



## LEGISLATIVE UPDATE | May 31, 2017-FINAL

You can find all of the [Legislative Updates and Bill Trackers from this Legislative session](#) on the Child Care Aware of Minnesota website.

### END OF SESSION ACTIVITY:

On Monday, May 22, the Legislature reached its constitutional adjournment deadline without completing all budget bills. This created the need for a **Special Session**, which can only be called by the Governor. With the help of a budget framework/deal that was negotiated on the last day of the regular session between the Governor and Legislative leadership, a special session was called immediately after adjournment. This special session **wrapped up in the early morning hours of Friday, May 26, with the final House and Senate floor passage of all major spending bills.**

This update includes the early care and education and school age care components included in the final versions of each spending bill. We have also highlighted **any key items that were originally included** in earlier versions of the bills passed by the Legislature, but not included in the final version.

The **Higher Education and Jobs Bills** were passed in the final days of the regular session, and the **Taxes, Education, and Health and Human Services** bills were passed during the special session (with agreements around language and funding from the Governor and Leadership).

On Tuesday, May 30, the Governor signed the following bills into law:

#### **TAXES BILL (Special Session HF 1)**

Passed the House 95-29 /Passed the Senate 44-20

#### **Final bill elements:**

- Increases the **state dependent care credit to equal the federal credit**. The credit will also follow the phasedown of the federal credit. The state credit will remain refundable, as under current law. The income measure will change from household income (which includes most nontaxable income), to **adjusted gross income (AGI)**.

#### **Legislative proposals not included in the final bill:**

- Expansion of the **Education expense credit** and deduction to include prekindergarten expenses

**E-12 EDUCATION BILL (Special Session HF 2)**  
**Passed the House 76-55/ Passed the Senate 34-28**

**Final bill elements:**

- **Creates a new program called “School Readiness Plus”** which is similar to the Voluntary Prekindergarten program, but with free services targeted to children with high needs, and others eligible to participate on a sliding fee basis. This program is only funded for the 2018-2019 biennium
- Adds language to both the Voluntary Pre-K and School Readiness Plus programs that emphasizes the use of/additional prioritization for a **mixed delivery model** (i.e. partnering with Licensed Center or Family Child Care, Head Start, or other community-based programs and settings)
- Moves from a funding allocation to a **participation limit** approach to Voluntary Prekindergarten and School Readiness Plus programs, with totals not to exceed **6,160** participants in fiscal year 2018 and **7,160** participants in fiscal year 2019
- Clarifies that all funding received in 2018 or 2019 for these programs must be used to **supplement, not supplant** existing state, federal and local revenue for prekindergarten activities
- Increases funding and makes changes to **the Early Learning Scholarship program** as follows:
  - Broadens eligibility to include 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
  - Caps the **“Pathway 2”** scholarship funding, which provides direct funding for program spaces, at current levels
  - Delays the requirement for programs **to have a 3 or 4 star Rating** in order to accept scholarships to **July 1, 2020**
- Implements an **Education Partnership Coalition Fund** to continue and expand the work of some of the Promise Neighborhoods/Transformation zones

**Programs receiving increased funding:**

<b>PROGRAM</b>	<b>BASE FY 18-19</b>	<b>Special Session HF2 FY 18-19</b>	<b>BASE FY 20-21</b>	<b>Special Session HF2 FY 20-21</b>
<b>Minnesota Reading Corps</b>	\$11.25 million	<b>13.9 million</b>	\$11.25 million	<b>15.9 million</b>
<b>School Readiness Plus</b>	-	<b>\$50 million</b>	-	<b>\$2.9 million</b>
<b>Early Learning Scholarships</b>	\$119.8 million	<b>140.4 million</b>	\$119.8 million	<b>\$141.4 million</b>
<b>ECFE (formula increase)</b>	\$59.5 million	<b>\$62.3 million</b>	\$61.5 million	<b>\$65.8 million</b>
<b>Parent-Child home</b>	\$700,000	<b>\$1.8 million</b>	\$700,000	<b>\$1.8 million</b>
<b>Transformation Zone-NAZ</b>	\$2.4 million	<b>\$2.6 million</b>	\$2.4 million	<b>\$2.6 million</b>
<b>Transformation Zone- SPPN</b>	\$2.4 million	<b>\$2.6 million</b>	\$2.4 million	<b>\$2.6 million</b>
<b>Greater MN Ed. Partnership</b>	-	<b>\$960,000</b>	-	<b>\$960,000</b>

**Legislative proposals *not* included in the final bill**

- Repeal of the voluntary pre-kindergarten program
- Study /creation of an Office of Early Education and Development

## **HEALTH AND HUMAN SERVICES BILL (Special Session SF 2)**

Passed the House 74-56/ Passed the Senate 35-27

### **Final bill elements:**

#### **Child Care Assistance Program**

- Modifies 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.
- **Implements** Several **family friendly** provisions now required by the Child Care and Development Block Grant (CCDBG), including:
  - Eligibility redetermination **every 12 months** (instead of the current 6 month requirement)
  - No change to eligibility during the 12 month period **due to income changes** (unless income exceeds 85% of the state median income)
  - No reduction in the authorized number of hours during the 12 month period due to **reductions or temporary changes in work hours**
  - Some additional flexibility/consistency around the use of **approved education and training** programs throughout the child care assistance program
  - **Extended eligibility** for 3 months after work or school/training programs end

