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# State Early Learning Scholarships Program

## Policy Manual

*Effective July 1, 2026*

*This manual is current as of July 1, 2026.*

This manual is designed to document policy, procedure, and process for the Early Learning Scholarships program of the State of Minnesota. Early Learning Scholarships support access to quality early care and education programs, reducing the opportunity gap by bridging funding gaps and decreasing barriers.

The policies and procedures in this manual are subject to change by the state of Minnesota. If changes are made, the state will notify program participants as needed, including Area Administrators and Pathway II-funded programs.

The information provided by the state in this manual should not be deleted or altered.

# Table of Contents

|                                                                                                       |          |
|-------------------------------------------------------------------------------------------------------|----------|
| <b>Policy Manual .....</b>                                                                            | <b>1</b> |
| 1. Overview of the Early Learning Scholarships Program.....                                           | 5        |
| 1.1 Purpose of Early Learning Scholarships.....                                                       | 5        |
| 1.2 Program Structure: Pathway I and Pathway II .....                                                 | 5        |
| 1.3 Key Entities and Roles .....                                                                      | 5        |
| 1.4 How Families Access Scholarships.....                                                             | 7        |
| 2. Eligibility and Family Policies (All Pathways).....                                                | 9        |
| 2.1 Eligibility Requirements.....                                                                     | 9        |
| 2.2 Income Verification .....                                                                         | 9        |
| 2.3 Priority for Early Learning Scholarships.....                                                     | 12       |
| 2.4 Family Residency .....                                                                            | 16       |
| 2.5 Family Responsibilities and Agreements.....                                                       | 17       |
| 2.6 Early Childhood Health and Developmental Screening.....                                           | 19       |
| 3. Application and Enrollment .....                                                                   | 20       |
| 3.1 Pathway I - Application Process (Parent/Legal Guardian).....                                      | 20       |
| 3.2 Pathway II Application Process and Program Eligibility .....                                      | 20       |
| 3.3 Required Documentation .....                                                                      | 23       |
| 3.4 Family Choice of Early Childhood Program .....                                                    | 23       |
| 3.5 Early Head Start/Head Start or Public School and Family Child Care Partnerships (Pathway I) ..... | 23       |
| 3.6 Program Selection Timeline .....                                                                  | 24       |
| 3.7 Splitting Early Learning Scholarships Between Multiple Programs (Pathway I) .....                 | 24       |
| 4. Awarding Scholarships.....                                                                         | 25       |
| 4.1 Universal Awarding Policies .....                                                                 | 25       |
| 4.2 Pathway I Award (Area Administrators).....                                                        | 26       |
| 4.3 Pathway II Awarding.....                                                                          | 30       |
| 4.3.7 Tuition and Fees .....                                                                          | 32       |
| 5. Invoicing and Payments .....                                                                       | 33       |
| 5.1 Payment Policies .....                                                                            | 33       |
| 5.2 Pathway II: Uses of Scholarship .....                                                             | 38       |
| 5.3 Pathway II Invoicing and Payments.....                                                            | 40       |
| 6. Attendance, Absences, and Exemptions .....                                                         | 42       |
| 6.1 Attendance Record Keeping Format .....                                                            | 42       |

|                                                                                    |    |
|------------------------------------------------------------------------------------|----|
| 6.2 Attendance Monitoring .....                                                    | 43 |
| 6.3 Absent Days .....                                                              | 43 |
| 6.4 Communication Requirements .....                                               | 45 |
| 6.5 Exemptions from the 25 Absent Day Policy.....                                  | 45 |
| 6.6 Medical Exemption Policy .....                                                 | 46 |
| 6.7 Program Closure Policies: Child Care Programs.....                             | 48 |
| 6.8 Program Closure Policies: School-Based and Head Start Programs .....           | 49 |
| 7. Renewal, Cancellation, and Transitions.....                                     | 49 |
| 7.1 Changes in Program Enrollment (Pathway I) .....                                | 50 |
| 7.2 Pathway I Renewal Policies .....                                               | 51 |
| 7.3 Pathway II Renewal Policies .....                                              | 51 |
| 7.4 Cancellation of Scholarships .....                                             | 52 |
| 7.5 Unreachable Families .....                                                     | 53 |
| 7.7 Child/Family Relocation: Moving/Awarding to a Canceled Scholarship Record..... | 53 |
| 8. Program Administration .....                                                    | 54 |
| 8.1 Area and Tribal Administrators: Pathway I.....                                 | 54 |
| 8.2 Eligibility of the Program.....                                                | 56 |
| 8.3 Pathway I Programs.....                                                        | 57 |
| 8.4 Pathway II .....                                                               | 58 |
| 8.5 Invoice Submission .....                                                       | 60 |
| 9. Monitoring .....                                                                | 62 |
| 9.1 Interaction between State and Other Grant Scholarship Programs.....            | 62 |
| 9.2 Provider Recoupments and Overpayments .....                                    | 62 |
| 10. Collecting Data and Tracking Scholarship Usage .....                           | 63 |
| 10.1 Early Learning Scholarships Administrator Hub .....                           | 63 |
| 10.2 Early Learning Scholarships Hub .....                                         | 63 |
| 10.3 ELSA .....                                                                    | 64 |
| 10.4 Data Entry .....                                                              | 64 |
| 10.5 Required Reporting.....                                                       | 65 |
| 10.6 Data Privacy Requirements.....                                                | 65 |
| 11. Special Topics.....                                                            | 66 |
| 11.1 Extended Day or Wrap-Around Care.....                                         | 66 |
| 11.2 Using Early Learning Scholarships with Child Care Assistance Program.....     | 67 |

|                                                                                                  |    |
|--------------------------------------------------------------------------------------------------|----|
| 12. Glossary of Terms.....                                                                       | 67 |
| 13. Department of Children, Youth, and Families (DCYF) Early Learning Scholarship Contacts ..... | 69 |

# 1. Overview of the Early Learning Scholarships Program

## 1.1 Purpose of Early Learning Scholarships

The Early Learning Scholarships Program is a state funding stream administered by the Minnesota Department of Children, Youth, and Families (DCYF). Early Learning Scholarships support access to high-quality early care and education programs by helping bridge funding gaps and reduce financial barriers for families.

Families awarded a scholarship use the funds to pay for services for their awarded children in an early childhood program. Scholarship funds may be used to extend a child's participation in a high-quality program, cover parent fees, pay for the child's attendance, or other allowable uses. Scholarships must be used in programs participating in Parent Aware, Minnesota's Quality Rating and Improvement System for early childhood programs.

## 1.2 Program Structure: Pathway I and Pathway II

Families can access Early Learning Scholarships in one of two ways:

### Pathway I

- Awarded to eligible children through [Area Administrators](#). Families may apply through the [Early Learning Scholarships Hub](#)
- May be used for allowable costs and services provided by an eligible program selected by the family
- Can follow the child to a different eligible program in the event of a program change

### Pathway II

- Awarded to eligible children through a Parent Aware Four-Star Rated program that has been funded with Pathway II dollars
- Used only for allowable costs and services provided by the Pathway II program that made the award
- Ends when a child leaves the Pathway II program that made the award or if the program is no longer Four-Star Parent Aware Rated

## 1.3 Key Entities and Roles

### DCYF

The Department of Children, Youth, and Families (DCYF) is the state agency responsible for administration and oversight of the Early Learning Scholarships program. DCYF establishes program policies and requirements; oversees scholarship funding, monitoring, and compliance activities; provides technical assistance and guidance; and works with Area Administrators, Tribal Administrators, Central Payment administrators and participating programs to support consistent implementation and responsible stewardship of public funds.

## Area Administrators

Area Administrators are organizations funded as grantees of the state to locally administer Early Learning Scholarships throughout Minnesota. Area Administrators conduct outreach to families, process applications, and verify eligibility for scholarships. They award Pathway I scholarships directly to eligible children and maintain application waitlists. Area Administrators work in partnership with the Minnesota Department of Children, Youth, and Families (DCYF) and the Central Payment Administrator to support early childhood programs in accessing scholarship funding and ensuring payments are processed for services provided to awarded children.

## Tribal Area Administrators

Leech Lake Band of Ojibwe and White Earth Nation administer Pathway I scholarships for children who reside on Tribal land and/or are children of members or who have otherwise been determined to have a relationship with the Tribal organization. This may include families residing anywhere within the state of Minnesota as determined by the Tribal Area Administrator. Families have the choice to apply through either the Area Administrator for their county of residence or the Tribe with which they are associated. All references within this manual to actions of the “Area Administrator” are inclusive of Tribal Area Administrators unless specifically noted.

- Leech Lake: Geographic boundaries of tribal land or recognized members or determined affiliation with the tribe.
- White Earth: Geographic boundaries of tribal land or recognized members or determined affiliation with the tribe.

## Central Payment Administrator

The Central Payment Administrator (CPA) is a single grantee responsible for overseeing scholarship payment processing for Pathway I Early Learning Scholarships and child care programs receiving Pathway II funding. The CPA manages and processes invoices from participating early learning programs, verifies payment information entered in the Central Payment Portal (CPP), issues payments to providers based on authorized scholarship awards, and maintains payment documentation and records. The CPA serves as the primary contact for early childhood programs regarding scholarship payments and invoicing. The current Central Payment Administrator is [Greater Twin Cities United Way](#).

For payment-related questions, programs may contact the Central Payment Administrator at [ELSAPaymentSupport@gtcuw.org](mailto:ELSAPaymentSupport@gtcuw.org).

## Pathway II Programs

Pathway II programs are early learning programs funded as grantees of the state to award scholarships directly to eligible children enrolled in their programs. Pathway II programs verify eligibility, award scholarships, provide early learning services, and request scholarship payments.

A grantee statewide administrator of Pathway II child care programs support the administration. The current statewide administrator is Milestones.

Private center-based and family child care Pathway II programs submit invoices to the Central Payment Administrator for payment. School-based and Head Start Pathway II programs submit payment requests directly to DCYF.

## **Nondiscrimination Requirement**

All entities receiving public funds, including Area Administrators, the Central Payment Administrator, and early care and education programs accepting Early Learning Scholarships, must comply with nondiscrimination statutes.

State law prohibits discrimination on the basis of race, color, national origin, religion, gender expression, disability, sex or age ([Sec. 363A.13 MN Statutes](#)).

## **1.4 How Families Access Scholarships**

### **Pathway I**

Families access Pathway I Early Learning Scholarships by applying through the [Early Learning Scholarships Hub](#). A designated Area Administrator or Tribal Administrator supports families throughout the application process and duration of the scholarship. Eligible families use a scholarship to help pay for any eligible early care and education program participating in Parent Aware.

### ***Geographic Distribution for Scholarships***

- **Region 1:** Kittson, Marshall, Norman, Pennington, Polk, Red Lake, Roseau counties.
- **Region 2:** Beltrami, Clearwater, Hubbard, Lake of the Woods, Mahnommen counties.
- **Region 3:** Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, Saint Louis counties.
- **Region 4:** Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, Wilkin counties.
- **Region 5:** Cass, Crow Wing, Morrison, Todd, Wadena counties.
- **Region 6E:** Kandiyohi, McLeod, Meeker, Renville counties.
- **Region 6W:** Big Stone, Chippewa, Lac qui Parle, Swift, Yellow Medicine counties.
- **Region 7E:** Chisago, Isanti, Kanabec, Mille Lacs, Pine counties.
- **Region 7W:** Benton, Sherburne, Stearns, Wright counties.
- **Region 8:** Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock counties.
- **Region 9:** Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, Watonwan counties.
- **Region 10:** Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona counties.
- **East Metro:** Anoka, Washington counties.
- **West Metro:** Carver, Dakota, Scott counties
- **Hennepin and Ramsey Counties**

## Pathway II

Families access Pathway II Early Learning Scholarships by enrolling in a Four-Star Parent Aware Rated program with Pathway II funding. Families apply directly with the participating program, which determines eligibility and awards scholarships to eligible families pending availability of funding.

## 2. Eligibility and Family Policies (All Pathways)

### 2.1 Eligibility Requirements

To be eligible for a state Early Learning Scholarship, the family must be income-eligible, and the child must be age-eligible.

#### Income Eligibility

Families must have (a) income equal to or less than 85% of the State median Income (SMI), or (b) be able to document their child's current participation in one of the following programs:

- Free and Reduced-Price Meals program (FRPM)
- Child and Adult Care Food Program (CACFP), National School Lunch Act, United States Code, title 42, sections 1751 and 1766
- Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, Title 7, sections 2011-2036
- Head Start under the federal Improving Head Start for School Readiness Act of 2007
- Minnesota Family Investment Program (MFIP) under chapter [142G.01](#)
- Child Care Assistance Program (CCAP) under chapter [142E.01](#) Supplemental Nutrition Assistance program (SNAP)
- Placement in foster care under section [260C.212](#)
- Have been referred as in need of child protection services

#### Age Eligibility

- Children are eligible for a scholarship from birth until they become age-eligible for kindergarten, which is age 5 on or before September 1 of the current school year.
- Eligibility ends when the child turns 5 on or before September 1 of the current school year, or when the child enrolls in and begins attending kindergarten, whichever occurs first.
- Once a child has been awarded a scholarship, they are eligible to continue receiving a scholarship until August 31 of the year they age out.
- A child who turns 5 on or before September 1 may receive a new scholarship award or renewal between July 1 and August 31 of that fiscal year.
- The current school year refers to the school year within the state fiscal year funding the scholarship award. A state fiscal year (FY) runs from July 1 to June 30 the following calendar year.
- Example: FY 2027 runs July 1, 2026, through June 30, 2027. This covers school year 2026-27.

### 2.2 Income Verification

Families have two options to demonstrate their income eligibility. Written documentation must be included with the application before an award can be made.

## Option 1: Public Assistance Program

A family can document that their child is participating in one of the following public assistance or publicly funded programs:

- Minnesota Family Investment Program (MFIP)
- Child Care Assistance Program (CCAP)
- Supplemental Nutrition Assistance Program (SNAP)
- Free and Reduced-Price Meals Program (FRPM)
- Child and Adult Care Food Program (CACFP)
- Head Start
- Foster Care
- Child Protection
- Food Distribution Program on Indian Reservations (automatically qualifies for FRPM)

For families who choose Option 1, applications forms must include written documentation that the family is currently participating in one of the above programs.

