

Minnesota Legislative Session Summary 2017

A report highlighting selected new legislation affecting the economic status of women.

Minnesota Session Laws—2017, Regular Session	Issue	Synopsis
<u>Chapter 2</u>	Health Care	In an effort to keep health insurance premiums contained and to keep insurance carriers from leaving the market, \$542M was appropriated to help health insurance companies cover high-cost claims.
<u>Chapter 13</u>	Health Care	Some Minnesotans who purchased individual health insurance plans are eligible for a state subsidy equal to 25% of their health insurance premiums. \$326M was appropriated for this premium relief.
<u>Chapter 51</u>	Older Women	Allows training of home care provider staff on providing services to clients with hearing loss, including age-related hearing loss.
<u>Chapter 68</u>	Working Students	In general, high school students under age 18 are not allowed to work after 11 p.m. on the evening before a school day or before 5:00 a.m. on a school day (with some exceptions). This new legislation allows high school students age 18 and older to work during these restricted hours if the student gives the employer a written request to do so.
Omnibus Agriculture Finance Act <u>Chapter 88</u>	Equity	<ul style="list-style-type: none"> • Good Food Access program: Financial and technical assistance for construction or expansion of grocery stores and small food retailers to increase access to affordable nutritious, and culturally appropriate food for underserved communities in low- and moderate-income areas. A new program created in 2016, with \$250K appropriated for grants in Fiscal Year (FY) 17 through the Dept. of Agriculture. The new legislation continues the Good Food Access program, providing up to \$500K per biennium for FY18/19 and FY20/21. • Urban youth agriculture education or urban youth agriculture community development: up to \$500K per biennium for FY18/19 and FY20/21.

<p>Omnibus Higher Education Finance Act <u>Chapter 89</u></p>	<p>Students who are Parents</p>	<ul style="list-style-type: none"> ➤ Increases the maximum time a student parent is eligible for child care grants (cash assistance to low-income, postsecondary student parents) from eight to ten semesters and increases the amount of the child care grants from \$2,800 to \$3,000 per child per academic year. ➤ Postsecondary educational institutions must provide the following information to students who are parents of children age 12 or younger and to students who notify the institution that they are pregnant: a fact sheet on the legal rights of student parents and pregnant students and a list of resources for such support services as 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.
	<p>Gender Pay Gap</p>	<ul style="list-style-type: none"> ➤ \$400K for FY18/19 and \$400K for FY20/21 for the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. (The Jobs Act—Ch. 94—provides an additional \$40,000 in FY18 for the Cook County Higher Education Board.) OESW’s listening sessions found the Cook County Higher Education Board to be an important factor in helping women in the region gain education and job skills for higher paying occupations.
	<p>Equity</p>	<ul style="list-style-type: none"> ➤ Increases funding (from \$200K to \$250K for FY18/19) for the Summer Academic Enrichment Program. This program, established in 2015, provides funding for low-income elementary and high school students to attend academic summer programs. ➤ Creates a new Emergency Assistance for Postsecondary Students program, providing grants to schools with homeless students to help meet the immediate financial needs of low-income students, including emergency housing, food, and transportation. \$350K in FY18/19. ➤ Student loan debt relief for attorneys who help low-income clients. \$50K in FY18/19 and \$50K in FY20/21 for the LRAP (Loan Repayment Assistance Program), leveraging funds in the federal Public Service Loan Forgiveness Program ➤ Continued funding for the Intervention for College Attendance Program (in existence since 2005): grants to programs that foster postsecondary attendance of historically underserved students in grades 6-12. \$1.342M in FY18/19 and \$1.342M in FY20/21 (Same as in FY 16/17) ➤ Continued funding for the Get Ready! Program: early intervention college awareness program for underrepresented students at the elementary school level. Part of the federal GEAR UP program. \$360K in FY18/19 and \$360K in FY20/21. (Same as in FY 16/17.) Helps prepare students from low-income families and those from groups traditionally underrepresented in college with college planning information, academic tutoring and information on career and higher education options. ➤ Continued funding for the Minnesota Education Equity Partnership: a program that began in 1986 with the goal of increasing the academic success of students of color and indigenous students at all levels of education. \$90K in FY18/19 and \$90K in FY20/21. (Same as in FY 16/17.)

