

2023 Child care and early education legislative summary

In addition to the changes below, the 2023 legislature passed the creation of the new Department of Children, Youth, and Families. This new cabinet-level agency will be established in July 2024 and fully staffed by July 2025. For more information on the new department, visit <https://mn.gov/mmb/dcyf-implementation/>.

Change	Agency	Impact
Funding	DHS	Establishes a new, ongoing state-funded child care retention program called the Great Start Compensation Support Payments with \$316 million in FY24-25 and \$260 million ongoing. The nation-leading program is one of the first state-funded direct child care workforce compensation support programs with the goal of addressing the long-standing broken economics of the industry that results in severely low wages for early educators.
Funding	DHS	Increases investment in the Basic Sliding Fee Child Care Assistance Program (CCAP) by \$30 million per biennium to increase access to an estimated 500 additional families, including 1,000 children.
Funding	DHS	Increases Child Care Assistance Program (CCAP) rates to the 75th percentile of market rates with updates based on the market rate survey completed every three years.
Funding/Policy	DHS	Permanently reprioritizes the Basic Sliding Fee CCAP waitlist to expedite access to CCAP for families currently not receiving support.
Funding	DHS	Provides CCAP eligibility for foster and kinship caregiving families resulting in an estimated increase of 1,300 more families, including an estimated 2,600 children.
Funding	DHS	Provides up to 20 hours of child care assistance for children in households accessing MFIP where the primary caregiver has a mental health diagnosis .
Funding	DHS	\$6.78 million in FY24-25 and \$11.7 million ongoing per biennium to strengthen core functions of licensing , including licensing and oversight of home and community-based services, child and adult foster care, child care centers, and maltreatment investigations.
Funding	MDH	\$1 million per biennium ongoing for lead remediation in schools and child care.
Funding	DHS	\$4 million per biennium ongoing for child care workforce development scholarships to increase the number of individuals qualified to work in the child care industry through recruitment, training, and higher education scholarships.
Funding	DHS	\$8.8 million in FY24-25 and \$8.1 million ongoing for child care business supports including an assistance network to support new and existing child care businesses, grants for shared services for family child care providers, and grants for technology for child care programs.

Funding	DHS	Funds a provider licensing and reporting hub to establish a unified licensing experience for all Human Services licensed programs.
Funding	DHS	Creates a continuous license process for family child care providers.
Funding	DHS	\$3.2 million in FY24-25 and \$2 million per biennium ongoing to establish an Early Childhood Registered Apprenticeship Grant Program .
Funding	DHS	Provides \$1.1 million in FY24-25 and \$1.4 million in FY26-27 to centralize and streamline provider registration and renewals for CCAP and remove duplicative background studies for Legal Non-Licensed (LNL) CCAP providers.
Funding	DHS	\$3 million in FY25 and \$5 million per biennium ongoing for a Family, Friend, and Neighbor (FFN) Child Care Grant Program .
Funding	DHS	\$1 million in FY24-25 to create a cost-of-care estimation model for early care and learning programs as well as an early childhood professional wage scale based on education, experience and training, as well as a process for recognizing competencies achieved through training and experience that are comparable to degrees and credentials.
Funding	DHS	\$4.2 million in FY24-25 and \$1.8 million per biennium ongoing to increase REETAIN grants that supplement income for qualified early childhood educators .
Funding	OHE	One-time \$475,000 for Minnesota State Colleges and Universities to work with Minnesota State Faculty, MDE, OHE, the Children’s Cabinet, and other stakeholders to develop a transparent pathway for current Child Development Associate® Credential holders to be awarded academic credit that aligns with related Minnesota State academic credentials.
Funding	MDE	\$252 million in FY24-25 and \$59 million per biennium ongoing increase to Early Learning Scholarships with policy changes including: <ul style="list-style-type: none"> • Providing eligibility and priority for children birth to age 3; • Adding priority categories for children with a caregiver who has been incarcerated, is in a mental health or substance use disorder treatment program, involved with the child protection system, or has experienced domestic violence; • Increasing the scholarship amount for children attending four-star Parent Aware-rated programs to the 75th percentile of market rates; • Reducing the amount of time by which a family must begin to use an awarded scholarship from 10 months to 3 months; • Increasing the income limit to 85th percentile of median income, while prioritizing families at the current income level of 185% of the federal poverty guidelines; and • Providing up to \$5 million one-time and \$750,000 per year ongoing to create information technology systems, including but not limited to an online application, a case management system, attendance tracking, and a centralized payment system.
Funding	DHS	\$1.1 million one-time for marketing, signing bonuses, outreach and staffing to increase child care and early learning programs in the Parent Aware quality rating and improvement system . With process to align one-star rating with licensure by 2026.

Funding	DHS/MDE	Funding to develop an implementation plan for a new Great Start Scholarship Program that would integrate administrative and funding structures of early care and learning programs, including Early Learning Scholarships and CCAP, with the eventual goal to cap family contributions to child care costs at 7% of income.
Funding	MDE	Makes permanent 4,000 voluntary pre-k seats set to expire and adds an additional 3,000 in FY25 and 2,500 more in FY26 for a total of 12,360 by FY27.
Funding	MDE	\$2.5 million in FY24-25 and \$1 million per biennium ongoing for Grow Your Own Early Childhood and Family Educators' Program to host, build, or expand an early childhood preparation program and fund student stipends, tuition scholarships or student teaching.
Funding	MDE	\$10 million per year ongoing increase for Head Start . Eligible uses expanded to include operations and infrastructure and set aside 10.72% initially for Tribal Head Start programs.
Funding	MDE	Requires Kindergarten Entry Assessment to measure percentage of kindergartners who meet or exceed end-of-year prekindergarten standards.
Funding	MDE	Named grants totaling \$4.4 million for FY24-25 and \$500,000 for F26-27 for community organizations supporting early childhood .
Funding	MDE	Ensures children enrolled in Early Childhood Special Education in preschool programs have access to breakfast and English Language Learner funding in the same amounts as their peers not receiving special education funding.
Funding	MDE	Increases aid for developmental screening by approximately \$1 million for FY24-25 and \$2 million for FY26-27. Virtual screening option allowed for certain health conditions.
Policy/Funding	DEED	Establishes and funds the Office of Child Care Community Partnerships at DEED.
Funding	DEED	\$13 million in FY24-25 and \$1.5 million per year ongoing for Child Care Grants to increase child care supply across the state.
Funding	DEED	\$7 million for FY24-25 and \$1 million per year ongoing for the six Minnesota Initiative Foundations to support child care access in Greater Minnesota.
Policy	DEED	\$2 million in FY24-25 for a grant to Women Venture to support child care providers through business training and shared services programs and to create materials that could be used for start-up, expansion, and operation of child care businesses statewide.
Bonding/Funding	DHS	\$900,000 in general obligation bonds and \$1.1 million in general funds to renovate or build early learning facilities .
Policy	DHS	Allows parents attending substance use disorder treatment with their children to access child care commensurate with the time they need to attend clinical treatment activities.