Acceptable proof of participation includes:

- Official notice on program letterhead
- Application with program approval/signature (e.g., approved CACFP or FRPM application)
- Authorization form from the public program
- Current bill or receipt from the program (e.g., MEC<sup>2</sup> bill from CCAP)
- Screenshot from a program's official system of record (e.g., free or reduced-price lunch status in Infinite Campus)
- Case Manager name and contact information

Proof of participation must be dated and must be valid at the time of the scholarship award. Proof must have the name of the parent/guardian and/or child. Proof of public program participation from an older child in the household's application (such as approved FRPM application) can be used if the parent name listed matches the parent name on the application or the address matches that of the household connected to the FRPM status.

Unacceptable proof includes:

- Wait list letter
- Unapproved application with family information but no program approval/signature
- Documentation without a date
- Expired documentation

Additional documentation does not need to be provided for children in foster care, but the county or Tribal social service agency in charge of their placement must sign the application. There must be a referring agency listed on the application to document child protection status.

If a family is not sure what type of documentation to include, the Area Administrator or Pathway II program will provide guidance to the family. The Area Administrator or Pathway II program shall not request nor use additional income documentation once the family has established eligibility under Option 1.

**Note:** Families cannot be determined as income-eligible for scholarships based solely on program-level eligibility for CACFP or FRPM. Families must be eligible for CACFP or FRPM based on their own income to use CACFP or FRPM for Option 1 when applying.

## Option 2: Household Income

Families who do not document their eligibility through Option 1 may use Option 2 to verify their household income eligibility. To be eligible under this option, families must have income equal to or less than 85% of the Minnesota State Median Income (SMI) in effect at the start of the current state fiscal year (July 1). In alignment with the Child Care Assistance Program (CCAP), the SMI may change in the fall of each year when updated information is available.

Families must provide documentation of earned income for all income earners in the household. Proof of income may include:

- Most recent (consecutive) 30 days of pay stubs for each income earner
- W-2 form
- A financial aid statement
- A signed statement from their employer on company letterhead
- Documentation of child support, if applicable
- Documentation of social security income, if applicable
- If other types of documentation are not available, the previous year's income tax filing documents may be used. The tax documents must be a copy of the signed version submitted to the Internal Revenue Service (IRS) or include the confirmation notice if submitted electronically.

Option 2 eligibility is confirmed by determining the annual income of the household and the family size, then comparing that information to the maximum gross income by family size (as provided in the chart below).

Income must be at or below 85% of the SMI. Household members include all people living in the household, related or not (such as grandparents, other relatives, or friends) who share income and expenses. The applicant must include themselves and all children that are part of their household. Households do not include other people who are economically independent, such as a roommate. For more information on household size, view the "Who is in a SNAP household" section of the US Department of Agriculture (USDA) [SNAP eligibility webpage](#).

Household income must be at or below the amount in this chart to be eligible. This chart is based on the State Median Income and is valid for awards from October 14, 2025, through October 2026.

| Family Size | Annual Income before Taxes | Family Size | Annual Income before Taxes |
|-------------|----------------------------|-------------|----------------------------|
| 2           | \$83,231                   | 8           | \$168,909                  |

|   |           |    |           |
|---|-----------|----|-----------|
| 3 | \$102,814 | 9  | \$172,581 |
| 4 | \$122,398 | 10 | \$176,253 |
| 5 | \$141,982 | 11 | \$179,925 |
| 6 | \$161,565 | 12 | \$183,597 |
| 7 | \$165,237 | 13 | \$187,269 |

## No Household Income

When the household has no income to document and is not participating in any of the Option 1 programs, the adult completing the application must submit the *“Household Declaration of No Income”* page of the application declaring that the household has no income. It is expected that families with no documentable forms of income should be referred by the Area Administrator or Pathway II program to local public assistance programs such as the Minnesota Family Investment Program (MFIP) or the Supplemental Nutrition Assistance Program (SNAP) in order to access other services, the family may need.

If the family is doubling up temporarily with other family members or friends due to economic hardship or loss of housing, that is within the definition of homelessness. If it is a doubling-up situation, the family is considered an individual family, and the other people’s finances will not be included. If the household shares revenue and resources, then everyone’s income would be included within the application. The family will need to determine if they are combining revenue and expenses and, if not, then only the parent and his/her children should be included on the application.

## 2.3 Priority for Early Learning Scholarships

### Income Priority

Families with income at or below 47% State Median Income (SMI) are prioritized over families with income between 47% SMI and 85% SMI.

To be prioritized for an Early Learning Scholarship, the family’s household income must be at or below the amount in this chart. This chart is based on the State Median Income and is valid for awards from October 14, 2025, through October 2026.

| Family Size | Annual Income before Taxes | Family Size | Annual Income before Taxes |
|-------------|----------------------------|-------------|----------------------------|
| 2           | \$46,022                   | 8           | \$93,397                   |
| 3           | \$56,850                   | 9           | \$95,427                   |
| 4           | \$67,679                   | 10          | \$97,458                   |
| 5           | \$78,508                   | 11          | \$99,488                   |
| 6           | \$89,336                   | 12          | \$101,519                  |
| 7           | \$91,367                   | 13          | \$103,549                  |

## Priority Populations

Children who meet one or more of the criteria below are considered priority populations for Early Learning Scholarships under Minnesota Statutes, section 142D.25, subdivision 3. All priority categories are applied on an equal basis.

A child qualifies for priority if they:

- Are birth through 3 years of age
- Have a parent under age 21 who is pursuing a high school diploma or high school equivalency credential
- Are in foster care
- Have been referred as in need of child protection services
- Have a parent who is incarcerated
- Are in, or have a parent who is in, a substance use treatment program
- Are in, or have a parent who is in, a mental health treatment program
- Have experienced domestic violence
- Have experienced homelessness within the previous 24 months
- Have an individualized education program (IEP, ages 3-5) or individualized family service plan (IFSP, ages birth-3)

## Order Scholarships Are Awarded

Effective July 1, 2026, scholarships must be prioritized first by household income and then by statutory priority status. The prioritization order is:

1. Household income at or below 47% of State Median Income (SMI) with one or more statutory priority categories
2. Household income below 47% of SMI without a statutory priority
3. Household income between 47% and 85% of SMI with one or more statutory priority categories
4. Household income between 47% and 85% of SMI without a statutory priority

### *Parents Under 21 (Teen Parents)*

Teen parents (parents under age 21) who are requesting a scholarship for a child and would like to be considered priority must provide written proof that they are pursuing a high school diploma or GED® diploma. Written proof means an official letter from the organization (on official letterhead) in which they are currently enrolled and actively participating in classes that confirms the parent's course of study and active status.

Children of teen parents are prioritized to receive scholarships, but they do not automatically qualify as eligible until they can demonstrate that they are income-eligible by verifying the household income.

### *Foster Care*

Foster care parents cannot apply for the scholarship directly. The foster care case worker must complete the application on behalf of the child using the [Early Learning Scholarships Hub](#) for Pathway I applications, or by

submitting the paper Pathway II application. As of July 16, 2024, paper Pathway I applications are not accepted for children in foster care.

If a child is in foster care, the address for the parent/legal guardian (home) on the application must be the county or Tribal social service agency address, with the address where the child is living noted on the application as the child's resident address. The resident school district of the child is considered the school district of the home from which the child was removed.

For the purpose of assigning the State Student Identification (SSID) number, the foster care agency must inform the Area Administrator or Pathway II program of the resident school district from which the child was removed in order to ensure the correct resident school district is selected in ELSA. The foster care worker and the foster care parent may need to coordinate some of the details on the application to ensure accurate information, but the worker must be the legal guardian actually listed on the application. For more information, see the [Supplemental Guide for Priority Populations](#). Note, there are conditions under which the foster care agency transfers legal guardianship to the foster care parent. If this is the case, the foster care parent will have valid authorization and can provide such authorization, if requested.

Children of a foster parent are not considered siblings of the child(ren) in foster care. A foster parent wishing to apply for a scholarship for their own children will do so under their own parent/guardian status.

Early Learning Scholarship funding may supplement, but not supplant, funding for foster parents receiving the Minnesota Assessment of Parenting Children and Youth (MAPCY) benefits.

### *Child Protective Services*

The Department of Children Youth and Families (DCYF) defines children whose families are receiving child protective services as those who are receiving an assessment or who are currently involved in any case management workgroup.

When a child is not in foster care, but the child's family is receiving child protective services, the parent/guardian will submit the application and is required to list the county or Tribal social service agency and other referral details. The scholarship application has a section for the referring agency and worker information. This information and process has been communicated by DCYF via their bulletin to social service agencies.

### *Experiencing Homelessness in the Last 24 Months*

"Homeless" is defined using the federal McKinney-Vento Homeless Assistance Act definition of homelessness. If the family resided in a shelter, car, outside, public space, hotel, motel, trailer, campground, or doubled up with another family due to economic hardship, the child may be considered eligible for a scholarship if other requirements of age, income, and residency apply. Questions to assess homelessness are included on the application. For more details visit the [Homeless McKinney-Vento](#) page of the Minnesota Department of Education website.

### *Children with an Incarcerated Parent*

“Children of Incarcerated Parents” means children for whom one or both parents, primary caregiver, or legal guardian is in the custody of a federal, Tribal, state, or local correctional or detention facility; currently incarcerated; or on active supervision. (Does not include past incarceration)

### *Children who are in or have a Parent in a Mental Health Treatment Program*

“Child or Parent in a Mental Health Treatment Program” includes those children or parents who are undergoing mental health treatment from a Mental Health Targeted Case Management or receiving mental health treatment including Outpatient Psychotherapy, Adult Rehabilitative Mental Health Services (ARMHS), Children’s Therapeutic Services and Supports (CTSS), Day Treatment/Partial Hospitalization, Assertive Community Treatment, Intensive Residential Treatment Services/Residential Crisis, or Hospitalization for Mental Health Treatment. Children’s mental health services can include community or in-home based services.

### *Children who are in or have a Parent in a Substance Use Treatment Program*

“Child or a Parent in a Substance Use Treatment Program” includes a parent receiving substance use disorder services such as inpatient and outpatient programs, halfway houses, extended care, detox centers, and peer-recovery services. Treatment for children can include treatment for Neonatal Abstinence Syndrome (NAS), Neonatal Opioid Withdrawal Syndrome (NOWS) and Fetal Alcohol Spectrum Disorder (FASD). Priority for Early Learning Scholarships does not include participation in 12 Step programs.

### *Children who have Experienced Domestic Violence*

“Children who have experienced domestic violence” means a child who is living or has lived where domestic violence is occurring or has occurred for the child or other individuals in the living situation. (\*See the Glossary for more information about the definition of domestic violence.)

### *Children who have an Individualized Education Program (IEP) or an Individualized Family Service Plan (IFSP)*

“Children with an Individualized Education Program (IEP), ages 3 to 5, and children with an Individualized Family Service Plan (IFSP), ages birth to age 3”, who have been identified as needing special education services or early intervention services qualify for priority for an Early Learning Scholarship. Scholarship funds can only supplement, but not supplant, supports and services provided through the IFSP or IEP.

## **Administering Priority Populations**

Area Administrators must prioritize awarding new scholarships to children from the priority populations described above. Non-priority applicants may stay on the waitlist while funds are allocated. DCYF is responsible for allocating funding statewide to ensure equitable service for priority groups and will advise Area Administrators about scholarship availability in their region.

Pathway II programs should give preference to priority populations when awarding scholarships. For Pathway I

Early Learning Scholarships, Area and Tribal Administrators will consider income, priority status, and application date, and include additional eligible household children when possible.

## 2.4 Family Residency

The family's address on the application form must be verified as a Minnesota address. Enrollment in a program in Minnesota does not make a non-Minnesota resident eligible for a scholarship. Additional documentation of residency is not required.

Families must have a Minnesota address, regardless of where the parent works or attends school. Eligibility is extended to an eligible child living in a Minnesota border state if that child has a Minnesota address as assigned by the U.S. Postal Service and has received or will receive Early Childhood Screening by a Minnesota school district at age 3. Parents/legal guardians residing in Minnesota under a temporary worker or student visa must submit proof of eligibility and provide their current address.

Families who are currently experiencing homelessness may opt to either use their former residential school district—the district associated with their address prior to experiencing homelessness—or their current location to apply for a Pathway I or Pathway II scholarship. This aligns with Head Start and K-12 guidance. “Homeless” is defined using the federal McKinney-Vento Homeless Assistance Act definition of homelessness. Questions to assess homelessness are included on the application. For more details visit the [Homeless McKinney-Vento](#) page of the Minnesota Department of Education website.

### Safe at Home

[Safe at Home](#) is an address confidentiality program offered through the Office of the Secretary of State and is available to people who have personal safety concerns and who have an actual residential address in the state of Minnesota. For any Early Learning Scholarship applicant or recipient families who indicate they are participants of the Safe at Home program, following these guidelines will ensure compliance with the confidentiality requirements of Safe at Home within the context of scholarship administration:

- Safe at Home requires the participants to disclose their resident school district. A residential school district is required in ELSA.
- The child's name and the parent's name must be entered in Early Learning Scholarships Administrator Hub and ELSA to match family, with child, with invoices for payments, etc.
- The participant should have a Safe at Home program participation card, but they are not required to carry the card with them. Administrators should request to see this card for verification, but producing this card is not a requirement. Failure to produce this card should not prevent the Area Administrator or Pathway II program from following the Safe at Home guidelines.
- The Safe at Home address is confidential and all private and public entities must accept the newly assigned address as the participant's actual address of residence, as their school address, and as their address of employment.
- Below is how the Safe at Home address must be reflected in Early Learning Scholarships Administrator Hub and ELSA:

Participant's Name  
Lot ###  
P.O. Box 17370  
Saint Paul, MN 55117-0370

- To confirm participation of a family, call the Safe at Home office at 651-201-1399. Safe at Home will confirm or deny program participation when provided with the full name and lot number.

## 2.5 Family Responsibilities and Agreements

### Children in the Household

For other eligible children in the household to be considered for a scholarship, the application or renewal form must be submitted by the same parent/legal guardian, and the child(ren) must be listed on the application or renewal form. If the other child was not originally listed on the application or renewal form, the parent/legal guardian may request a scholarship for the younger sibling by adding them to the original application or in the Early Learning Scholarships Hub.

Families need to submit new eligibility documentation for the additional child in the household of the current scholarship recipient if the awarded child's award was more than six months prior to the additional child's application. After a child is determined income-eligible and awarded a scholarship, there is no re-determination of income eligibility.

Additional administration details are included in the full [Supplemental Guide for Priority Populations](#).

