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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2352

03/22/2021 Authored by Kotyza-Witthuhn, Wazlawik, Jordan and Hornstein
The bill was read for the first time and referred to the Committee on Early Childhood Finance and Policy

1.1 A bill for an act
1.2 relating to child care; appropriating funds to the Department of Employment and
1.3 Economic Development for grants to communities, the Minnesota Initiatives
1.4 Foundations, and WomenVenture to increase the number of quality child care
1.5 providers.

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

1.7 Section 1. APPROPRIATIONS; DEPARTMENT OF EMPLOYMENT AND
1.8 ECONOMIC DEVELOPMENT CHILD CARE BUSINESS DEVELOPMENT.

1.9 Subdivision 1. Grants for child care. (a) \$10,000,000 in fiscal year 2022 is appropriated
1.10 from the general fund to the commissioner of employment and economic development for
1.11 grants to local communities to increase the number of quality child care providers. This is
1.12 a onetime appropriation. Fifty percent of grant funds must go to communities located outside
1.13 of the seven-county metropolitan area as defined under Minnesota Statutes, section 473.121,
1.14 subdivision 2.

1.15 (b) Grant recipients must obtain a 50 percent nonstate match to grant funds through
1.16 either cash or in-kind contributions. Grant funds available under this subdivision must be
1.17 used to implement projects to reduce the child care shortage in the state, including but not
1.18 limited to funding for child care business start-ups or expansion, training, facility
1.19 modifications or improvements required for licensing, and assistance with licensing and
1.20 other regulatory requirements. In awarding grants, the commissioner must give priority to
1.21 communities that have demonstrated a shortage of child care providers.

1.22 (c) Within one year of receiving grant funds, grant recipients must report to the
1.23 commissioner on the outcomes of the grant program, including but not limited to the number

2.1 of new providers, the number of additional child care provider jobs created, the number of  
2.2 additional child care slots, and the amount of cash and in-kind local funds invested.

2.3 Subd. 2. **Minnesota Initiatives Foundations.** (a) \$3,850,000 in fiscal year 2022 is  
2.4 appropriated from the general fund to the commissioner of employment and economic  
2.5 development for a grant to the Minnesota Initiative Foundations. This is a onetime  
2.6 appropriation and available until June 30, 2023.

2.7 (b) The Minnesota Initiative Foundations must use grant funds under this section to:

2.8 (1) facilitate planning processes for rural communities resulting in a community solution  
2.9 action plan that guides decision making to sustain and increase the number of quality child  
2.10 care providers in the region to support economic development;

2.11 (2) engage the private sector to invest local resources to support the community solution  
2.12 action plan and ensure child care is a vital component of additional regional economic  
2.13 development planning processes;

2.14 (3) provide high quality locally based training and technical assistance to rural child  
2.15 care business owners through a learning cohort. Access to financial and business development  
2.16 assistance must endeavor to prepare child care businesses for quality engagement and  
2.17 improvement by stabilizing operations, leveraging funding from other sources, and fostering  
2.18 business acumen; and

2.19 (4) recruit child care programs to participate in Parent Aware under Minnesota Statutes,  
2.20 section 124D.142, by providing targeted resources designed to encourage high levels of  
2.21 participation. The Minnesota Initiative Foundations must work with local partners to provide  
2.22 low-cost training, professional development opportunities, and curriculum. The Minnesota  
2.23 Initiative Foundations must fund, through local partners, an enhanced level of coaching to  
2.24 rural child care providers to obtain a quality rating through Parent Aware.

2.25 Subd. 3. **WomenVenture child care business training.** \$150,000 in fiscal year 2022  
2.26 is appropriated from the general fund to the commissioner of employment and economic  
2.27 development for a grant to WomenVenture to operate a business training program for child  
2.28 care providers and to create materials that could be used, free of charge, for start-up,  
2.29 expansion, and operation of child care businesses statewide, with the goal of helping new  
2.30 and existing child care businesses in underserved areas of the state become profitable and  
2.31 sustainable. The commissioner shall report data on outcomes and recommendations for  
2.32 replication of this training program throughout Minnesota to the governor and the chairs  
2.33 and ranking minority members of the house of representatives and senate committees with

- 3.1 jurisdiction over child care by December 15, 2023. This is a onetime appropriation and is
- 3.2 available until June 30, 2023.