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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 5

01/07/2021 Authored by Pinto, Stephenson, Frazier, Pryor, Long and others
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 human services; replacing certain state appropriations or transfers with
1.3 federal funds received for COVID-19; appropriating money for public health
1.4 support funds for child care providers; appropriating money for the basic sliding
1.5 fee program.

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

1.7 Section 1. FEDERAL FUNDS REPLACEMENT OF STATE APPROPRIATION.

1.8 Subdivision 1. Suspension of statutory appropriation. The requirements for the use
1.9 of the appropriation in Minnesota Statutes, section 4.07, subdivision 3, do not apply to any
1.10 federal funds for COVID-19 received by the state of Minnesota between January 1, 2021,
1.11 and June 30, 2021, for which a state general fund appropriation or transfer in this act is an
1.12 eligible expenditure. Federal funding for COVID-19 to which this section applies shall not
1.13 be used for any other purpose.

1.14 Subd. 2. Cancellation. If the state of Minnesota receives federal funds for COVID-19
1.15 between January 1, 2021, and June 30, 2021, for which any state general fund appropriation
1.16 or transfer enacted in this act is an eligible expenditure, the commissioner of human services
1.17 must cancel the state general fund appropriation or transfer in this act in an amount up to,
1.18 but not greater than, the amount appropriated or transferred in this act. The commissioner
1.19 of human services may designate a portion of a state appropriation or transfer for cancellation
1.20 if the federal funds are not sufficient to replace the entire state general fund appropriation
1.21 or transfer.

1.22 Subd. 3. Appropriation and transfer. Each amount canceled under subdivision 2 is
1.23 appropriated from the federal fund for the original purposes of the state general fund

2.1 appropriation or transfer in this act. These funds may be used for expenses retroactively
 2.2 from January 1, 2021. Any appropriation and transfer under this subdivision is a onetime
 2.3 appropriation or transfer.

2.4 Subd. 4. **Expiration.** This section does not apply to federal funds after the state general
 2.5 fund appropriations in this act have been canceled and federal funds have been appropriated
 2.6 for the same purpose.

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

2.8 Sec. 2. **COVID-19 PUBLIC HEALTH SUPPORT FUNDS FOR CHILD CARE**
 2.9 **PROGRAMS; APPROPRIATION.**

2.10 Subdivision 1. **Public health support funds.** The commissioner of human services shall
 2.11 distribute COVID-19 public health support funds to eligible child care programs to support
 2.12 higher costs to operate safely as defined by state and federal public health guidance, including
 2.13 but not limited to efforts to create smaller and consistent child groupings; implement
 2.14 screening procedures for infectious diseases such as COVID-19; implement quarantine
 2.15 periods; maintain and improve cleaning and sanitation at program sites; provide staff with
 2.16 additional sick leave and incentive pay; hire substitute teachers; provide additional support
 2.17 to staff, children, and families for distance learning; and implement other public health
 2.18 measures to prevent the transmission of COVID-19 and to protect the health and safety of
 2.19 children, families, and staff.

2.20 Subd. 2. **Eligible programs.** (a) The following programs are eligible to receive public
 2.21 health support funds under this section:

2.22 (1) family and group family day care homes licensed under Minnesota Rules, chapter
 2.23 9502;

2.24 (2) child care centers licensed under Minnesota Rules, chapter 9503;

2.25 (3) certified, license-exempt child care centers under Minnesota Statutes, chapter 245H;
 2.26 and

2.27 (4) tribally licensed child care programs.

2.28 (b) For programs to be eligible to receive public health support funds under this section,
 2.29 programs must not be:

2.30 (1) the subject of a finding of fraud;

2.31 (2) prohibited from receiving public funds under Minnesota Statutes, section 245.095;

2.32 or

3.1 (3) under revocation, suspension, temporary immediate suspension, or decertification,
3.2 regardless of whether the action is under appeal.

3.3 (c) Public health support funds under this section must be made available to all eligible
3.4 programs on a noncompetitive basis.

3.5 Subd. 3. **Requirements to receive public health support funds.** (a) To receive funds
3.6 under this section, an eligible program must have completed an application for October to
3.7 December COVID-19 public health support funds, attesting and agreeing in writing that
3.8 the program has been operating and serving children as of September 15, 2020. An applicant
3.9 program must further attest and agree in writing that the program intends to remain operating
3.10 and serving children through June 15, 2021. Exceptions to this operating requirement are:

3.11 (1) service disruptions that are necessary due to public health guidance to protect the
3.12 safety and health of children and child care programs issued by the Centers for Disease
3.13 Control and Prevention, the commissioner of health, the commissioner of human services,
3.14 or a local public health agency; and

3.15 (2) planned temporary closures for provider vacation and holidays for up to three weeks
3.16 over the duration of the funding months from January 1, 2020, to June 15, 2021, but not
3.17 sequentially.

3.18 Temporary closures of a program must be reported by the program to the Department of
3.19 Human Services using a form prescribed by the commissioner of human services. For
3.20 licensed and certified centers, only temporary closures of the entire program need to be
3.21 reported by the program to the Department of Human Services; classroom closures or other
3.22 operating adjustments do not need to be reported by the program to the Department of
3.23 Human Services.

