

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

S.F. No. 4445

(SENATE AUTHORS: WIKLUND)

DATE
03/26/2020

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5591 Introduction and first reading
Referred to Human Services Reform Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to child care; establishing a grant program to provide grants for loans to
1.3 improve child care or early education sites; requiring reports; appropriating money.

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

1.5 Section 1. **FIRST CHILDREN'S FINANCE CHILD CARE SITE ASSISTANCE**
1.6 **GRANT PROGRAM.**

1.7 Subdivision 1. Purpose. The commissioner of human services shall provide a grant to
1.8 First Children's Finance for: (1) loans to improve child care or early childhood education
1.9 sites; or (2) loans to plan, design, and construct or expand licensed and legal nonlicensed
1.10 sites to increase the availability of child care or early childhood education.

1.11 Subd. 2. Financing program. (a) First Children's Finance shall use grant funds to:

1.12 (1) establish a revolving loan fund to provide loans to existing, expanding, and newly
1.13 licensed and legal nonlicensed child care and early childhood education sites;

1.14 (2) establish a fund to guarantee private loans to improve or construct a child care or
1.15 early childhood education site;

1.16 (3) establish a fund to provide forgivable loans or grants to match all or part of a loan
1.17 provided under this section;

1.18 (4) establish a fund as a reserve against bad debt; and

1.19 (5) establish a fund to provide business planning assistance for child care providers.

1.20 (b) First Children's Finance shall establish the terms and conditions for loans and loan
1.21 guarantees including interest rates, repayment agreements, private match requirements, and

2.1 conditions for loan forgiveness. First Children's Finance must establish a minimum interest
2.2 rate for loans to ensure that First Children's Finance covers necessary loan administration
2.3 costs. First Children's Finance may use interest earnings for administrative expenses.

2.4 Subd. 3. **Reports.** First Children's Finance shall:

2.5 (1) by September 30, 2021, and by September 30, 2022, report to the commissioner of
2.6 human services the purposes for which First Children's Finance used the money during the
2.7 past fiscal year, including a description of projects supported by financing, an account of
2.8 loans made during the calendar year, the financing program's assets and liabilities, and an
2.9 explanation of administrative expenses; and

2.10 (2) for each fiscal year in which First Children's Finance receives grant funds, submit
2.11 to the commissioner of human services a copy of the report of an audit performed by an
2.12 independent auditor in accordance with generally accepted accounting practices and auditing
2.13 standards.

2.14 Sec. 2. **APPROPRIATION; FIRST CHILDREN'S FINANCE CHILD CARE**
2.15 **ASSISTANCE GRANT PROGRAM.**

2.16 \$3,000,000 in fiscal year 2021 is appropriated from the general fund to the commissioner
2.17 of human services for a grant to First Children's Finance to establish and operate the financing
2.18 program in section 1, subdivision 2. This is a onetime appropriation.