### Limit on Scholarships per Year

- Children are not allowed to receive more than one state Early Learning Scholarship between July 1 and June 30 each year. Scholarships restart on July 1 of each new fiscal year.

### One Scholarship at a Time

- Children cannot hold more than one scholarship during a fiscal year, regardless of the pathway.

### Applying for a New Pathway While Using Another

- A family may submit an application for another scholarship pathway while their current award is still active. However, they cannot receive a new award for a different pathway until the original award ends.

### Choosing Between Pathway I and Pathway II

- If a family has a Pathway II scholarship and applies for a Pathway I scholarship, they may be placed on the Pathway I waitlist. If they reach the top of the Pathway I waitlist, the family must choose whether to keep

their Pathway II scholarship or switch to a Pathway I scholarship.

### **Requirement to Provide Accurate Information**

- It is very important that families provide accurate and consistent information on the initial application, renewal forms, and income documentation. Area Administrators should review standard information with families at regular intervals for accuracy and remind families to keep forms up to date. Families must advise their Area Administrator within 30 days when there is a change of name, address, or other critical information. Failure to do so could hold up funding.

### **Applying for Additional Children or Updating Family Information in the ELS Hub**

- Families can apply for another child or add an additional adult contact in the Early Learning Scholarships Hub. They should contact their Area Administrator for any other changes such as change of address or contact information, change of program, etc. Communication with the Area Administrators could also include completing the *Family Update Form*.

### **Staying in Contact to Keep the Scholarship Active**

- Families who are unreachable after a minimum of three attempts within 60 days, one of which must be via mail, will have their scholarship canceled. The state suggests that the Area Administrator includes a “do not forward” note on the mailing envelope to ensure correspondence has been completed. Area and Tribal Administrators must document all communication attempts in the ELS Hub.

### **Enrollment Deadline for Pathway I Scholarships**

- A child receiving a Pathway I scholarship must enroll in an eligible program within three months of the scholarship award date. If the child does not enroll within this timeframe, the award may be canceled, and the family must submit a new application to be considered for another scholarship.
- Families that are not able to find an eligible program for their child or have other extenuating circumstances should contact their Area Administrator to request an extension. Area and Tribal Administrators may approve up to two 30-day Program Choice Extensions. Area Administrators should document the reason for the extension request and schedule a follow-up check-in with the family within 30 days. If a third Program Choice Extension (30 days) is needed, please contact DCYF. Extensions that exceed 90 days must be reviewed with DCYF for approval.

### **Developmental Screening Requirement for Ages 3-5**

- According to Minnesota Statutes, sections [142D.09](#), a child between 3 and 5 years of age who is receiving a scholarship must complete developmental screening within 90 days of first attending an eligible program.
- Children awarded a scholarship younger than 3 years of age should be screened within 90 days of their third birthday.
- The family has the right to refuse a screening without losing access to education services.

## Scholarships for Children of Providers/Employees of Providers

- An owner/operator of a licensed child care center or family child care whose child qualifies for a scholarship may be awarded a scholarship. However, scholarship-eligible licensed child care programs are not eligible to receive Early Learning Scholarship payments for services to children of the owner/operator.
- All programs are eligible to receive scholarships for the children of their employees, but scholarship funds may only be used for services and costs that are not part of the employee benefits. For instance, scholarships cannot pay an employee discount on tuition, but they can be used to pay the tuition remaining after the employee discount has been applied.
- Programs should direct questions on discounts to DCYF.

## 2.6 Early Childhood Health and Developmental Screening

A child between the ages of 3 and 5 who has not completed Early Childhood Health and Developmental Screening (Early Childhood Screening or Preschool Screening) under Minnesota Statutes, sections [142D.091](#), and who receives a scholarship, must complete the screening within 90 calendar days of first attending an eligible program. If a child in this age range is already attending an eligible program when they receive a scholarship, the child must complete the screening within 90 calendar days of receiving the scholarship award. A child receiving a scholarship between age birth and 2 must complete the screening within 90 days after their third birthday.

School districts have the responsibility to ensure that Early Childhood Screening (ECS) is provided for a child. Families with children not yet screened should be referred to their local school district. Verification of a completed screening should be done through the school district, regardless of whether it was performed by school personnel or contracted out to another agency. It is up to school districts to determine how to provide Early Childhood Screening and verify that it has been done.

Area Administrators and Pathway II programs may assist families in finding their resident school district through use of the state [poll finder site](https://pollfinder.sos.state.mn.us/) (<https://pollfinder.sos.state.mn.us/>).

Families have the right to refuse a screening without losing access to education services. In the event that a family refuses screening for their awarded child(ren):

- Pathway I: The Area Administrator should refer children 3 years or older to the district if they are a Conscientious Objector, so the district can record it in the MARSS system. Area Administrators should document the refusal and the referral to the district.
- Pathway II child care programs: The Pathway II child care program should refer children 3 years or older to the district if they are a Conscientious Objector, so the district can record it in the MARSS system. The program should document the refusal and the referral to the district.
- Public Pathway II programs (Head Start, school district, charter programs): Program staff should use the appropriate field on the registration form to indicate the conscientious objection.

If a family receiving a Pathway I scholarship has not provided Early Childhood Screening details, the Area Administrator is required to send the *Missing Early Childhood Screening Letter* within 60 days of program enrollment and/or award date of the scholarship. This only applies to children who are age-eligible for

screening (at least 3 years old). If families run into issues scheduling a screening in the required timeframe, they should contact the local Area Administrator.

## 3. Application and Enrollment

### 3.1 Pathway I - Application Process (Parent/Legal Guardian)

Parents and legal guardians can submit a Pathway I - Early Learning Scholarship application online using the [Early Learning Scholarships Hub](https://earlylearningscholarshipshub.mn.gov) (earlylearningscholarshipshub.mn.gov). The online system serves both the family in applying and the Area Administrator in reviewing and awarding scholarships to children. Families that experience barriers to accessing the online application may apply through their Area or Tribal Administrator.

Please note, at this time, the online application is only available for Pathway I scholarships. Programs with Pathway II funding will continue to provide the application to families in their program or on their wait list in the manner they have been doing.

The parent or legal guardian must provide all required information on the scholarship application before a scholarship can be awarded. If the parent or guardian is unable to use the online application and needs to complete a paper form, the application must be signed by the parent or guardian and returned to the Area Administrator. Both parents or legal guardians living in the same household should be included on the application, whether it is submitted online or on paper. Information provided to verify income eligibility must be consistent with the information the family provides on the application. For Pathway II applications, information provided on the scholarship application must also be consistent with enrollment at the program where the scholarship will be used. For either scholarship pathway, additional documentation may be requested to verify eligibility.

The online application guides applicants through the required questions, which are marked with an asterisk (\*). *On the paper form, required fields are also marked with an asterisk (\*).* If a family leaves a required field blank or provides a response that is not legible, the Area Administrator or Pathway II program must contact the applicant to update the application. Area Administrators and Pathway II programs may not complete required fields on behalf of the applicant.

### 3.2 Pathway II Application Process and Program Eligibility

Pathway II funding is awarded statewide to programs on a biannual process aligned to the state biennium. Applications for eligible programs are available in the spring of odd years for a two-year funding period beginning July 1 of odd years. Programs are eligible to apply for Pathway II funding if they are Parent Aware Four-Star Rated at the time of application. Programs must maintain their rating to continue to receive funding.

Funding of Pathway II programs is based on an equitable distribution by geography and program type, with poverty concentration as a pivotal component. The program must currently serve Early Learning Scholarship-

eligible children or have eligible children on their wait list. The state reserves the right to hold harmless previously funded Pathway II programs by limiting the competitive application process or awarding Pathway II based on the most recent data on poverty concentration.

The next application period for Pathway II will be spring 2027 for fiscal year 2028–29 awards.

### **3.2.1 Child's Eligibility**

Pathway II scholarships have the same child eligibility requirements as Pathway I. A child does not need to live in a specific school district attendance area to be eligible for a Pathway II scholarship, though they must have a Minnesota address.

A child's eligibility is determined through review of the *Early Learning Scholarship - Pathway II Application* completed by the parent or legal guardian.

Verification of eligibility includes:

- Review of the birthdate to ensure that the child is age-eligible
- Signature of consent by the parent/legal guardian of the child where it is required on the application
- Confirmation of income eligibility

If any of these do not meet program requirements, the application must be denied.

School district, charter school, and Head Start programs that have an enrollment application process that captures the required fields of the scholarship application may use their enrollment application to partially replace the scholarship application. Please see the [Local Enrollment Form](#) section of this manual for additional details.

### **3.2.2 Program Eligibility and Changes in Status**

Programs must maintain eligibility to participate in Parent Aware to accept Early Learning Scholarships. When a program becomes ineligible, the impact on existing scholarship enrollments will depend on the reason for the loss of eligibility.

#### *Loss of Parent Aware Rating*

If a program loses its Parent Aware Rating for a reason unrelated to an adverse licensing action, fraud findings, prohibitions from receiving public funds, or suspended, denied, or terminated payments, families already enrolled may continue using their scholarship at the program through the remainder of the scholarship fiscal year, if permitted under Parent Aware and licensing requirements, to support continuity of care.

Programs may not accept new scholarship enrollments after losing their Parent Aware Rating.

### *Adverse Licensing Actions*

Effective July 1, 2026, programs under appeal for certain adverse licensing actions will no longer be considered in good standing for Parent Aware participation and will be ineligible to accept Early Learning Scholarships.

When a program loses eligibility, DCYF will notify the program, and Area Administrators will coordinate support for impacted families.

Programs that may legally remain open will have a short transition period to support continuity of care. Families will receive notice, and scholarship payments may continue for 15 calendar days from the date the notice is sent (the date will be clearly communicated in the letter to both the family and the program).

Programs that cannot legally operate must stop care immediately. Scholarship payments will end, and families will receive urgent support identifying another eligible Parent Aware program.

### *Fraud and Public-Funding Actions*

Programs with a fraud finding, prohibited from receiving public funds, or subject to suspended, denied, or terminated payments are ineligible to receive Early Learning Scholarship payments in accordance with the applicable action and effective date. This date will be communicated clearly in the letter to the family and program.

### *Family Notification*

Area Administrators are responsible for notifying impacted families using the DCYF template in the ELS Administrator Hub and supporting them in identifying another eligible Parent Aware program when a transition is required.

## **3.2.3 Verification of Program Eligibility**

Area Administrators and the Central Payment Administrator must verify program eligibility prior to enrollment and payment by reviewing the scholarship-eligible programs report provided by the state, including the program's Parent Aware expiration date.

If there are questions about a program's eligibility, Area Administrators and the Central Payment Administrator should contact [DCYF.ELScholarships@state.mn.us](mailto:DCYF.ELScholarships@state.mn.us).

## **3.2.4 Siblings**

Younger siblings of an already awarded child are eligible to be awarded a scholarship through Pathway II, as long as there is funding available and they attend the same program as the primary child and at a site included in the Parent Aware Rating. If funds are available, all siblings must be included in consideration of the scholarship application if they are attending the same early childhood program.

## 3.3 Required Documentation

### 3.3.1 Notification to Families of an Early Learning Scholarship Award

Families must be notified in writing through the Early Learning Scholarships Administrator Hub when they have been awarded a scholarship. Families are notified of the maximum award amounts based on the age of the child and their choice of program based on type, Parent Aware participation status, and county location. This is the scholarship amount available between July 1 and June 30 of the fiscal year. The actual scholarship amount may vary based on program cost and duration. The master chart of scholarship maximum award amounts can be found on the [Early Learning Scholarships webpage](#).

For notification policies for Pathway I, view the [Pathway I Notification of Award](#) section of this manual. For notification policies for Pathway II programs, view the [Pathway II Notification of Award](#) section of this manual.

## 3.4 Family Choice of Early Childhood Program

Area Administrators use the Early Learning Scholarship – Pathway I Application (submitted through the Early Learning Scholarships Hub or paper) to identify a family’s initial program selection. Families are not required to use their scholarship at the program listed on their application and may choose any eligible program participating in Parent Aware.

## 3.5 Early Head Start/Head Start or Public School and Family Child Care Partnerships (Pathway I)

Family child care\* programs, in partnership with and included in the Parent Aware Rating of an Early Head Start/Head Start or public school district, are eligible to accept Early Learning Scholarships for any enrolled child with a scholarship, regardless of the child’s enrollment first in Early Head Start/Head Start or a public school district. As a reminder, if an Early Head Start/Head Start or public school district has any changes to their partnership with a family child care program, the Early Head Start/Head Start or public school district must complete the *Parent Aware Addendum* application and submit it to the state. If a partnership is formally dissolved, for the purpose of a Parent Aware Rating, the Four-Star Rating is no longer valid for the family child care program and that program will need to pursue a rating on their own.

\*Because child care centers may earn a dual rating and as a partner of a Head Start/Early Head Start or public school, children with scholarships who are not first enrolled in Head Start/Early Head Start or school-based program are eligible to use a scholarship at the child care center based on the center’s overall rating, not their rating through the partnership. If the only rating held as a site is through the partnership, the program is not eligible to accept scholarships for children who are not enrolled in the public program that holds the rating.

## 3.6 Program Selection Timeline

Families must select and enroll in an eligible program within three months of the scholarship award start date.

If a program has not been selected, Area Administrators must:

- Follow up with the family to support program selection.
- Refer families to the [Parent Aware website](#) or to Child Care Aware of Minnesota (1-888-291-9811) for assistance.
- Make multiple contact attempts during the three-month period.
- Document all communication attempts in the Early Learning Scholarship Administrator Hub.

If the family has an email on file, automated email reminders will be sent. If no email is on file, at least one communication must be sent in writing using the *Program Choice Reminder Letter*.

Families may request an extension if they are unable to identify or enroll in an eligible program within the three-month timeframe.

If the family does not respond after three contact attempts, including at least one written notice, the *Canceled Award – No Program Choice Letter* must be issued.

## 3.7 Splitting Early Learning Scholarships Between Multiple Programs (Pathway I)

Families often use more than one program to meet their needs; however, a parent must select just one program to receive their Pathway I scholarship, unless they are using two programs that operate collaboratively as a formal partnership. If collaborating, the two programs must select one fiscal agent to act for both programs. The state has sample Memorandums of Agreement available upon request to meet the needs of a formal partnership.

If the child is enrolled in a child care program that is part of a Head Start/Early Child Care Partnership and a portion of the child's day is provided through Head Start using scholarship funds, then payment is made to the Head Start organization. Area Administrators or programs should consult with the state on the details of a particular partnership, if needed.

