variety of specific situations (details in the bill language).
- Requires DHS to **timely inform family child care and child care center license holders of changes** in federal and state statute, rule, regulation, or policy, relating to child care, child care assistance, child care quality rating and improvement, and licensing functions, in order to promote license holder compliance with changes.
- Requires the commissioner of human services to provide a **report on the status of child care** in Minnesota to the chairs and ranking minority members of committees with jurisdiction over child care, by February 1, 2018.
- Exempts licensed family day care programs, licensed group family day care facilities, and licensed child care centers from Minnesota Rules, chapter 9544, **the positive supports rule**.
- Directs the commissioner to **develop guidelines for posting public licensing data** for licensed child care programs. In developing the guidelines, the commissioner shall consult with stakeholders, including licensed child care center providers, family child care providers, and county agencies.
- **Repeals state statute** related to the Family Child Care Providers Representation Act (unionization).

Funding changes/increases in the House HHS bill:

PROGRAM	HOUSE BILL FY 18-19	HOUSE BILL FY 20-21
Child Care Assistance multi-county rate adj.	\$142,000	\$149,000
Basic Sliding Fee priority changes	\$11.8 million	\$14.8 million
Child Care Assistance Program integrity (savings)	(\$16.8 million)	(\$33.2 million)
Public Health Nurse Home visiting-MA increase	\$614,000	\$1.6 million
Crisis Nursery funding	\$200,000	\$200,000
Dental Services Grants	\$1 million	-

Bills that were heard and laid over, but not included in the House HHS omnibus bill:

- Child and Adult Care Food Program administration by the Health Department provided (**HF 547-Fenton**)
- Child care assistance program maximum reimbursement rates modified, and money appropriated (**HF 723-Peterson**)
- Child care provisions modified (**HF1458-Franson**)
- Family child care licensors oversight and training required, and training curriculum development required (**HF 1459-Flanagan**)
- Child care licensing provisions modifications (**HF 1508-Lucero**)
- Pregnant and parenting teen home visiting service funding provided (**HF 1564-Franson**)
- Targeted home visiting services for high-risk populations (**HF 1784-Kresha**)

SENATE OMNIBUS HEALTH AND HUMAN SERVICES BILL (SF 800)

The omnibus bill includes all or parts of the following bills:

- At-home infant child care program appropriation (SF 448- Relph)
- Governor’s HHS bill (SF 781): Child care integrity and fraud prevention elements only
- Child care provider training requirements modified (SF 873-Hoffman)
- Medical assistance reimbursement rate for public health nurse home visits increased (SF 998-Benson)
- Child care licensing provisions modifications (SF 1067-Kiffmeyer)

The bill does the following:

- Sets MA payment rates for prenatal and post-partum follow-up **home visits** provided by a public health nurse, or a registered nurse supervised by a public health nurse, using evidence-based models, at a minimum of \$140 per visit.
- Incorporates the Governor’s proposed changes to the Child Care Assistance program to address **program integrity concerns** including recipient potential fraud and misuse, provider fraud, and administrative errors.
- Specifies that “annual” or “annually” in family child care training requirements means the **12-month period beginning on the license anniversary** and ending the day prior to the anniversary.
- Requires a county licensor to provide a **written or electronic notification** to the (family child care) licensee of potential licensing violations noted during the inspection and the condition that constitutes the violation.
- Adds language for an expedited review process for correction order issued to licensed family child care providers.
- Requires DHS to **timely inform family child care and child care center license holders of changes** in federal and state statute, rule, regulation, or policy, relating to child care, child care assistance, child care quality rating and improvement, and licensing functions, in order to promote license holder compliance with changes.
- Re-establishes funding for the **At Home Infant Care option** under the Child Care Assistance Program.
- Provides funding for the **Minnesota Birth to Eight Pilot Project** that will evaluate the impact of a coordinated systems and service delivery approach on key developmental milestones and outcomes that ultimately lead to reading proficiency by age 8 within the target population.
- Clarifies that an individual who is related to the license holder and who is involved only in the care of the license holder's own infant or child under school age and who is not designated to be a caregiver, helper, or substitute for the licensed program, is **exempt from the sudden unexpected infant death and abusive head trauma training**.

Funding changes/increases in the Senate HHS bill:

PROGRAM	SENATE BILL FY 18-19	SENATE BILL FY 20-21
Child Care Assistance Program integrity (savings)	(\$16.8 million)	(\$33.2 million)
Child Care Financial Fraud and abuse (savings)	(\$464,000)	(\$514,000)
At Home Infant Care Program	\$2.2 million	\$2.0 million
Dakota County Birth to Eight project	\$200,000	-
Public Health Nurse Home visiting-MA increase	\$614,000	\$1.6 million

Bills heard and laid over, but not included:

- Child care assistance subsidy restrictions modified (SF 381-Relph)
- Child care provisions modified (SF 1278-Lourey)
- Child and Adult Care Food Program administration by the Health Department provided (SF 959-Housley)
- Targeted home visiting services for high-risk populations (SF 1607-Relph)
- Child care provider administrative law procedures modified (SF 1953-Kiffmeyer)
- Child well-being model implementation grant program established (SF 1750-Hayden)

SENATE E-12 OMNIBUS EDUCATION BILL (SF 718)

The omnibus bill includes all or parts of the following bills:

- Minnesota reading corps program appropriation (SF 443-Nelson)
- Education partnerships enhanced, youth development promoted, education partnerships coalition fund established, and money appropriated (SF 711-Pappas)
- Prekindergarten through grade 12 education provisions modified (SF 1222-Pratt)
- Parent-Child home program appropriation (SF 1523-Anderson, P.)
- Early education access fund established, director of early education and development established, enhanced coordination of early education and development programs provided (SF 1845-Nelson)- study only
- Early Learning Scholarship program child eligibility and administration modifications (SF 1663-Nelson)

The bill does the following:

- Increases funding and makes changes to the **Early Learning Scholarship program** by broadening eligibility to include a child who has not yet enrolled in kindergarten, and is between the ages of 3 and 5; a sibling from birth to age 5 that attends the same program; a child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; homeless, in foster care, or in need of child protective services
- Authorizes a **study of Minnesota early childhood care and education programs**, resulting in a report that makes recommendations relating to:
 - Integrating state resources for child care assistance through the basic sliding fee program and the MFIP program.
 - Aligning family income eligibility requirements for early childhood care and education programs.
 - Coordinating outreach to families eligible to provide uniform notification about available program options.
 - Reducing duplicative paperwork and administrative burden and increasing the stability of funding.
 - Maximizing child care assistance program integrity and payment mechanisms to increase fund accountability and efficiency.
 - Transferring powers and duties related to the Quality Rating and Improvement System.
 - Providing for local and state information technology investments and data sharing agreements.
 - Coordinating internal and external evaluation of early childhood care and education programs.
 - Transferring or consolidating powers and duties related to other early childhood care and education programs currently administered by the Departments of Education, Health, and Human Services.

The Senate E-12 Omnibus bill includes the following proposed funding increases/reductions:

PROGRAM	BASE funding FY 18-19	SENATE BILL FY 18-19	BASE funding FY 20-21	SENATE BILL FY 20-21
Minnesota Reading Corps	\$11.25 million	\$17.25 million	\$11.25 million	\$23.85 million
Early Learning Scholarships	\$119.8 million	\$121.8 million	\$119.8 million	\$124.8 million
ECFE (tied to formula increase)	\$59.5 million	\$61.6 million	\$61.5 million	\$64.7 million
Parent-Child home	\$700,000	\$1.8 million	\$700,000	\$1.1 million
Early Education Access study	-	\$75,000	-	-
Transformation Zone-NAZ	\$2.4 million	\$1.2 million	\$2.4 million	\$1.2 million
Transformation Zone- SPPN	\$2.4 million	\$1.2 million	\$2.4 million	\$1.2 million
Greater MN Ed. Partnership Pilots	-	\$2.4 million	-	\$2.4 million

Bill heard and laid over, but not included:

- Appropriating money for grants to full-service community schools (HF 146-Davnie/ SF 7-Wiger)
- Community education revenue program increase (HF 625-Youakim/SF 204-Latz)

- Promise Neighborhood of Central Minnesota programming expansion grant (**SF 1419-Relph**)

SENATE OMNIBUS TAX BILL

The bill does the following:

- Provides a nonrefundable credit of up to \$700 for eligible individuals (\$1,400 for married joint filers) equal to a specified percentage of **student loan payments** in excess of 10 percent of adjusted gross income. An eligible individual is an individual with qualified education loans related to an undergraduate or graduate degree at a postsecondary institution. Loans must have been incurred on behalf of the individual or individual's spouse. For eligible individuals in an education profession (which includes early childhood education, including licensed or regulated child care, Head Start, and state-funded prekindergarten; school-based library sciences; and other school-based services), the **percentage is 75 percent**. Effective for tax years 2017 and 2018.

Bills heard and laid over, but not included:

- Education expense credit and deduction applied to expenditures for prekindergarten expenses (**SF 947-Anderson, P.**)

NEW BILLS INTRODUCED THIS WEEK

- Child Voluntary prekindergarten eligibility requirements modification (HF 2559-Marquardt)
- Child care program integrity provisions modified (HF 2564-Dean)

NEW BILLS INTRODUCED THIS WEEK

Each of the Omnibus bills will receive a hearing on the floor of the House and Senate. To date:

- The **House** heard the **Omnibus Tax Bill** (passed 80-52), and the **Omnibus E-12 bill** (passed 75-54).
- The **Senate** heard the **Omnibus Jobs Bill** (passed 58-9), and the **Omnibus Higher Education bill** (passed 36-31)

The remaining bills will likely be heard in both bodies prior to the Legislative recess.

UPCOMING DATES

- **April 10 – 17:** Legislative Recess