3.24 (b) Providers who close permanently for any reason are subject to recovery of funds for
3.25 any period of time after program closure. Permanent closures must be reported by the
3.26 program to the Department of Human Services using a form prescribed by the commissioner
3.27 of human services.

3.28 (c) Notwithstanding paragraphs (a) and (b), if the commissioner of human services
3.29 determines that the temporary or permanent closure of one program is undertaken to ensure
3.30 the continued availability of services to children by another program, the commissioner
3.31 may issue the closed program's public health support funds to the program that has agreed
3.32 to accept the children previously cared for by the closed program regardless of whether all
3.33 the children choose to go to the remaining program and regardless of whether the remaining
3.34 program is already receiving public health support funds.

4.1 (d) To receive funds under this section, an eligible program must:

4.2 (1) continue to comply with all other requirements listed in the application for October
4.3 to December COVID-19 public health support funds; and

4.4 (2) prioritize use of these funds during the monthly award periods, and must use the
4.5 funds to cover costs incurred during the peacetime emergency declared by the governor
4.6 relating to COVID-19.

4.7 Subd. 4. **Maximum payment to programs.** (a) For each of January, February, March,
4.8 April, May, and June 2021:

4.9 (1) an eligible family child care program may receive up to \$1,500 in monthly public
4.10 health support funds;

4.11 (2) an eligible licensed child care center may receive up to \$10,000 in monthly public
4.12 health support funds; and

4.13 (3) an eligible certified, license-exempt child care center may receive up to \$3,500 in
4.14 monthly public health support funds.

4.15 Subd. 5. **Appropriation.** (a) \$159,600,000 in fiscal year 2021 is appropriated from the
4.16 general fund to the commissioner of human services for public health support funds under
4.17 this section. Of this amount, up to \$142,000 is for the commissioner of human services to
4.18 administer the support funds in accordance with this section.

4.19 (b) This is a onetime appropriation and is available until June 30, 2021, or until 60 days
4.20 after the expiration of the peacetime emergency declared by the governor in an executive
4.21 order that relates to the infectious disease known as COVID-19, whichever occurs earlier.
4.22 Any unobligated or unexpended amounts cancel on June 30, 2021, or 60 days after the
4.23 expiration of the peacetime emergency declared by the governor in an executive order that
4.24 relates to the infectious disease known as COVID-19, whichever occurs earlier.

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

4.26 Sec. 3. **DIRECTION TO COMMISSIONER; BASIC SLIDING FEE PROGRAM;**
4.27 **APPROPRIATION.**

4.28 Subdivision 1. **Appropriation.** (a) \$9,980,000 in fiscal year 2021 is appropriated from
4.29 the general fund to the commissioner of human services for the basic sliding fee program
4.30 waiting list. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section
4.31 119B.03, subdivisions 6, 6a, and 6b, money must be distributed proportionately based on
4.32 the average number of families as reported on the most recent 12 months of published

5.1 waiting lists, weighted by the average cost per family in each of those counties over the
5.2 same 12-month period.

5.3 (b) \$1,521,000 in fiscal year 2021 is appropriated from the general fund to the
5.4 commissioner of human services for the transition year extension expenditures under
5.5 subdivision 2. This is a onetime appropriation.

5.6 Subd. 2. **Temporary program changes.** The following changes to the basic sliding fee
5.7 program are in effect through May 30, 2021:

5.8 (1) a county may allow a family to maintain the family's spot on the basic sliding fee
5.9 waiting list if the family does not currently have a need for child care; and

5.10 (2) notwithstanding Minnesota Statutes, section 119B.03, subdivision 4, the funding
5.11 priority under the basic sliding fee program shall be as follows:

5.12 (i) first priority must be given to non-MFIP families who do not have a high school
5.13 diploma or commissioner of education-selected high school equivalency certification, or
5.14 who need remedial and basic skills courses in order to pursue employment or to pursue
5.15 education leading to employment and who need child care assistance to participate in the
5.16 education program. This includes student parents as defined in Minnesota Statutes, section
5.17 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

5.18 (A) child care needs of minor parents;

5.19 (B) child care needs of parents under 21 years of age; and

5.20 (C) child care needs of other parents within the priority group described in this clause;

5.21 (ii) second priority must be given to families in which at least one parent is a veteran as
5.22 defined under Minnesota Statutes, section 197.447;

5.23 (iii) third priority must be given to all eligible families who do not belong to any other
5.24 priority groups listed in this clause;

5.25 (iv) fourth priority must be given to families who are eligible for portable basic sliding
5.26 fee assistance through the portability pool under Minnesota Statutes, section 119B.03,
5.27 subdivision 9; and

5.28 (v) fifth priority must be given to parents who have completed their MFIP or diversionary
5.29 work program transition year, or parents who are no longer receiving or eligible for
5.30 diversionary work program supports.

5.31 **EFFECTIVE DATE.** This section is effective February 1, 2021.