		<ul style="list-style-type: none"> ➤ Continued funding for College Possible, providing support and coaching for high school and postsecondary students to help them go to and graduate from college. \$500K in FY18/19 and \$500K in FY20/21. (Same as in FY16/17.)
	Student Debt	<ul style="list-style-type: none"> • Equity legislation in 2016 increased FY17 funding for the existing teacher shortage loan forgiveness program (forgiveness of up to \$1,000/yr. for five years for student loans for teachers in areas with a teacher shortage) from \$200K to \$2.2M. The 2017 higher education legislation drops this back down to \$200K per year for the FY18/19 biennium. • Student loan forgiveness for <ul style="list-style-type: none"> ○ teachers of agriculture education, grades 5-12 (\$3,000/year for five years—new program, \$100K in FY18/19 and \$100K in FY20/21); ○ aircraft technicians (\$3,000/year for five years—new program, \$50K in FY18/19 and \$50K in FY20/21); ○ airplane pilots (\$5,000/year for five years—new program, \$50K in FY18/19 and \$50K in FY20/21); ○ large animal veterinarians (\$15K/year for five years—existing program, \$750K in FY18/19 and \$750K in FY20/21; three-fold increase vs. FY 16/17); ○ attorneys who help low-income clients. \$50K in FY18/19 and \$50K in FY20/21 for the LRAP (Loan Repayment Assistance Program), leveraging funds in the federal Public Service Loan Forgiveness Program; and ○ teachers in areas with a teacher shortage (up to \$1,000/yr. for five years—existing program, \$400K for FY18/19). • New Workforce Development Scholarships: \$2,500 per scholarship, for students in advanced manufacturing, agriculture, health care services and information technology—enrolled in two-year MNSCU colleges. \$1M in FY19 and \$1M in 20/21. • A \$36M increase (a 10% increase to base funding) in the State Grant program. These are need-based grants that help one out of four Minnesota college students.
	Sexual Violence	Creates new position of Campus Sexual Violence Prevention and Response Coordinator within the Minnesota Office of Higher Education to guide postsecondary institutions on best practices. (Current law requires <i>individual</i> postsecondary institutions to train campus security and administrators and students on campus sexual violence prevention and response.)
Omnibus Jobs Act Chapter 94	Women-Owned Businesses	<ul style="list-style-type: none"> ➤ \$250K in FY 18 to the Small Business Development Center at Minnesota State University, Mankato, to provide business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca. Must include pre-venture assistance for individuals considering starting a business.

		<ul style="list-style-type: none"> ➤ Broadband. \$20M in FY18 for broadband development to drive economic development in Greater Minnesota. ➤ Minnesota Job Creation Fund. Existing program. Financial incentives (up to \$1M) to new and expanding businesses that create or retain a specified number of high-paying jobs and that meet certain capital investment targets. The 2017 legislation gives preference to businesses in Greater Minnesota and to businesses owned by minorities, women, and persons with disabilities by lowering the number of jobs that must be created or retained, lowering the amount of required new capital investment, and increasing the amount of the annual award for each new job created and maintained. Prior funding was \$13M per biennium. 2017 legislation increased funding to \$17M for FY18/19 and \$16M for FY20/21.
	Equity	<ul style="list-style-type: none"> ➤ Emerging Entrepreneur Program: grants to nonprofits who provide loans to businesses in Greater Minnesota or in low-income areas of the Twin Cities that are owned by minorities, women, veterans, or people with disabilities. \$1.376M in FY18/19 (a decrease of \$124K). \$2M in FY20/21 (an increase of \$500K). ➤ Neighborhood Development Center: small business development for immigrants in suburban communities, for outreach and training in Greater Minnesota, and for a small business incubator program. \$1.5M in FY18/19 and \$0 in FY20/21. The 2016 equity legislation provided \$1.5M per biennium on an ongoing basis. ➤ Metropolitan Economic Development Association (MEDA): statewide business development, with priority to minority-owned businesses and businesses that create jobs for unemployed and underemployed people. \$2.35M in FY18/19 and \$0 in FY20/21. Last year's equity legislation provided \$2.35M per biennium on an ongoing basis. ➤ White Earth Nation for the White Earth Nation Integrated Business Development System. \$250K for FY18/19 and \$0 for FY20/21. Last year's equity legislation provided \$250K per biennium on an ongoing basis. ➤ East Side Enterprise Center Grant (ESEC). \$300K in FY18/19. Funds the work of African Economic Development Solutions, the Asian Economic Development Association, the Dayton's Bluff Community Council, and the Latino Economic Development Center in a collaborative approach to economic development that is effective with smaller, culturally diverse communities that seek to increase the productivity and success of new immigrant and minority populations living and working in the community. Programs must provide minority business growth and capacity building that generate wealth and jobs creation for local residents and business owners on the East Side of St. Paul. In FY19, ESEC must share its model with Greater Minnesota communities that have diverse populations similar to the East Side of St. Paul. ➤ Fighting Chance competitive grant. \$50K in FY18 for behavioral intervention programs for at-risk youth. This is a new program.