## 4. Awarding Scholarships

### 4.1 Universal Awarding Policies

#### 4.1.1 One Scholarship per Fiscal Year

Children are not allowed to receive more than one state Early Learning Scholarship between July 1 and June 30 each year. Scholarships restart on July 1 of each new fiscal year.

#### 4.1.2 Awarding Scholarships and Award Period

When instructed by the Minnesota Department of Children, Youth, and Families (DCYF), Area Administrators may award children from the Pathway I waitlist through June 30 of the fiscal year or the date determined by DCYF, in alignment with awarding priorities, including income, age, and priority populations (see [section 2.3](#)).

Pathway II programs must award 100% of their allocated Pathway II funds by October 15, as outlined in the Pathway II section. Programs may continue to adjust award amounts and enroll additional children based on available funding through June 30 of the fiscal year.

#### 4.1.3 Maximum Award Amount

At the time of award, the scholarship maximum award amount may vary throughout the state based on the age of the child, the program type, program county location, and program's Parent Aware Rating. Based on the child care market rate survey, Parent Aware Four-Star Rated programs will be at least at the 75<sup>th</sup> percentile of the survey results.

The master chart of scholarship maximum award amounts can be found on the [Early Learning Scholarships webpage](#). For awarding considerations specific to Pathway I, view the [Pathway I Scholarship Award Amounts](#) section of this manual. For awarding in Pathway II programs, view the [Pathway II Scholarship Award Amounts](#) section of this manual.

To determine the maximum award amount, use the child's age at enrollment or renewal (July 1). For instance:

A child aged 2 years and 11 months (35 months) on July 1 remains in the toddler category for the entire fiscal year if they stay at the same program. If a child changes programs, the maximum for that program will be recalculated using the child's age at the time of enrollment.

#### 4.1.4 Multiple Children in a Household

When processing scholarship awards, all age-eligible children within the same household who are on the waitlist should be awarded. If awarding all age-eligible children would cause the administrator to exceed the approved

number of available awards, do not proceed with awarding until you have consulted and received approval from DCYF.

#### **4.1.5 Award Verification Date**

The Award Verification Date must reflect the date the Area Administrator, Scholarships Administrator, Pathway II public program, or locally designated staff member completed the final verification of the child's scholarship application and eligibility documentation and determined the child was eligible to receive an award before taking action to establish the scholarship award in the applicable system.

Once final verification is complete, the scholarship award must be established immediately to ensure eligibility determinations remain current and accurately reflected at the time of award issuance. Final verification for a new award must occur within the same fiscal year as the scholarship award.

- For Pathway I awards, Area Administrators will enter the Award Verification Date in the Early Learning Scholarships Administrator Hub.
- For Pathway II Awards, the Pathway II public program or statewide Pathway II child care administrator will enter the Award Verification Date in ELSA. For Pathway II awards, the date entered must be within the past 90 days, inclusive of the current date. Anyone wishing to award a Pathway II child more than 90 days out from the date of final verification should contact [DCYF.PathwayII@state.mn.us](mailto:DCYF.PathwayII@state.mn.us) and [DCYF.ELSA@state.mn.us](mailto:DCYF.ELSA@state.mn.us) for case consideration.

### **4.2 Pathway I Award (Area Administrators)**

#### **4.2.1 Scholarship Award Amounts**

Scholarship award amounts are based on the child's age, program type, Parent Aware status, and county. Maximum award amounts are available on the [Early Learning Scholarships webpage](#). Area Administrators also have county-specific resources to identify applicable maximum award amounts within their service areas.

Because a child's scholarship may be combined with other funding sources, the Central Payment Administrator monitors award balances and spending and may adjust award amounts as needed.

Scholarship spending is reviewed regularly. Award amounts may be adjusted based on spending patterns established following the scholarship award date. Adjustments must align with the Award Planning Agreement (APA).

#### **4.2.2 Waitlist Management and Awarding**

As directed by DCYF, Area and Tribal Administrators must manage applications by determining eligibility, awarding scholarships, or placing applicants on the waitlist. The waitlist is maintained in the Early Learning Scholarships Administrator Hub by state, county, and region. A completed and eligibility-reviewed application is required to secure a place on the waitlist.

### 4.2.3 Priority Populations

When directed by DCYF to issue scholarship awards, Area and Tribal Administrators must prioritize children identified in statute as priority populations in accordance with [Minnesota Statutes 142D.25](#). Scholarships must be awarded to eligible children in priority populations first, in the order applications were received on the waitlist.

Scholarship awards are managed and forecasted on a statewide basis. DCYF may direct the geographic distribution of available funds to ensure priority populations are served.

For additional information, see the [Supplemental Guide for Priority Populations](#).

### 4.2.4 Priority Order

Priority status applies to both the waitlist and awarding. The priority status at the time of application is the status that is used for the waitlist prioritization and awarding. If a child's priority status changes after being placed on the waitlist, their application will still be considered a priority.

When awarding scholarships from the waitlist, DCYF will determine the number of awards each Area Administrator may issue during each awarding cycle.

Effective July 1, 2026, scholarships must be prioritized first by household income and then by statutory priority status. The prioritization order is:

1. Household income at or below 47% of State Median Income (SMI) with one or more statutory priority categories
2. Household income at or below 47% of SMI without a statutory priority
3. Household income between 47% and 85% of SMI with one or more statutory priority categories
4. Household income between 47% and 85% of SMI without a statutory priority

Awarding decisions must consider income, age, priority indicators, and application date, while maintaining alignment with statewide direction and equitable access goals.

### 4.2.5 Income Eligibility at Awarding from the Wait List

When selecting a child from the wait list, Area Administrators must verify that income documentation is still timely and accurate.

#### *Option 1: Public Programs*

Families who provide documentation of active participation in one of the following approved public programs are not required to submit additional pay stubs or income documentation:

- Minnesota Family Investment Program (MFIP)
- Child Care Assistance Program (CCAP)

- Free and Reduced-Price Meals Program (FRLM) – family is eligible
- Child and Adult Care Food Program (CACFP) – child is eligible
- Food Distribution Program on Indian Reservations
- Supplemental Nutrition Assistance Program (SNAP)
- Head Start
- Foster Care
- Child Protective Services

#### *Option 1: Documentation Requirements*

Documentation submitted under Option 1 must:

- Be dated
- Include the name of the child or parent/guardian
- Confirm active participation or eligibility
- Be valid at the time of the scholarship award

The scholarship award date must fall within the period of participation used to determine eligibility. If the documentation is no longer valid at the time of award, updated documentation must be obtained.

#### *Option 2: Income Documentation*

Families who do not qualify under Option 1 must provide proof of income to determine eligibility.

#### *Option 2: Documentation Requirements*

Income documentation must:

- Be dated within the previous six months
- Include all sources of income for the household
- Reflect current and accurate income information
- The most recent tax return may be used as an exception to the six-month requirement.

Area Administrators must review income documentation for completeness and accuracy at the time of award. If documentation is outdated, incomplete, or does not reflect current income, updated documentation must be requested prior to awarding the scholarship.

### **4.2.6 Scholarship Award Date**

The Award Date (award start date) is the date the child's scholarship begins. The child's Award Date must be equal to or after the Award Verification Date. The Award Verification Date is the date that the Area Administrator conducted the final verification of the child's scholarship application and eligibility documentation. This means that the Award Date must be:

- Equal to or after the parent/guardian signature date on the [Early Learning Scholarship Administrator Hub](#) or paper Pathway I Application, and

- Equal to or after the date the administrator organization completed verification of the child's age eligibility and family income eligibility documentation.

#### 4.2.7 Award Notifications

Families must be notified in writing when a scholarship is awarded. The Early Learning Scholarships Hub provides standard award notification letters. If the primary contact does not have an email on file, Area Administrators must send the *Award and Renewal Letter* by mail using the state-provided template.

Families must also be notified in writing if their application is denied or placed on the waitlist. Area Administrators must use the *Denied Application Letter* or *Waitlist Letter*, as applicable.

If an application is incomplete, Area Administrators must send the *Incomplete Application Letter* within 30 business days of receiving the application. If this timeline cannot be met, Area Administrators must notify the state.

Families have 30 days from the date of the notice to submit missing information. If the required information is not received within this timeframe, the application will be denied.

Families with denied applications may contact their Area Administrator to reapply and restart the application process.

#### 4.2.8 Award Planning Agreement (APA)

An Award Planning Agreement (APA) is required when:

- The scholarship is a new award
- The child enrolls in a new program or location
- The family has a change in out-of-pocket cost

Area Administrators must work with the family and the selected program to complete the APA. The APA is intended to support continuity of care and ensure alignment of scholarship funding with the child's schedule and program costs throughout the scholarship year.

APAs must be submitted within 30 calendar days of enrollment and processed by the Area Administrator before the participating program's invoice is approved by the Greater Twin Cities United Way (GTCUW).

## 4.3 Pathway II Awarding

### 4.3.1 Scholarship Award Amounts

Pathway II programs must have a Four-Star Parent Aware Rating to receive Pathway II scholarships, so the maximum award is up to the Four-Star Maximum Scholarship Award Amounts posted on the [Early Learning Scholarships webpage](#), though it varies by program type and the state guidance as to duration of program.

**Note:** An award cannot be made if the amount of that award combined with the amount of all previous awards in the child's same scholarship year exceeds the maximum scholarship award between July 1 and June 30 each year.

### 4.3.2 Child Care Programs

Community-based child care and preschool programs may award up to the Maximum Scholarship Award Amounts depending on program type, but they may not charge the scholarship a higher tuition rate than charged to private pay families. Approved increased access: supplemental use that support access are allowable, though they must be included in the program's Pathway II Plan for Scholarship Use approved by the state. Please see the [Approved Uses for Scholarship Funds: Pathway II](#) section for allowable access categories.

For children receiving Child Care Assistance Program (CCAP) funds, please see clarification within the [Extended Day or Wrap-Around Care](#) section.

### 4.3.3 School Districts and Charter Schools

School districts and charter school programs may set award amounts in one of the following ways: 1) based on the child's annual instructional hours, 2) by submitting a cost per child to the state, or 3) by submitting their tuition and fees. The maximum award based on instructional hours is \$8,500, so programs must submit a cost per child or tuition and fees if they wish to award at the higher cap.

### 4.3.4 Head Start Programs

Head Start programs can award up to the maximum scholarship award amount based on the county of the program and the child's age, as long as they have allowable costs above and beyond what is funded through State and Federal Head Start. Some Head Start programs choose to use Early Learning Scholarships to extend the day, week, or school year, and may award based on tuition rates that would be charged to the family instead of the full maximum award.

### 4.3.5 Awarding Based on Instructional Hours

School-based and Head Start programs may award scholarships based on the program's duration or number of instructional hours the child will be attending within their scholarship year. Award amounts based on instructional hours are set based on the following thresholds:

- 850 + Hours: \$8,500\* per scholarship
- 510 to 849 hours: \$6,000 per scholarship
- 101 to 509 hours: \$4,000 per scholarship
- 100 or fewer hours: \$2,000 per scholarship

\*Programs awarding based on instructional hours cannot award above \$8,500. If a program wishes to award above \$8,500, they must award based on cost per child or tuition and fees.

Programs should award based on instructional hours regardless of when the child is awarded in the school year. To calculate the award amount, programs will determine the number of hours the child will be served from their award date through June 30, or until they age out of eligibility for a state Early Learning Scholarship (first September 1 the child is 5 years old).

For example, if a program operates 900 hours a year from September through May, a child awarded in September should have an award amount of \$8,500 across nine payment periods (requesting payment monthly). A child awarded in November with 700 hours remaining should have an award amount of \$6,000 across seven payment periods.

#### *Calculating Instructional Hours*

Instructional time in a program is the time used in alignment with early learning standards. Class size and ratios must be maintained during instructional time. This may include mealtime, provided appropriate learning goals for meals and snack time are included in the daily lesson plan. Up to 30 minutes of rest time may count toward instructional hours in programs offering more than 4 hours.

#### **4.3.6 Demonstrated Cost per Child**

If a program's cost per child exceeds the amount based on instructional hours, a program may choose instead to submit documentation to the state demonstrating their true cost to provide service. Programs must complete the *Cost Per Child Budget Template* and submit it to the state. The state will review and approve the cost per child, and then the program can use the approved cost per child when setting scholarship award amounts for Pathway I and Pathway II. Programs will use the cost per child they submitted as part of the Pathway II Application process. If programs wish to use a cost per child and did not submit a cost per child budget with their application for Pathway II funding, they must contact the state to request the *Cost per Child Budget Template*.

*Note: Programs that wish to award above the \$8,500 maximum based on instructional hours must submit the Cost Per Child Budget Template to [DCYF.PathwayII@state.mn.us](mailto:DCYF.PathwayII@state.mn.us). Programs with a cost per child above \$8,500 can award at their cost per child rate, or up to the maximum based on if their costs exceed the cap. Contact [DCYF.PathwayII@state.mn.us](mailto:DCYF.PathwayII@state.mn.us) with questions. Please note that while programs can set award amounts up to the increased scholarship cap or their approved cost per child, there is no funding increase to a program's Pathway II allocation. This means that programs may need to award fewer children at a higher rate, so programs should plan accordingly when awarding scholarships.*

### 4.3.7 Tuition and Fees

If a program's tuition and fees exceed the amount based on instructional hours, a program may choose instead to submit documentation to the state demonstrating their published tuition and fees.

### 4.3.8 Timeline for Awarding Pathway II Funds

Pathway II child care programs may begin collecting applications as needed for the upcoming fiscal year, though cannot make any new awards until after July 1. Pathway II school districts, charter schools, and Head Start programs may collect applications as part of their spring registration prior to the start of the fiscal year.

However, programs may not begin doing final verification, awarding, or notifying families until July 1. Please note: the *Early Learning Scholarship Application – Pathway II* is valid for 12 months after the date of the parent/guardian signature.

Pathway II programs must award 100% of their Pathway II funds (including funds obligated for renewals) by October 15. This prevents funds from canceling and allows for more effective management of funds if a child leaves the program or if a scholarship is canceled later in the year. If a scholarship is canceled mid-year, Pathway II programs can award a new scholarship or increase an under-funded scholarship and should do so right away to avoid canceling funds.

If programs have not awarded 100% of their funds by October 15, they will need to submit a plan for awarding or returning funds to the state. If needed, the state will reallocate funds to another program.