#### **Federal conformity with the Child Care and Development Block Grant (CCDBG)**

- Requires an **annual unannounced inspection** for programs licensed under Minnesota chapters 9502 or 9503
- Requires that the commissioner make **publicly available** on the department's website the **results of inspection reports** of all child care providers licensed under Minnesota chapters 9502 or 9503, as well as the number of deaths, serious injuries, and instances of substantiated maltreatment that occurred in licensed child care settings each year
- Requires that an enrolled child's parent or legal guardian must be **allowed access to their child** any time while they are in care
- Adds **Health and Safety** requirements related to allergy prevention and response, handling and disposal of bodily fluids, and emergency preparedness for licensed programs, including the creation of an emergency preparedness plan
- **Enhances the Background check process** and defines "child care staff persons" that must be included in background checks (including licensed, legal non-licensed and certified providers)
- Creates a **certification process** for license-exempt child care centers, as well as inspection and monitoring and training requirements for these settings

#### **Other Licensing and regulation measures**

- 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 (spelled out 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
- 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

**Home Visiting**

- 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
- Provides funding to start up or expand **evidence-based home visiting programs** to serve families, such as a parent with high risk or high needs, parents with a history of mental illness, domestic abuse, or substance abuse, or first-time mothers prenatally until the child is four years of age who are eligible for medical assistance or the WIC program.

**Other elements**

- 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.
- 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 eight within the target population.
- 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

**Programs receiving increased funding:**

<b>PROGRAM</b>	<b>Special Session SF 2 FY 18-19</b>	<b>Special Session SF 2 FY 20-21</b>
<b>Child Care Assistance Program Modifications</b>	<b>\$18.6 million</b>	<b>\$29.6 million</b>
<b>Child Care Financial Fraud &amp; Abuse Investigation</b>	<b>(\$464,000)</b>	<b>(\$514,000)</b>
<b>CCDBG Licensing and Background Studies</b>	<b>\$6.35 million</b>	<b>\$5.5 million</b>
<b>Child Care Assistance multi-county rate adj.</b>	<b>\$142,000</b>	<b>\$149,000</b>
<b>One time funding for CCAP from CCDBG funds</b>	<b>(\$18 million)</b>	
<b>Child Care Assistance Program integrity (savings)</b>	<b>(\$15.3 million)</b>	<b>(\$28.1 million)</b>
<b>Public Health Nurse Home visiting-MA increase</b>	<b>\$614,000</b>	<b>\$1.2 million</b>
<b>Dakota County Birth to Eight project</b>	<b>\$200,000</b>	
<b>Home Visiting for pregnant and parenting teens</b>	<b>\$12 million</b>	<b>\$33 million</b>

**Legislative proposals not included in the final bill**

- A pilot program to increase awareness and encourage **early preventive dental disease interventions for infants and toddlers.**
- Re-established funding for the **At Home Infant Care option** under the Child Care Assistance Program
- Exemption of 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**
- **Repeal of the state statute** related to the Family Child Care Providers Representation Act
- Increased **CCAP reimbursement rates** for providers

**OMNIBUS HIGHER EDUCATION BILL (SF 943)**

Passed the House 78-54/ Passed the Senate 39-28

**The bill includes the following funding and policy changes:**

- **Increases the base funding for child care grants** by \$20,000 (from \$13.36 million to \$13.38 million per biennium)
- Also **increases the amount of each child care grant for college students** to \$3,000 and extends the time for use for the grant from eight to ten semesters
- Requires Postsecondary educational institutions required to **provide information to pregnant students and student parents**. The information must include a fact sheet on the legal rights of student parents and pregnant students and a list of resources to support student parents and pregnant students. The list of resources may include resources for prenatal care, child care, transportation, and housing. This information must be available in languages that reflect the primary languages of the institution's student body.

**OMNIBUS JOBS BILL (SF 1456)**

Passed the House 87-43/ Passed the Senate 46-20

**The bill includes the following funding and policy changes:**

- **Provides child care business start-up and expansion grants** to local communities to increase the supply of quality child care providers in order to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area. Grant recipients must obtain a 50 percent non-state match to grant funds in either cash or in-kind contributions. Grant funds available under this paragraph must be used to implement solutions to reduce the child care shortage in the state including but not limited to funding for child care business start-ups or expansions, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have documented a shortage of child care providers in the area. **\$519,000 in 2018 only.**
- **Funds the YWCA of Minneapolis** with a grant to provide economically challenged individuals the job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation. **\$1,050 for 2018-19 only.**
- **Funds the FATHER project** with grant to Goodwill-Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. **\$1 million in 2018-19 only.**

**Legislative proposals not included in the final bill**

- Women-run cooperative child care businesses in low-income urban areas pilot program (Womenventure)
- Child Care business training funding (Womenventure)