		<ul style="list-style-type: none"> ➤ \$2M in FY18/19 to Pillsbury United Communities for construction of a healthy foods grocery store and wellness center in North Minneapolis. Emphasis on employing residents within a five-mile radius of the store. This is a new program. ➤ Twin Cities RISE. Job training for hard-to-train, low-income individuals. \$2.097M in FY18/19. Of this amount, \$497K in FY18/19 is for Metro Transit technician training. Prior base was \$1.2M per biennium. ➤ Youth-at-Work competitive grant program. Workforce development for economically disadvantaged or at-risk youth, ages 14-24. (“At-risk” includes young people who are pregnant or parents, and young people with limited English proficiency.) Priority is given to programs that serve youth from communities of color or youth with disabilities. \$7.696M in FY18/19 and \$8.196M in FY20/21. Prior base was \$8.696 per biennium. ➤ Homework Starts with Home Initiative. \$2M in FY18 for loans or grants to secure stable housing for families with children eligible for enrollment in pre-K through Grade 12. ➤ Central Minnesota Opportunity Grant Program. Identify and support community initiatives in the St. Cloud area that enhance long-term economic self-sufficiency by improving education, housing, and economic outcomes for central Minnesota communities of color. A new program. \$500K in FY18. ➤ \$2M in FY18/19 to the Construction Careers Foundation for education and experience for teens and young adults, leading to careers in the construction industry. Priority must be given to those who are economically disadvantaged or historically underrepresented in the construction industry, including, but not limited to, women, veterans, and members of minority and immigrant groups. Prior base was \$2M in FY18/19 and \$2M in FY20/21. ➤ East Phillips Neighborhood Institute (EPNI). \$319K in FY18 to expand culturally tailored resources that address business growth and create green jobs. The grant will fund the collaborative work of Tamales y Bicicletas, Little Earth of the United Tribes, a nonprofit serving East Africans, and other members of the East Phillips Improvement Coalition. This is a new program. ➤ \$12.286M in FY18/19 and \$17.286M in FY20/21 for the Pathways to Prosperity grant program. Workforce development (basic skills education and career-specific training in high-demand occupations) for individuals who lack basic educational and occupational skills. Includes educational and experiential opportunities for teens and young adults in the construction industry. Prior base was \$2M per biennium. ➤ \$1M in FY18/19 to Resource, Inc., to provide low-income individuals career education and job skills training that are integrated with chemical and mental health services. ➤ \$500K in FY18/19 to YWCA-St. Paul for job training and workforce development programs. Prior base was \$500K per biennium.
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	<p>Gender Pay Gap</p>	<ul style="list-style-type: none"> ➤ \$300K in FY18/19 for the existing Displaced Homemakers program. Minnesota’s Displaced Homemaker Program helps individuals who need to enter or re-enter the workforce due to abandonment, divorce, death, disability or military deployment of a spouse. There are six displaced homemaker service providers in the state. Currently, no tax dollars go to Minnesota’s displaced homemakers program. Funding comes instead from marriage license and divorce filing fees. The revenue from those fees is going down and the number of displaced homemakers requesting help is going up. ➤ \$1M in FY18/19 to Goodwill-Easter Seals’ FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis and surrounding areas. Assists fathers in overcoming barriers that prevent them from supporting their children economically and emotionally. ➤ Wage theft prevention. \$1M in FY18/19 and \$1M in FY20/21. This is a new program, administered by the Dept. of Labor & Industry. ➤ Getting to Work Pilot Program. \$200K in FY18/19 for grants to nonprofits to provide or repair cars for low-income people so that they can obtain or maintain employment. Includes giving loans to purchase cars. This is a new program. ➤ \$1.5M in FY18/19 for a grant to the Minnesota Alliance of Boys and Girls Clubs to increase youth job skills and career development, including STEM careers. ➤ \$40K in FY18 to the Cook County Higher Education Board for educational programming and academic support services to remote regions in northeastern Minnesota. The Omnibus Higher Education Act (Ch. 89) provides additional funding for the Cook County Higher Education Board: \$400K in FY18/19 and \$400K in FY20/21. OESW’s listening sessions found the Cook County Higher Education Board to be an important factor in helping women in the region gain education and job skills for higher paying occupations. ➤ \$1.5M in FY18/19 to Summit Academy OIC for its “contextualized” GED and employment placement programs. “Contextualized” means teaching and learning are focused on concrete, real-life applications. Summit Academy is a significant resource in training women for high-wage, nontraditional occupations. ➤ Youth Skills Training Program. A new, work-based skills training program for students age 16+ in high-growth, high-demand occupations. Grants given to schools, nonprofits, labor unions, and certain other entities. \$700K in FY18/19 and \$1M/biennium thereafter.
	<p>Child Care</p>	<p>Child care business start-ups. \$519K in FY18. Grants to local communities to increase the number of child care providers. May be used for child care business start-up or expansion, training, facility modifications for licensing, or assistance with licensing and other regulatory requirements. At least 60% of the funding must go to Greater Minnesota. Requires a 50% cash or in-kind contribution match.</p>