*Note: The October 15 deadline for awarding began in fiscal year 2020 and continues to be an annual requirement for Pathway II programs. Programs should plan that their Pathway II funding is available July 1 through June 30 of a fiscal year and plan accordingly to utilize in that time frame.*

### 4.3.9 Scholarship Award Date

The Award Date (award start date) is the date the child's scholarship begins. The child's Award Date must be equal to or after the Award Verification Date. The Award Verification Date is the date that the Pathway II program conducted the final verification of the child's scholarship application and eligibility documentation. This means that the Award Date must be:

- Equal to or after the parent/guardian signature date on the *Early Learning Scholarship – Pathway II Application* or *Pathway II Supplemental Application Form* if using a local enrollment form, and
- Equal to or after the date the program completed verification of the child's age eligibility and family income eligibility documentation.

The child may renew on July 1 for the next fiscal year, regardless of their Award Date.

#### 4.3.10 Pathway II Notification of Award

Pathway II programs must notify families in writing when they have been awarded a Pathway II scholarship. Families are notified that their child has been awarded a scholarship to help pay for the high-quality program their child is attending and that the funds remain with the program after the child leaves the awarding Pathway II program. Pathway II programs must use the *Pathway II Award Letter for Parents* template located on the [Pathway II Program Resources for Awardees webpage](#).

## 5. Invoicing and Payments

### 5.1 Payment Policies

#### 5.1.1 Delivering Services and Invoicing

Invoices are processed by the Central Payment Administrator. Invoices for services delivered to Pathway II scholarship recipients in Pathway II school-based and Head Start programs are processed directly through ELSA as payment requests. Child care programs with Pathway II funds invoice the Central Payment Administrator.

Pathway II programs will manage their funds between July 1 and June 30 of the fiscal year. Programs must use their funds in alignment with the state-approved plan and budget, as submitted in the Pathway II Plan for Scholarships Use. Changes in the program's Pathway II plan must be preapproved by DCYF.

Programs are expected to request payment within 30 calendar days following the latest day of service included in the billing period.

- Pathway II child care programs must submit the Invoice Form through the Central Payment Portal (CPP).
- Pathway II school-based and Head Start programs must request payment through ELSA.

Programs should submit any adjustments, corrections, or updates as soon as they are identified. Requests for corrections must be submitted within 90 calendar days of the applicable service period.

Programs serving children receiving Child Care Assistance Program (CCAP) benefits are required to submit scholarship payment requests using the authorized CCAP amount available at the time of invoicing and should not delay invoice submission while waiting for final CCAP payment processing.

If the actual CCAP payment differs from the amount originally used, programs must submit a revised invoice or request an adjustment in ELSA as soon as the discrepancy is identified. Additional payment processing and correction procedures are outlined in the *ELSA User Manual* found on the [ELSA homepage](#).

Invoice submissions, payment requests, and correction requests are expected to occur within established timelines. Area Administrators, the Central Payment Administrator, and Pathway II programs requesting payment

or corrections more than 90 calendar days after the last date of service covered must seek case consideration from [DCYF.ELSA@state.mn.us](mailto:DCYF.ELSA@state.mn.us) prior to processing.

This expectation supports timely processing and accurate stewardship of public funds. Because routine invoicing and payment requests are expected to occur no later than 30 days after services are delivered, the correction timeline provides additional time to identify discrepancies and submit updates while allowing time for administrative review and processing before the final correction deadline.

The following timeline summarizes service delivery and invoicing timeline requirements:

| Action                                          | Timeline                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment request date                            | Within 30 days of the last service date in the payment period covered by the invoice.                                                                                                                                                                                                                         |
| Deadline for payment adjustments or corrections | Within 90 days of the last service date in the payment period covered by the invoice, inclusive of entry and finalization of the payment request within ELSA.<br><i>The corrections window is effectively 90 days for programs invoicing for Pathway I payments when considering the CPA processing time.</i> |
| Final date to incur expenses                    | June 30 of the fiscal year. The child will renew their scholarship on July 1 for the new year and have eligibility until they age out, renewing annually as applicable.                                                                                                                                       |

### 5.1.2 Approved Uses of Scholarship Funds

Early Learning Scholarships cover the cost of tuition for a child’s regularly scheduled full- or part-time attendance in an eligible early childhood program.

Scholarship tuition rates must align with the [Child Care Assistance Program \(CCAP\) Rates](#) and are based on the most recent [Minnesota Child Care Market Rate Survey](#). For programs with a Three- or Four-Star Parent Aware Rating, scholarship payments may be made at rates up to the 75 percentiles of the Market Rate Survey.

Programs must not charge scholarship families more than their established private pay rates for the same services.

Tuition rates and additional fees must be documented in the Program Participation Agreement (PPA) and the Award Planning Agreement (APA) prior to submitting invoices for payment. Upon request, programs must provide their published rates to the Central Payment Administrator, DCYF, the Area Administrator(s), and/or the family.

If providers charge an hourly rate, the maximum payment for one day may not exceed the daily rate. If a daily rate is charged, it may not exceed the equivalent weekly rate. The weekly rate may not exceed the monthly rate.

Publicly funded programs (school districts, Head Starts, charter schools) can charge for the actual cost of the program, up to the scholarship maximum, if they do not supplant any state or federal funds. Programs must document and keep on record how their cost was determined.

If a child care program is tuition-free and nonprofit, consult with DCYF.

**Note:** DCYF or the Central Payment Administrator, in accordance with the grant agreement, may request supporting documentation, including proof of expenses, as needed to verify fees, costs, and compliance with Early Learning Scholarship program policies.

Additional approved uses of scholarship funds:

- Cover additional fees to families that are required for a child's attendance in the program, such as uniforms or activity fees, and curriculum, if charged to all families.
- Fees: The scholarship can only cover additional fees to families that are required for a child's participation in the program, if charged to all families for the same services. The scholarship cannot be used to reimburse the program for costs already paid by the parent/guardian. Any changes to program tuition rates and fees require an updated *Program Participation Agreement* and a new *Award Planning Agreement* must be completed for each child and submitted to the Area Administrator securely.
- Registration Fees are allowable when charged to all families (see Section 7.1) Maximum registration fees are based on the child's age, program type, county where the program is located, and the program's Parent Aware participation status. View [maximum registration fees](#) to learn more.
- Meals when provided by the program for an additional fee, if charged to all families and required for participation in the program or at the family's choice.
- Programs that participate in the Child and Adult Care Food Program (CACFP) may not supplant funding for meals already provided by CACFP. For more information about CACFP, please visit [Child Day Care Centers | Food and Nutrition Service](#)
- Basic transportation to and from the program, if it is provided by an employee of the program and uses a licensed commercial transportation vehicle for transporting children. (The vehicle must meet federal standards for school transportation and federal manufacturing standards that provide appropriate public safety for children). All requests for basic transportation provided by the program must be approved by DCYF.
- Contracts with licensed transportation companies and bus passes are allowable. All requests for contracted transportation companies must be approved by DCYF.
- Cover up to the maximum 25 absent days in child care programs.
- School-based and Head Start programs should view the guidance described in section 6.3.2 of this manual.
- Cover up to 10 planned closure days (e.g., staff development, vacation days), and up to 11 holidays, if part of the early childhood program's contract or public calendar. Unplanned days that meet the expanded criteria may be covered if the *Temporary Program Closure Request Form* is completed. Note: School-based and Head Start programs should view the guidance described in [section 6.8 Program Closure Policies: School-Based and Head Start Programs](#).
- Deposits: Programs may charge a deposit when there is a documented business need. Deposits may be charged once per child and may not be charged annually and may not be used to cover a notice period.
- Cover required fees in the program's contract up to two-week notice (these days should be documented as absent days).
- Two-week notice: The amount of time required for notifying if a family is planning to leave the program must be outlined in the program's contract with the family and shared with the family during the enrollment process, with a reminder while completing the *Award Planning Agreement*. Information about the program-required notice policy is also shared in the *Program Participation Agreement*.

- If the family does not provide the required notice scholarships will only cover up to a two-week notice maximum, in line with the child's regular schedule. The two-week period starts on the child's last day of attendance.

### 5.1.3 Using Pathway I Funds for Increased Access: Supplemental Use

With prior approval, Pathway I scholarship funds may be used to support increased access for a child by enhancing the type, intensity, or duration of services within an existing program. The scholarship child must be the primary beneficiary of any supplemental use. Funds must be prorated over the duration of the scholarship and may not be used as general operating or programmatic funding.

Supplemental use must be directly tied to the child's ability to fully participate in the program and may not supplant other public funding, including services provided through an Individualized Family Service Plan (IFSP) or Individualized Education Program (IEP). Programs must confirm that requested funds do not duplicate available services. If a child may require special education services, the program should refer the family to [Help Me Grow](#).

Programs must submit the *Early Learning Scholarships – Pathway I Increased Access: Supplemental Use Plan* for review and approval prior to using funds. Requests must be submitted to DCYF at [DCYF.ELScholarships@state.mn.us](mailto:DCYF.ELScholarships@state.mn.us). Only the required form should be submitted.

If approved, a new or revised Award Planning Agreement (APA), including the approved costs, must be completed and signed by the parent. The updated APA must be submitted to the Area Administrator prior to payment.

Unused scholarship funds may not be retained by the program and are reallocated to support additional scholarships for children.

Any requests to use scholarship funds to supplement a child's Individual Education Program (IEP), provide additional staffing, training, or other supports for children with special needs must be reviewed and approved by Early Learning Scholarships staff in consultation with DCYF or Minnesota Department of Education (MDE) Early Childhood Special Education staff. Programs may be required to provide referrals and supporting documentation to confirm available services and existing resources have been accessed before approval of an *Early Learning Scholarships – Pathway I Increased Access: Supplemental Use Plan*. Child care programs are encouraged to contact the [Center for Inclusive Child Care](#) for support and available resources before submitting a request.

Requests for Increased Access: Supplemental Use should be sent to DCYF ([DCYF.ELScholarships@state.mn.us](mailto:DCYF.ELScholarships@state.mn.us)) for review and approval. Programs should only send the *Increased Access: Supplemental Use Plan Form*. If approved, DCYF will notify the Area Administrator that a new *Award Planning Agreement* is needed. The updated Award Planning Agreement, including the approved costs for the increased access, should be sent securely to the Area Administrator.

#### 5.1.4 Unallowable Uses of Pathway I Scholarship Funds

- Capital improvements/assets
- Purchase of a bus, vehicle, gas cards, and/or stipends to an individual to transport a family (such as Uber, Lyft, or other ride sharing services)
- Fees for late payment or late pickup, such as a per 15-minute late fee after business hours, outstanding balances, or fees incurred prior to the awarding of the scholarship
- Registration fees, deposits, or other fees to hold a spot for a program the child is not yet attending
- Fees to hold a spot while a child is temporarily not attending the program
- Paying for more than one program for the same period of time
- Back-up child care, or other release days from the child's primary program
- Overnight child care
- Optional additional fees to families that are not required for a child's attendance in the program, such as private tutoring, lessons, or consumables
- Charging families with scholarships more than the private pay full-paying rate for like services or, for publicly funded programs, more than the actual cost of the program
- Spending down scholarship balances on any items or costs as increased access: supplemental use that have not been pre-approved as needed for the child to successfully attend the program ([Section 5.1.3](#))

**Note:** Scholarships may only be used to supplement, not supplant, other state or federal funds. This means that Early Learning Scholarship funds cannot pay for a service already funded by another state or federal program. Pathway I funds used for increased access: supplemental use must be considered only after ensuring the child has access to the program and must be approved in advance of any funds being spent. Additionally, the family must agree to the program's use of the scholarships on increased access: supplemental use. ([Section 5.1.3](#))

#### 5.1.5 Two-Week Notice Period and Payment

Early Learning Scholarships may cover a program-required notice period, up to two weeks, when a child leaves a program and the family does not provide notice. The required notice must be outlined in the program's contract with the family and align with the child's regular attendance schedule. The notice requirement must also be documented in the Program Participation Agreement (PPA) and the Award Planning Agreement (APA).

If included in the program's contract, Early Learning Scholarships may cover up to a maximum of two weeks of notice when a family does not provide the required notice.

Programs must follow absence policies related to consecutive absences. If a child has five consecutive absences without notice or 10 consecutive absences with notice, the program must notify the Central Payment Administrator so the parent or guardian can be contacted regarding the child's enrollment status.

## 5.2 Pathway II: Uses of Scholarship

Programs that have been awarded Pathway II Early Learning Scholarships program funds have submitted an application and implementation plan that has been reviewed and approved by the state. Any changes to the approved plan and budget must be submitted to the state for review. The Pathway II scholarship funds must directly benefit the child receiving the scholarship. However, non-scholarship children may indirectly benefit from an eligible child's scholarship.

### 5.2.1 Allowable Uses of Pathway II Scholarship Funds

- Increase the number of eligible children who are able to participate in the program. This can be accomplished by providing additional classroom opportunities.
- For example, a prekindergarten program or child care center may have five classrooms serving a total of 75 preschool-age children three days per week. Dependent upon the available Pathway II Early Learning Scholarship funds, scholarships could be used to provide an additional classroom for 15 more children three days per week. The program would then be able to expand by 15 to serve a total of 90 children.
- Increase the length of program services such as number of days a week, number of weeks a year, full-year programming, intensive summer programs, and full-day services.
- Provide transportation to help children access programming. Please note unallowable transportation costs in "Unallowable Uses of Pathway II Scholarship Funds" below.
- Increase the type or intensity of services provided through existing programs for participating children such as decreasing ratio.
- Program increased access: supplemental use for children with unique needs receiving scholarships with a focus on increasing access for children who might not otherwise be able to participate fully.
- Support individual children's access to programming by offering the services of interpreters, cultural liaisons, mental health consultants, or other providers of specific services that support a child's participation in the program.
- Stabilize a family's ability to pay tuition:
  - Cover any payment required for a child to receive services, such as private pay charges, co-payments, and parent fees. Registration fees can be covered, but only once the child is enrolled and receiving services. This includes deposits for future enrollment.
  - Cover additional fees to families that are required for a child's attendance in the program, such as

uniforms or activity fees (specific to educational development).

- The following are also allowable uses:
  - Cover required fees in the program's contract up to two-week notice (these days should be documented as absent days).
- Cover up to 25 absent days for child care programs.
  - School-based and Head Start programs should view the guidance described in [section 6.3.2](#) of this manual.
- Up to 10 program closure days (e.g., staff development, vacation days, snow days), and up to 11 holidays for child care programs, if part of the early childhood program's contract or public calendar. Closure days of the program do not count towards the child's 25 maximum absent days and should not be reported as an absent day in invoicing or payment requests made through ELSA.
  - Meals when included as part of an approved Pathway II budget and in accordance with slot cost.