	Older Women	At least \$500K in FY18/19 and \$500K in FY20/21 to DEED to provide training services for seniors who are becoming blind, giving them the skills needed to continue to live independently in their homes.
	Housing	<ul style="list-style-type: none"> ➤ \$1.75M in FY 18 for rental assistance to homeless students. ➤ \$1.77M in FY18/19 and \$1.77M in FY20/21 for the Housing Finance Agency’s Home Ownership Assistance Fund, addressing the disparity gap in the homeownership rate between white households and indigenous and communities of color. This is the same funding level as in FY16/17.

Minnesota Session Laws—2017, 1 st Special Session	Issue	Synopsis
Omnibus Tax Act Chapter 1	Child Care	Increases the Minnesota Child and Dependent Care Credit to equal the federal credit for taxpayers with adjusted gross incomes up to \$50,000. This is a refundable tax credit for certain care expenses incurred by low-income individuals who work or are looking for work.
	Poverty	Extends Minnesota’s Working Family Credit to individuals ages 21 to 24 who don’t have qualifying children and to apply to on-reservations earnings of enrolled tribal members. [The Working Family Credit (WFC) is a refundable tax credit, equal to a percentage of earnings, for low-income working individuals. It is similar to the federal Earned Income Tax Credit (EITC). “Refundable” means that you can receive a refund even if you don’t owe tax.]
	Transportation	Prohibits the Metropolitan Council from spending any money on establishing or expanding light rail transit. This affects the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.
	Older Women	<ul style="list-style-type: none"> ➤ Allows social security benefits (up to \$4,500 for married taxpayers filing jointly or surviving spouses, up to \$2,250 for married couples filing separately, and up to \$3,500 for single or head of household taxpayers, subject to an income-based phase-out) to be subtracted from taxable income.