### **5.2.2 Unallowable Uses of Pathway II Scholarship Funds**

- Capital improvements/assets
- Purchase of a bus, vehicle, gas cards, and/or stipends to an individual to transport a family (such as Uber, Lyft, or other ride sharing services)
- Fees for late payment or late pickup, such as a per 15-minute late fee after business hours, outstanding balances, or fees incurred prior to the awarding of the scholarship
- Registration fees, deposits, or other fees to hold a spot for a program the child is not yet attending
- Fees to hold a spot while a child is temporarily not attending the program
- Paying for more than one program for the same period of time
- Back-up child care, or other release days from the child's primary program
- Overnight child care
- Optional additional fees to families that are not required for a child's attendance in the program, such as private tutoring, lessons, or consumables
- Charging families with scholarships more than the private pay full-paying rate for like services or, for publicly funded programs, more than the actual cost of the program
- Spending down scholarship balances on any items or costs as access categories that have not been pre-

approved as needed for the child to successfully attend the program

### 5.2.3 Special Education Services

Children who qualify for Early Childhood Special Education remain eligible for Early Learning Scholarships. Pathway II funds cannot supplant federal special education funding for the same hours that are funded in a child's Individualized Education Program (IEP), but may provide additional hours, days, or access categories to the child's participation in their early learning program. Supplanting means that Pathway II funds cannot be used for a service already funded by a federal program. However, Pathway II funds can be used to extend the day or fund additional days above and beyond what is funded through an IEP.

To calculate the child's award amount when the child has an IEP:

- If awarding based on hours (school-based and Head Start programs only): Take the total instructional hours minus the hours designated in the IEP, and award based on that amount. For example, if a child is scheduled to attend 550 hours, they would fall into the 510-849 hours category and would be awarded a \$6,000 scholarship. However, if they receive an IEP that covers 100 hours in the year, 550 total hours – 100 IEP hours = 450 hours, so this child would now fall into the 101-509 hours category and would be awarded \$4,000.
- If awarding based on an approved cost per child: Work with the business/finance office to determine the revenue generated by the IEP. Then, take the cost per child minus the IEP-generated funding to calculate the award amount.

If an IEP covers the child's full schedule, the child will have no scholarship-eligible costs, and the program should most likely not award scholarship funds to this child. If a child has already been awarded a scholarship and mid-year is identified for an IEP that covers the child's full schedule, the child would not have further scholarship-eligible costs and the scholarship should be canceled with an end date equal to the start of the IEP.

Any requests to use scholarship funds to supplement a child's Individualized Education Program (IEP) or provide support, needs-specific training, or additional staffing to support children with special needs must be reviewed by DCYF Early Childhood Special Education staff, unless explicitly already part of the approved Pathway II plan. To ensure the child is receiving services that may already be available and that the program is accessing services that are already provided for such needs, additional referral and documentation may be required before approving the scholarship use plan. Child care programs should consider contacting the [Center for Inclusive Child Care](#) for resources and services.

## 5.3 Pathway II Invoicing and Payments

### 5.3.1 Child Care Programs Submit Invoices to Central Payment Administrator

Pathway II child care programs submit invoices for payment to the Central Payment administrator at bi-weekly, four-week, or monthly intervals. The programs must use the Central Payment Portal or the *Pathway II - Invoice*

*Form* provided and follow the included instructions. The invoices should align with the program plan submitted with their Pathway II Plan for Scholarship Use (or the most recent version if officially amended) and the requested payments must be tied to the children who have been awarded scholarships. Payments of Pathway II scholarship funds are made to child care programs by the Central Payment Administrator after invoice processing. The Central Payment Administrator requests payment from the state through ELSA.

The attendance information provided within the Central Payment Portal or the *Pathway II - Invoice Form* is for reference purposes and may be used to verify invoicing. As Early Learning Scholarships are public funding, and in alignment with child care assistance ([Minnesota Statutes, section 142E.16](#)), programs must maintain and provide attendance records upon request as part of regular program monitoring.

### **5.3.2 Reaching Maximum Duration or Funding**

The Central Payment Administrator and Area Administrators monitor scholarship spending and may notify families through the *Fund Balance Update Letter*. If a scholarship is fully expended prior to the end of the award period, the family is responsible for any additional costs for continued care.

### **5.3.3 School-Based and Head Start Programs Request Payments Through ELSA**

School-based and Head Start programs request payment for services delivered to attending Pathway II scholarship recipients through ELSA. Please refer to the *ELSA User Manual* posted on the [ELSA homepage](#). Programs should request payment for program costs monthly as services are delivered, with the award amount split evenly into payment requests made over the course of the program year.

Please note, a child's scholarship is awarded for the fiscal year, or until the child ages out (is age-eligible for kindergarten). Children awarded late in the fiscal year (or school year) may have a portion of their scholarship year spanning into the next program year. In such a case, the Scholarship Administrator of the program must be sure to award the child sufficient funds to cover the scholarship year of service and have enough funds forecasted for the child to renew in the next fiscal year.

Awards made for summer programming should be made from the same fiscal year.

School-Based and Head Start should request all funding for the fiscal year through June 30 to ensure funding is received.

**Note:** Payments requested, either through ELSA or invoice submissions, may only cover services delivered within the dates of a child's scholarship year.

### **5.3.4 Reporting Expenditures and Revenue – School District and Charter School Programs**

School districts and charter schools receiving Pathway II dollars must ensure those dollars are reported. The Uniform Financial Accounting and Reporting Standards (UFARS) system collects financial data submitted by districts, in compliance with reporting requirements. Scholarship dollars must be coded in UFARS in alignment with

what is in the program plan for use of Pathway II funds approved by the state. For example, if scholarship dollars are used for transportation, those funds should be linked to transportation costs.

School districts and charter schools must work with the district's business manager/office to code all Pathway II revenues and expenditures in UFARS using finance code 337. The code for Pathway I is 338. At the end of each fiscal year, districts and charters should zero out their budget by making sure the revenues equal expenditures under code 337 and 338.

## 6. Attendance, Absences, and Exemptions

Scholarships are presumed to first cover the cost of attending the program for the child, including tuition and other allowable costs. In certain circumstances, and for a new award or a change in the program, Pathway I-awarded families complete an *Award Planning Agreement* together with their early childhood program. This will document the new program of the family's choice, how the scholarship will be used, or if there is still a family out-of-pocket cost. This form must be reviewed by both family and program, and must be completed in agreement, with copies retained by both parties and the original form sent to the Area or Tribal Administrator.

The family must use their scholarship at an eligible program that they attend on a full- or part-time regular schedule. Scholarships cannot be used for drop-in or back-up child care, despite the eligibility of the program to receive scholarships. Part-time care is defined as attending an early learning program on a regular schedule, but less than five full days. Drop-in or back-up care is defined as care that is used intermittently when the primary program the child attends is not available.

### 6.1 Attendance Record Keeping Format

In alignment with the Minnesota Child Care Assistance Program (CCAP) [Minnesota Statutes 142E.16](#), programs receiving Early Learning Scholarships must maintain daily attendance records for all children receiving scholarship funds. The Early Learning Scholarships program adopts the same attendance record standards to ensure consistency across publicly funded child care programs.

Programs are not required to use a specific format, provided all required elements are documented. Programs may use paper or electronic systems to maintain attendance records.

#### 6.1.1 Attendance Record Requirements

- Attendance records must be accurate, legible, and completed daily.
- Records must be maintained at the site where services are delivered.
- Records must be retained for a minimum of seven (7) years from the date care was provided.
- Records must be made immediately available upon request by the Minnesota Department of Children, Youth, and Families (DCYF), the Central Payment Administrator, or other authorized entities.
- Records that are not produced upon request may not be submitted later to dispute payments, overpayments, or program determinations.

- To the extent possible, drop-off and pick-up times should be recorded by the individual dropping off or picking up the child.
- Attendance records must include the date of service, the first and last name of each child in attendance, and the time each child is dropped off and picked up.

### **6.1.2 Electronic Sign-in and Sign-out**

Electronic sign-in and sign-out are allowable if the person dropping off or picking up the child actively participates in the process (e.g., using a unique PIN, card, or similar method). The program can immediately produce attendance records upon request.

## **6.2 Attendance Monitoring**

Attendance records may be requested at any time as part of monitoring. This may include, but is not limited to, desk reviews, on-site visits, or follow-up related to billing and payment by DCYF or the Central Payment Administrator.

## **6.3 Absent Days**

An absent day is any day a child is authorized and scheduled to attend care with a licensed provider or license-exempt center but is not in attendance. Child absences may occur for a variety of reasons; however, the reason for the absence does not affect payment eligibility.

Early Learning Scholarships will pay for child absences that do not exceed 10 consecutive days, up to a maximum of 25 absent days per fiscal year per child, excluding holidays. If a child attends more than one eligible provider, the combined total number of paid absent days across all providers must not exceed 25. If a child is absent from care with multiple providers on the same day and both providers bill for that absence, the day is counted as one absent day.

Absent days that exceed the allowable limits are the financial responsibility of the family unless an approved exemption is in place.

### **6.3.1 Absent Day Policy (25-Day Limit) for Child Care Programs**

Children receiving an Early Learning Scholarship are expected to attend the early learning program regularly and consistently. A child may receive payment for up to 25 absent days per scholarship year unless an approved exemption applies.

Absent days accumulate regardless of reason unless an exemption is approved under the Absent Day Exemption Policy or Medical Exemption Policy.

What counts as an absent day: An absent day must be counted when the child does not attend when scheduled for the day.

The following do not count toward the 25 absent day limit:

- Program closures (holiday, weather, emergency, or planned closure)
- Days prior to the child's start date
- Days after the scholarship has ended
- Days covered by an approved exemption

### **6.3.2 Absent Day Policy for School-Based and Head Start Programs**

School-based and Head Start programs award scholarships as a program slot; therefore, they are not required to prorate awards and may continue to receive payment after 25 absent days.

Public programs must follow their established absence policies, as well as all local and program-specific procedures and requirements.

Public programs are still required to track absences and report them in ELSA and should work closely with families to support consistent attendance.

### **6.3.3 Two-Week Notice for Child Care Programs**

Scholarship funds may be used to cover required fees outlined in the program's contract for up to a two-week notice period. These days must be documented as absent days.

When a child stops attending a program, scholarship payment eligibility depends on whether care remains available and who initiated the separation. If a provider ends the child's enrollment and the child is no longer permitted to attend, the scholarship space is considered unavailable, and the Early Learning Scholarship will not cover a two-week notice period.

If a family chooses to withdraw a child and does not provide notice to the program, scholarship payment may cover up to two weeks, consistent with the provider's written notice policy.

The Early Learning Scholarship will cover no more than a two-week notice period, even if the program's policy requires a longer notice. Programs must clearly outline their notice requirements in the contract with the family and share this information during enrollment.

If the family does not provide the required notice, scholarship payments will be limited to a maximum of two weeks, based on the child's regular schedule. The two-week period begins on the child's last day of attendance when no notice is provided.

## 6.4 Communication Requirements

**Absence notification:** Families are expected to notify the program if their child is absent from the program. If a child is absent for five consecutive days without notice to the program or 10 consecutive days with notice of absence, programs must notify Greater Twin Cities United Way (GTCUW).

**Risk review contact:** When children are at risk of exceeding the 25 absent days, have five consecutive absent days without notice, or have 10 consecutive absent days with communication to the program, Area Administrators will contact the family to confirm the child intends to continue at the program and determine whether circumstances may qualify for an exemption.

**Absent day limits:** Child care programs may not receive payment for more than 25 absent days per child between July 1 and June 30 each year. A child's scholarship award may not be used to cover absent days beyond this limit. Programs are expected to maintain their own records to track absences.

**Alignment with CCAP:** If a family is receiving assistance through the Child Care Assistance Program (CCAP) for a child who also has a scholarship, scholarship payments for absent days are not in addition to the 25-day maximum allowed under CCAP.

**Absent day limit reached:** If the maximum number of absent days is reached, the scholarship is not canceled; however, additional absent days may not be billed on future invoices for that child until the scholarship is renewed for the next fiscal year.

**Repayment required:** If a program bills for absent days exceeding 25 days without an approved exception, the program will be required to repay DCYF for any associated overpayments.

**Absent Day Letter:** Area Administrators must send an *Absent Day Letter* when a child has 10 consecutive absences or a total of 15 absences and is approaching the 25-day limit. The letter should reflect all absences within the child's scholarship year.

## 6.5 Exemptions from the 25 Absent Day Policy

DCYF may approve an exception to the 25 absent day limit when a child has exceeded or is at risk of exceeding the limit due to circumstances that impact regular attendance.

Eligible circumstances include:

- The child is the child of a teen parent and requires flexibility based on the parent's school schedule
- The child has experienced homelessness within the past 24 months, resulting in disruptions to attendance
- The child is involved in foster care or child protective services, including court-ordered visitation or reunification activities that affect attendance

Families who are at risk of exceeding the 25 absent day limit due to these circumstances must request an [Absent Day Exemption Form](#) from their Area Administrator or Scholarship Administrator. Medical-related absences must be submitted through the [Medical Condition Documentation Form](#) and are not included in this process.

### 6.5.1 Documentation Requirements

This documentation must confirm awareness of the family's situation and the child's attendance pattern. Completed forms must be submitted within 30 days of the last day of the exemption period.

For children of teen parents, the exemption form must include verification from:

- A school official, or
- A county or Tribal social worker

### 6.5.2 Pathway I: Requirements for Area Administrators

Area Administrators must:

- Provide the *Absent Day Exemption Request Form* to families
- Review submissions for completeness and alignment with policy
- Upload documentation to the Early Learning Scholarships Administrator Hub
- Retain documentation in the child's record
- Notify the Central Payment Administrator of approved exemption dates
- Follow up with family as needed to ensure documentation is up to date

### 6.5.3 Pathway II: Requirements for Child Care Programs

Child care programs must:

- Request the *Absent Day Exemption Request Form* from the statewide administrator (Milestones)
- Provide the form to the family
- Ensure completed forms are returned within 30 days of the last day of the exemption period
- Retain documentation in the child's record
- Notify Milestones of approved exemption dates

Milestones must notify the Central Payment Administrator of the approved exemption dates.