		<ul style="list-style-type: none"> ➤ Requires a report on the percent of rent constituting property tax used in calculating renter property tax refunds by geographic region. This “report requirement” is in lieu of an earlier provision in the tax bill that would have decreased renter property tax refunds in some areas of the state. Minnesota’s older women tend to be low income and tend to rent, so are affected by changes to renter property tax refunds.
	Student Debt	<ul style="list-style-type: none"> ➤ Allows a tax credit, up to \$500/yr. based on income, for contributions to a section 529 college savings plan. (A “tax credit” is a dollar-for-dollar reduction of your bottom-line income tax liability.) ➤ Allows contributions (including prepaid tuition plans) to a section 529 college savings plan to be subtracted from taxable income: up to \$3,000 for married couples filing jointly and up to \$1,500 for all others. ➤ Allows a subtraction from taxable income of the discharge of debt on student loans with income-based repayment plans. ➤ Provides a new, non-refundable tax credit for postsecondary student loan payments (principal plus interest). (“Non-refundable” means you do not receive the credit if you owe no tax.) Maximum credit of \$500 per year. ➤ New, non-refundable tax credit, up to \$2,500, for K-12 teachers who complete Master’s degrees in their field of licensure. (“Non-refundable” tax credit means the amount of the credit cannot exceed the amount of tax you owe, and if you owe no tax, you do not receive a tax refund.)
	Women-Owned Businesses	<ul style="list-style-type: none"> ➤ The angel tax credit will end after calendar year 2017. The angel tax credit provided up to \$125,000 in a refundable tax credit to investors in certain types of start-up companies. Half the allocation for the credits was reserved for investments in women- or minority-owned businesses and businesses in Greater Minnesota.
	Homeownership	<ul style="list-style-type: none"> ➤ Establishes a “first-time homebuyer savings account,” in which the interest or dividends earned may be subtracted from taxable income.
	Misc.	<ul style="list-style-type: none"> ➤ Repeals the refundable tax credit for the Greater Minnesota Internship program. This program, which began in 2013, allowed a tax credit of up to \$2,000 per intern to eligible employers who employed student interns in Greater Minnesota.
<u>Senate File 3, 2017 1st Special Session</u>	Pre-Emption	The legislature passed the “pre-emption” bill, but this bill was vetoed by the Governor. The pre-emption provisions in this bill would have prohibited local governments from adopting labor standards (e.g., minimum wage, paid leave) that exceed state law. The pre-emption provisions were retroactive to January 1, 2016, so would have nullified the recent Minneapolis and St. Paul city

		ordinances requiring businesses in their cities to provide earned sick and safe leave to employees. These city ordinances become effective on July 1, 2017.
	Paid Parental Leave for State Government Employees	The pre-emption bill also included ratification of amendments to state labor contracts negotiated by Governor Dayton's administration that took effect in November of 2016 and gave six weeks of paid parental leave to state government employees, but which needed to be ratified by the legislature. The Governor claims that these labor agreements are legally ratified regardless of his veto of the final bill.
	Wage Theft Prevention	The pre-emption bill also included provisions to prevent and punish wage theft (e.g., failure to pay employees, failure to pay overtime, minimum wage violations). These wage theft provisions died with the veto.
Omnibus Transportation Bill Chapter 3	Transit	Funds Metro Transit at \$70 million in FY 2018-2019 to ensure that there will not be a reduction of vital bus services in the next biennium. However, the funding increase is one-time only. Therefore, Metro Transit is projected to have a \$110 million structural deficit in the next biennium. As a result, Metro Transit is expected to begin planning for reduced service.
Omnibus State Government Financing Act Chapter 4	Women's Issues	Prohibits hiring of staff for the Office on the Economic Status of Women (OESW) and eliminates its funding, effective July 1, 2017.
Omnibus E-12 Education Act Chapter 5	Pre-K	Provides up to an additional \$50M for prekindergarten. However, the additional funding is one-time only.
	Early Learning Scholarships	Funding for early learning scholarships is increased, but the requirement for those scholarships to be used at highly rated programs is pushed back until 2020 and the option provided for schools and child care centers to reserve spaces is foreclosed.
	Child care	<ul style="list-style-type: none"> ➤ Provides \$18M to improve child care quality and stability for low-income families as well as home visiting for an additional 2,300 families. ➤ Does not increase the reimbursement rate for child care providers who serve low-income families who participate in the state Child Care Assistance Program (CCAP). Minnesota's CCAP reimbursement rates are set at the 25th percentile of 2011 market rates (i.e., 75% of child care providers in 2011 charged more). The federal government recommends that reimbursement rates not fall below the 75th percentile of <i>current</i> market rates, due to the risk of losing child care providers who cannot afford to operate at a loss or of child care providers refusing to accept low-income CCAP families. ➤ Provides no additional funds for the Basic Sliding Fee (BSF) program. This is the state Child Care Assistance Program (CCAP) for lower income families whose income is not low enough

		<p>to qualify for MFIP (cash assistance for very low income families). BSF requires a co-payment by recipients. There is not enough funding for all the families who are eligible for BSF. At any given time, 5,000 to 6,000 families are on the waiting list for BSF.</p> <ul style="list-style-type: none"> ➤ Expands Transition Year Child Care Assistance so that it is also provided while a transition year family is in an approved education or training program. Current law provides Transition Year Child Care Assistance to help very low income families pay for child care only while they work or look for work (not while they are in an approved education or training program) for up to one year after their MFIP (Minnesota Family Investment Program) or DWP (Diversionary Work Program) case closes. This change also applies to transition year extension families. ➤ Makes various changes to eligibility for child care assistance and co-payments including: <ul style="list-style-type: none"> ○ A child care assistance applicant’s eligibility can be redetermined no more frequently than every 12 months. ○ During a family’s 12-month eligibility period, an increase in family income (as long as it remains below 85% of the state median income) does not change the family’s eligibility and the co-payment doesn’t increase during the 12-month eligibility period. ➤ Student parents who are MFIP recipients and who turn 21 continue to be eligible for MFIP until approved for Basic Sliding Fee (BSF) child care assistance or until MFIP redetermination. ➤ Current law doesn’t allow children/dependents of employees of child care providers to be eligible for child care assistance. The 2017 law allows up to 25 children who are children/dependents of employees of a child care center to be eligible for child care assistance. ➤ Requires counties to pay child care providers within 21 days of receiving the bill from the provider. ➤ Simplifies and reduces various paperwork requirements for both child care providers and families receiving child care assistance. ➤ Requires the Dept. of Human Services to develop guidelines for public posting of licensing data (including license violations) for licensed child care providers. The guidelines must be developed by November 1, 2017. ➤ Modifies various provisions relating to child care licensing and corrective actions, including the requirement of a “fix-it ticket” being issued for a minor license violation. Fix-it tickets require correction by the license holder within 48 hours and will not be posted on a public website. ➤ Requires an annual report by the Dept. of Human Services to the legislature on the status of child care in Minnesota. ➤ Numerous statutory changes necessary to comply with requirements for Minnesota to continue to receive the federal child care development block grant, including: <ul style="list-style-type: none"> ○ Requires annual inspections of licensed child care providers, including one unannounced inspection at least annually for child care centers.
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	Poverty	<ul style="list-style-type: none"> ➤ Provides no increase in the amount of monthly MFIP (Minnesota Family Investment Program—monthly cash assistance for very low-income families) cash assistance. If you are a single mother with one child, the MFIP monthly cash assistance is \$437; there has been no increase, not even an inflation adjustment, since 1986. ➤ Creates a “Minnesota Pathways to Prosperity and Well-Being” Pilot Project to test an alternative financing model for distribution of publicly funded benefits. The goal is to have a more comprehensive approach to the needs of low-income families and to focus on prevention-oriented supports and interventions.
	Sex Trafficking	<ul style="list-style-type: none"> ➤ Requires the Dept. of Health, in consultation with the Depts. of Public Safety and Human Services, to develop a statewide strategic plan (by October 1, 2018) to address the needs of sex trafficking victims. The plan must include recommendations regarding expanding the safe harbor law to adult victims.