## 6.6 Medical Exemption Policy

DCYF may approve an exception to the 25 absent day limit when a child or an immediate family member has a medical condition that prevents the child from attending the program. Eligibility for a medical exception is not based on the number of absences. A *Medical Condition Documentation Form* may be submitted for any medical-

related absence, regardless of whether the child has reached the 25-day limit.

### 6.6.1 Documentation Requirements

The *Medical Condition Documentation Form* must:

- Verify that a medical condition resulted in the child's absence
- Include the dates of the absence period
- Be signed by an authorized medical provider (e.g., physician, psychiatrist, public health worker, physician's assistant, psychologist, school nurse, nurse practitioner, or chiropractor)

An early learning program director, coordinator, owner/operator, or lead teacher may authorize absences for up to five days if the child was sent home due to a documented medical reason. For absences exceeding five days (cumulative within the fiscal year), documentation must be signed by an authorized medical provider.

Completed forms must be submitted within 30 days of the last day of the exemption period.

#### Policy Application

Absences covered by approved medical documentation:

- Do not count toward the 25 absent day limit
- Apply only to health-related absences

All non-medical absences must be reviewed under the Absent Day Exemption Policy.

Note: School districts should refer to [6.6.4 Requirements for School-Based and Head Start Programs](#).

### 6.6.2 Pathway I: Requirements for Area Administrators

Area Administrators must:

- Provide the *Medical Condition Documentation Form* to families
- Review submissions for completeness and alignment with policy
- Verify absence dates
- Upload documentation to the Early Learning Scholarships Administrator Hub
- Retain documentation in the child's record
- Send exemption dates to the Central Payment Administrator
- Follow up with family as needed to ensure documentation is up to date

### 6.6.3 Pathway II: Requirements for Child Care Programs

Child care programs must:

- Request the *Medical Condition Documentation Form* from the statewide administrator (Milestones)
- Provide the form to the family

- Ensure completed forms are returned within 30 days of the last day of the exemption period
- Retain documentation in the child's record
- Notify Milestones of approved exemption dates

Milestones must record the exemption dates and notify the Central Payment Administrator.

#### **6.6.4 Requirements for School-Based and Head Start Programs**

Programs must follow applicable district, state, or federal requirements related to absences and communicate with families accordingly.

### **6.7 Program Closure Policies: Child Care Programs**

Payment for private child care programs is limited to 11 holidays and 10 program closure days (e.g., staff development, vacation days) during the scholarship fiscal year. These days are not counted against children absent days.

**Holidays:** Holidays are days the provider is closed and not providing care, the program still charges private pay families and fall on a day the child is scheduled to be in attendance. For Early Learning Scholarships, the holidays are not required to be the 11 state and federally recognized holidays. The holiday dates should be communicated to families on the program's calendar.

**Planned closure days:** Programs may use up to 10 days within the fiscal year for planned closures. The planned dates should be communicated to families on the program's calendar. Planned closure days can include staff development days and vacation days for family child care providers.

**Unplanned closure days:** Unplanned emergencies such as severe weather, facilities issues caused by severe weather (such as flooding or power outage), public health or safety-related issues may not count towards the maximum 10 planned closure days. Programs must complete the *Early Learning Scholarships Program Closure Request Form* to document unplanned closure days. Contact your Central Payment Administrator to request the link to the form as needed.

Snow days are considered program closure days and must not be counted as child absent days. If snow days or other unplanned closure days cause a program to exceed the allowable number of program closure days, the program must complete the *Temporary Program Closure Request Form* to document and request approval for additional closure days. Questions regarding emergency closures or statewide weather-related cancellations should be directed to the Minnesota Department of Children, Youth, and Families (DCYF).

Child care programs must complete and submit a *Temporary Program Closure Request Form* if the program has a temporary emergency that requires the program to close. Approved programs may be paid for up to five emergency closure days per fiscal year (July 1–June 30).

## 6.8 Program Closure Policies: School-Based and Head Start Programs

School-based and Head Start programs must establish an operating cycle including all scheduled closings for holidays, professional development days, and seasonal closings, incorporating those into their program costs. Costs included in publicly funded programs that are charged to scholarships must be consistent with those reflected in other funding sources. Publicly funded programs operating extended day child care services are subject to the same program holiday and closure day limits as privately funded programs for paid holidays or program closing days.

When reporting attendance in ELSA, school-based and Head Start programs should not report holidays that are included in their program calendar. Holidays should not be counted in the total scheduled days or entered as holidays in ELSA. If students are expected to be in attendance but school is canceled for something like a snow day, this would be counted in the total expected days and would be entered as a closure day.

School districts, charter schools, and Head Start programs must complete and submit a *Temporary Program Closure Request Form* if the program is closed for more than five consecutive days.

Public programs must follow DCYF/MDE and/or Head Start federal and state guidance for distance learning during temporary closures. Programs may transition to an alternative learning model instead of closing. If distance learning is implemented, public programs must attest that the transition to distance or hybrid learning is due to a school district decision and that attendance and learning participation are being verified in accordance with district and state guidance. Programs must apply established absence policies and adhere to local and program-specific procedures. Absences must continue to be tracked and reported in ELSA, and programs should collaborate with families to support consistent attendance. Learn more in the [VPK Planning Guide for Instructional Options](#).

## 7. Renewal, Cancellation, and Transitions

Once a child is awarded a scholarship, they are eligible to continue to receive a scholarship until either (a) the day they are age-eligible for kindergarten (age 5 on September 1), or (b) the day the child is enrolled in and attending kindergarten, whichever is earlier. However, they are not allowed to receive more than one scholarship between July 1 and June 30 across pathways. Additionally, children who are age-eligible for kindergarten, but not enrolled in kindergarten, are also no longer eligible to receive scholarship funds as of the first September 1 that the child is 5 years old.

Families must submit a completed renewal form by June 15 to indicate their wish to continue their child's scholarship and to provide an informed agreement and consent. Families do not need to submit updated proof of eligibility at the time of renewal.

For additional details on the renewal process, view the [Pathway I Renewal](#) or [Pathway II Renewal](#) section of this manual.

## Family Contact Information and Communication Requirements

Families must notify their Area Administrator or Pathway II program of any changes to their address or phone number while receiving a scholarship and provide updated contact information. Families may update their contact information by completing a *Family Update Form*, or by contacting their Area or Tribal Administrator directly to make updates.

### 7.1 Changes in Program Enrollment (Pathway I)

Families may leave their program at any time during the scholarship period to move to a different eligible program participating in Parent Aware. Families are not required to reapply when changing programs, but they must select and enroll in a new eligible program within three months of leaving the previous program.

When a child stops attending a program or changes to a new program, the parent or legal guardian must notify the Area Administrator. Programs may also notify the Area Administrator; however, the Area Administrator must confirm the change with the parent or legal guardian before taking action on the award.

Important notes about payments:

- Payment to the new program may begin only after the final date of payment to the previous program to prevent duplicate payments.
- Scholarship funds may not be used to pay registration fees for a program the child is not yet attending.
- Registration fees may be included only if they are charged to all families as part of the regular billing cycle.

If a renewal occurs while the family is not enrolled in a program, the family must submit an *Early Learning Scholarship – Pathway I Renewal Form*. Submitting a renewal form does not extend the three-month timeframe for selecting a program.

If a program or the Central Payment Administrator notifies the Area Administrator that a child is no longer attending and there has been no communication from the family, the Area Administrator must:

- Send the *Notice to Cancel – Left Program Letter*
- Allow 30 days for the family to respond
- Document all communication attempts in the Early Learning Scholarship Administrator Hub.

If the family does not respond within 30 days, the *Canceled Award – Left Program Letter* must be issued.

## 7.2 Pathway I Renewal Policies

Families must complete and submit the *Early Learning Scholarships – Pathway I Renewal Form* by June 15 to renew their scholarship for the following fiscal year. Area Administrators must notify eligible families of the renewal requirement by sending a *Notice to Renew Letter* and *Renewal Form* by April 1, with additional follow-up attempts on May 1 and June 1 if the family has not responded. Families with an email on file will receive automated reminders on these dates.

Area Administrators must make at least three attempts to contact families prior to determining that an award will not be renewed. If a family does not respond, a *Renewal Cancellation Letter* must be issued. If a renewal form is not submitted by June 15, the award will be automatically canceled in the Early Learning Scholarships Administrator Hub and ELSA, with an end date of June 30.

Area Administrators must review renewal forms and update any changes in the Early Learning Scholarships Administrator Hub, including but not limited to contact information, consent for evaluation, and priority population indicators.

Area Administrators must also notify families when a child will age out of eligibility. Families must receive an *Aged-Out Letter* in the spring, a follow-up notice on June 1, and a final notice on September 1 if the child turns age 5 on or before September 1. Scholarships do not cover services after August 31 for children who are age-eligible for kindergarten. If an email address is on file, the family will automatically receive the *Aged-Out Letter* by email. For those without an email on file, Area Administrators will mail a letter to the family.

## 7.3 Pathway II Renewal Policies

Families must submit the *Early Learning Scholarships – Pathway II Renewal Form* indicating their wish to continue their child's scholarship and to provide an informed agreement and consent.

Pathway II programs should send a *Notice to Renew Letter* with the *Early Learning Scholarships – Pathway II Renewal Form* to families to notify them that their current scholarship is ending, and they need to complete a renewal form if they wish to renew. This letter should be sent by April 1 each year so renewals can be completed and entered according to the schedule for that program type.

### 7.3.1 Child Care Programs

Child care programs must submit the signed renewal form to the statewide administrator of Pathway II child care as soon as it is received from the family, prior to the child's renewal date by June 15. A delay in submitting the renewal form may cause a program to be at risk for not being reimbursed for the child's fees.

Renewal Forms for Pathway II child care programs must be completed by the family within 90 days of the Renewal Date to support informed consent. Renewal Forms with a signature date prior to 90 days will be returned to the program and will need to be re-completed.

### 7.3.2 School-Based and Head Start Programs

When the family submits a signed renewal form, the Scholarship Administrator of the Pathway II program must mark the “Check if Renewal Form is complete” box on the Scholarship Award page in ELSA and save. If an award has not been renewed in ELSA at 90 days past the award’s Renewal Date, ELSA will cancel the award, entering the End Date as the day before the Renewal Date (June 15).

Scholarship Administrators should note any changes between the application and renewal form in ELSA. This includes but is not limited to changes in consent to be a part of evaluation and changes in priority population status.

## 7.4 Cancellation of Scholarships

### 7.4.1 Canceling a Pathway I Scholarship

A child who has received a Pathway I Early Learning Scholarship must continue to receive a scholarship each year until the child is age-eligible for kindergarten, unless the award is canceled. An award may be canceled at the request of the family or under other circumstances outlined in this manual.

If a family does not select and enroll in an eligible early childhood program within three months of the scholarship award start date, the scholarship must be canceled. The family must reapply to be considered for a future scholarship.

Area Administrators must notify families as they approach the end of the three-month enrollment period and must make at least three attempts to contact the family, including at least one written communication using the *Program Choice Reminder Letter*. All communication attempts must be documented in the Early Learning Scholarships Administrator Hub.

### 7.4.2 Canceling a Pathway II Scholarship

In limited and specific circumstances, a scholarship may be canceled prior to the end of the scholarship year (July 1–June 30) or before loss of age eligibility. Scholarships may be canceled if:

- The child is moving out of state.
- The child is moving out of the Pathway II program area.
- The child has completed the scholarship year, and the parent/guardian does not wish to renew.
- The family has been unresponsive for 60 days.
- The family has not responded to renewal requests prior to June 15.
- The child was not enrolled in a program before three months into the scholarship year.
- The program costs are now funded through Early Childhood Special Education (ECSE) and there are no other scholarship-eligible costs, fees, or tuition.
- The program costs are now funded through Voluntary Prekindergarten and there are no other scholarship-eligible costs, fees, or tuition.

- The child is no longer enrolled in and attending the Pathway II program that made the award.
- The Pathway II program closes or loses eligibility to accept Pathway II funding.
- The child was later determined ineligible for a scholarship.

## 7.5 Unreachable Families

If a family is unreachable after a minimum of three contact attempts—at least one of which must be by mail with a “do not forward” directive—and does not respond within 60 days of the first contact attempt, the scholarship will be canceled. All communication attempts must be documented in the Early Learning Scholarships Administrator Hub by the Area and Tribal Administrators.

The Area Administrator must provide a 15-day notice of cancellation to both the family and the program via the Early Learning Scholarships Administrator Hub and by mail.

If a scholarship is canceled, the family may submit a new application and will be placed on the waitlist.

## 7.7 Child/Family Relocation: Moving/Awarding to a Canceled Scholarship Record

### 7.7.1 Pathway I

Pathway I Early Learning Scholarships are mobile. Families who relocate to another area of the state have the right to continue using the scholarship at an eligible program that is participating in Parent Aware. The scholarship will transfer to the Area Administrator for the family’s new home county. This is designed to support stronger case management and assistance with localized service needs and referrals the family might have.

If a child is moving to a new area, the family must notify the Area Administrator. The family must still have a Minnesota address, and the child must attend an eligible program. Area Administrators should refer to the *Early Learning Scholarships Admin Hub User Guide* (available in the ELS Admin Hub) for instructions for awarding to the child’s existing scholarship record.

### 7.7.2 Pathway II

Children with a Pathway II scholarship who leave their program are not guaranteed another scholarship. The family can apply for a Pathway I scholarship through the online Early Learning Scholarships Hub or by submitting a paper application. They can also apply for a new Pathway II scholarship if they are attending a different program that has been awarded Pathway II funds.

- Pathway II: Programs may pick up canceled scholarships only if they can fund the remainder of the child’s scholarship year out of the fiscal year in which it was originally awarded. The following conditions must be met:

- The program has money available in the fiscal year of the child’s scholarship.
- The child has funds available (they have not used the maximum scholarship amount for the year).
- A scholarship must be canceled in ELSA at the time a child leaves a Pathway II program in order for the child to be eligible to be served by another program with Pathway II funds.
- A family may request cancellation of a Pathway I scholarship to accept a Pathway II-funded placement; however, cancellation must not occur based solely on a program request. Area Administrators must provide guidance to the family on the impact of changing scholarship pathways, including considerations related to flexibility, program availability, and funding structure, to support informed decision-making.

## 8. Program Administration

### 8.1 Area and Tribal Administrators: Pathway I

Pathway I Early Learning Scholarships are administered throughout Minnesota by Area and Tribal Administrators. Administrative areas generally align with the 13 Governor’s Economic Development Regions; however, administrative areas have been expanded in some cases to account for Tribal sovereignty and the population density of the metropolitan area, Region 11. Area and Tribal Administrators are responsible for administering Pathway I scholarships within their service areas in accordance with state guidance and statutory requirements.

#### 8.1.1 Geographic Distribution for Scholarships

- Region 1: Kittson, Marshall, Norman, Pennington, Polk, Red Lake, Roseau counties
- Region 2: Beltrami, Clearwater, Hubbard, Lake of the Woods, Mahnomen counties
- Region 3: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, Saint Louis counties
- Region 4: Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, Wilkin counties
- Region 5: Cass, Crow Wing, Morrison, Todd, Wadena counties
- Region 6E: Kandiyohi, McLeod, Meeker, Renville counties
- Region 6W: Big Stone, Chippewa, Lac qui Parle, Swift, Yellow Medicine counties
- Region 7E: Chisago, Isanti, Kanabec, Mille Lacs, Pine counties
- Region 7W: Benton, Sherburne, Stearns, Wright counties
- Region 8: Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock counties
- Region 9: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, Watonwan counties
- Region 10: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona counties
- East Metro: Anoka, Washington counties
- West Metro: Carver, Dakota, Scott counties
- Hennepin and Ramsey Counties

### 8.1.2 Tribal Administrators

Leech Lake Band of Ojibwe and White Earth Nation administer Pathway I scholarships for children who reside on Tribal land and/or are children of members or who have otherwise been determined to have a relationship with the Tribal organization. This may include families residing anywhere within the state of Minnesota as determined by the Tribal administrator as part of their approved outreach plan. Families have the choice to apply through either the Area Administrator for their county of residence or the Tribe with which they are associated. Coordination of services between Area Administrators and Tribal Administrators is expected to maximize access and facilitate awarding of scholarships.

All references within this manual to actions of the “Area Administrator” are inclusive of Tribal Administrators unless specifically noted.

- Leech Lake: Geographic boundaries of Tribal land or recognized members or determined affiliation with the Tribe.
- White Earth: Geographic boundaries of Tribal land or recognized members or determined affiliation with the Tribe.

### 8.1.3 Outreach to Families about Early Learning Scholarships

Pathway I Early Learning Scholarships are awarded directly to eligible children, as defined in statute. While scholarships are awarded to children, payments for eligible services are made directly to the early childhood program selected by the family.

Each Area or Tribal Administrator must develop and implement an outreach plan to ensure equitable access to Early Learning Scholarships and to increase awareness among families within their community. The state provides a common set of marketing materials to support outreach efforts.

Outreach plans must be reviewed and updated regularly and should prioritize engagement with families and community partners serving priority populations, including:

- Children of teen parents
- Children who have experienced homelessness within the past 24 months
- Children in foster care or receiving child protective services
- Children with an IEP or IFSP
- Children with an incarcerated parent
- Children whose parent is participating in a substance use treatment program, mental health treatment program, or who has experienced domestic violence

Outreach efforts should account for variations in local demand and the availability of eligible programs to support equitable access across the region.

## 8.2 Eligibility of the Program

Eligible early childhood programs must be listed on the “**Currently Participating**” tab of the scholarship-eligible programs report produced by Develop (the Parent Aware tracking system).

Area Administrators must use the scholarship-eligible programs report to determine whether a program is eligible to receive Early Learning Scholarships. The Early Learning Scholarship Administrator Hub will calculate the maximum scholarship award based on the child’s age and the program’s type, county, and Parent Aware participation status.

For guidance on participating in Parent Aware, families and programs may visit the [Parent Aware](#) website or contact Child Care Aware of Minnesota at 1-888-291-9811.

For additional policy information, refer to section 1.1.5 “Good standing” of the [Parent Aware Policy Manual](#)

### Program Selection Support

If the program selected by the family is not eligible to receive scholarships, or if the family needs assistance identifying an eligible program, the Area Administrator must:

- Refer the family to Parent Aware or Child Care Aware of Minnesota for support
- Send the *Notice to Change Program – Program Not Eligible Letter*

### Ineligible Programs - Limit on Receiving Public Funds Statute

Programs must meet all eligibility requirements to receive Early Learning Scholarships funds. A program may become ineligible for a variety of reasons, including but not limited to loss of licensure, loss of eligibility under Parent Aware, or other determinations that affect the program’s ability to receive public funds. The Early Learning Scholarships program follows applicable state statutes related to limits on receiving public funds. When a program is determined to be ineligible, payments may be stopped, and additional actions may be taken in accordance with state policy and program requirements. [Sec. 245.095 MN Statutes](#)

### Additional Guidance

- Early Childhood Family Education (ECFE) programs are not eligible to participate in Parent Aware and cannot be selected for scholarship use. However, some eligible programs may include ECFE as part of a broader program model.
- Licensed family child care providers may not use scholarships for their own children at their program but may use scholarships at another eligible program.
- A family child care provider who is also the child’s foster parent should consult with their Area Administrator for eligibility and process guidance.
- Programs may receive scholarships for the children of their employees; however, scholarships may only be used for services not already covered by employee benefits (e.g., tuition discounts).

### 8.2.1 Changes in a Program's Status

The Area Administrator will notify the family if there is a change in the early childhood program's Parent Aware Rating or participation status. Area Administrators are provided regular updates by the state of programs' eligibility and status.

DCYF will notify programs when there is a change in their eligibility to receive new or existing Early Learning Scholarships.

The Central Payment Administrator will work with programs to complete final payment requests based on the date of determination for the last date of services. Payment requests should be submitted through the Central Payment Portal or using the *Pathway I - Invoice Form* within 30 days of the date of determination. The Area Administrator will send the *Notice to Change Program – Program Lost Parent Aware Rating Letter* to the parent/guardian within two days of knowledge of a program's loss of eligibility to receive scholarships.

## 8.3 Pathway I Programs

### 8.3.1 Coordination with Early Childhood Programs

Area Administrators and the Central Payment Administrator must communicate with the program chosen by the family. Notification occurs as soon as the family confirms their eligible program choice. Documents the administrators must provide to the early childhood programs include:

The Area Administrators will provide:

- The *Award Planning Agreement* (if applicable: new program, change of program, or out-of-pocket costs to family)
- A copy of *Award and Renewal Letters* to inform the program that a scholarship recipient family has selected their program for each attending scholarship recipient child

The Central Payment Administrator will provide the program:

- *Early Childhood Program Welcome Letter* from the Central Payment Administrator to introduce their organization as well as the Early Learning Scholarships program
- *Program Participation Agreement*, which is a legal agreement for programs to comply to required terms
- Depending on program type and history, a W9 and ACH form will also be needed to set the program up for payment
- Instructions for access to the Central Payment Portal
- *Invoice Form* and applicable packet/Excel workbook pages

**Note:** The program is not permitted to request or receive information about a child's scholarship application or award from the Area Administrator until after the program selection has been confirmed by the family and the award has been made. However, a program staff person may be named within the scholarship application as an

“Additional Contact” by the parent/guardian of the child, allowing the Area Administrator to share award and application information with that individual.

### **8.3.2 Program Participation Agreement**

The *Pathway I – Program Participation Agreement* (PPA) is a contract between the Minnesota Department of Children, Youth, and Families (DCYF) and the program that outlines requirements for participation in the Pathway I Early Learning Scholarships program. Through this agreement, programs provide program details, tuition and fee information, and policies related to enrollment and withdrawal, and confirm compliance with all Pathway I program requirements.

Programs serving one or more children receiving an Early Learning Scholarship must complete and submit a PPA each fiscal year to DCYF and the Central Payment Administrator prior to receiving payment. Beginning in 2025, the PPA must be completed through the designated online survey, and a PDF copy will be provided to the program for its records.

Programs must upload the completed PPA to the Central Payment Portal before payments can be issued.

### **8.3.3 Award Planning Agreement**

Early Learning Scholarships are intended to cover the cost of a child’s attendance at the eligible early childhood program of the family’s choice. A *Pathway I – Award Planning Agreement* (APA) must be completed by the family and program when there is a new award, a change in program or location, a change in tuition or fees, or when there is a family out-of-pocket cost.

The APA documents how the scholarship will be applied on behalf of the child. It must be signed by both the family and the program, with copies provided to both parties and the Area Administrator.

When required, the APA must be completed and submitted securely to the Area Administrator within 30 calendar days of the child’s first day of attendance. The Area Administrator will review the APA for completeness and upload it to the Early Learning Scholarships Administrator Hub.

Payment may not be issued until a completed APA has been submitted, reviewed, and entered into the Early Learning Scholarships Administrator Hub.

## **8.4 Pathway II**

Parent Aware Four-Star Rated programs are eligible to apply for and receive Pathway II Early Learning Scholarship funds. The state designates Pathway II programs through an application process, and these programs use funds to increase access. Increasing access should be thought of as reducing barriers for participation in programs and includes adding slots, increasing duration, providing transportation, filling gaps in payment remaining after Child Care Assistance Program (CCAP) payments have been applied, and providing specific services to support individual children’s access. Programs may also use funding to maintain previous increases to

access. Pathway II scholarships must be used in accordance with the plan submitted to the state, or a formally amended current version of that plan.

Awards of Pathway II funds are made to programs on a fiscal year basis. The funds are to facilitate local program planning and to ensure availability of services to children during the year. Pathway II funds are awarded directly to eligible early childhood programs that are Parent Aware Four-Star Rated in order to serve more eligible children and/or enhance services to eligible children in their community.

#### **8.4.1 Administration Structure for Pathway II Funds**

##### *Child Care Programs*

The state designates a statewide administrator for Pathway II child care programs through a Request for Proposal (RFP) process. Milestones is the current grantee and is responsible for program oversight, award verification, monitoring eligibility determinations, and providing technical assistance to participating programs.

Child care programs submit invoices through the Central Payment Portal or by using the *Pathway II Invoice Form* to the Central Payment Administrator, Greater Twin Cities United Way (GTCUW). Public programs submit payment requests in accordance with state guidance. GTCUW processes payment requests in ELSA and issues payments to programs.

##### *School-Based and Head Start Programs*

School district, charter, and Head Start programs enter child, parent, and scholarship information directly into ELSA. They request payment and are paid directly through the ELSA system.

##### *Free and Reduced-Priced Meals Program (FRPM)*

A [memo from the United States Department of Agriculture \(USDA\)](#) describes the disclosure requirements for child nutrition programs. School districts that administer Pathway II scholarships fall under the category of “State education programs administered by a State agency or local education agency,” so prior notice and parent consent are not required to share the eligibility status. FRPM data must only be shared on a “need to know” basis with staff directly connected with the administration of scholarships. Staff administering scholarships should complete a [Limited Disclosure of Names and Meal Eligibility Status](#) form once per school year and keep it on file with their business office. With this document on file, no individual parent consent forms are required.

Please note that this data-sharing practice applies to Early Learning Scholarships program participants, but the disclosure of individual eligibility information is generally not permitted without parental consent for other programs or purposes.

### 8.4.2 Local Enrollment Form

The state has formalized a process for programs to partially replace the *Early Learning Scholarships – Pathway II Application* with their local enrollment process. [Minnesota Statutes, section 142D.25, subdivision 4](#) notes that Pathway II school districts, charter schools, or Head Start programs may use an established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants. Look to the *Local Enrollment Form and Pathway II Application* guidance document on the [Pathway II Resources for Awardees webpage](#) for further instruction.

To receive an Early Learning Scholarship, a family must agree to the requirements and consent to receiving a scholarship. Given this, a local enrollment form cannot completely replace the Pathway II application. In an effort to decrease the burden on a family, programs should have the family complete and sign the *Early Learning Scholarship – Pathway II Supplemental Application* only once the family and child have been determined eligible by the program. As long as the program has record that the family is income-eligible under Option 1 (participation in one of the designated public programs), the family does not need to provide additional documentation of their income or Option 1 eligibility. If the child is in foster care, an *Early Learning Scholarship – Pathway II Supplemental Foster Care Form* is required in addition to the local enrollment form and the standard *Early Learning Scholarship – Pathway II Supplemental Application*. For the full list of public programs used to determine eligibility for a state Early Learning Scholarship, refer to the [Income Verification: Option 1](#) section earlier in this manual.

Children are eligible to be awarded a scholarship no earlier than the date a parent or guardian signs the *Early Learning Scholarship – Pathway II Supplemental Application*. For the purpose of awarding scholarships, local enrollment forms are valid for one year. Meaning, if a scholarship is not awarded to a child within one year of their local enrollment form and companion supplemental application(s) being submitted, a family must review and confirm the information on their local enrollment form is accurate, sign, and date it. Record retention of all documentation is required for seven years.

### 8.4.3 Changes in a Program's Status

The Pathway II Scholarship Administrator or the Pathway II Child Care Administrator will notify the family if there is a change in the early childhood program's Parent Aware Rating or participation status. The Pathway II Child Care Administrator receives regular updates from the state of programs' eligibility and status.

There may be cases when a program's Parent Aware Star Rating or participation status changes due to changes in licensing or accreditation. Programs with Pathway II funds must maintain a Four-Star Parent Aware Rating to continue to receive Pathway II funding for Pathway II Early Learning Scholarships.

## 8.5 Invoice Submission

Programs receiving Pathway I scholarships and Pathway II child care programs must submit invoices to the Central Payment Administrator, Greater Twin Cities United Way (GTCUW), through the Central Payment Portal. For the service period, programs should indicate the number of scheduled days, number of holiday and closure days, the

number of absent days, and include if the child has 10 or more consecutive absent days. The attendance information provided with the Central Payment Portal or the *Invoice Form* is for reference purposes and may be used to verify invoicing.

To register for access to the [Central Payment Portal](#) and begin submitting invoices, programs must contact Greater Twin Cities United Way for registration and onboarding. Programs can use their [contact form](#) or email [ELSATechSupport@gtcuw.org](mailto:ELSATechSupport@gtcuw.org).

### **8.5.1 Invoice Form and Central Payment Portal**

Programs must submit invoices to the Central Payment Administrator to receive payment for Pathway I scholarships. Payment requests may only be submitted through the [Central Payment Portal](#) or by using the *Pathway I Invoice Form* provided by the Central Payment Administrator.

If a program serves children with scholarships managed by multiple Area Administrators, all children must be included in a single submission through the Central Payment Portal or on one *Pathway I Invoice Form*. Programs must not submit invoices to the local Area Administrator for Pathway I or to the Pathway II Child Care Administrator.

Programs are required to submit invoices within 30 days of the end of the service period. Additional instructions are available within the Central Payment Portal or the *Invoice Form* packet. Questions regarding the [Central Payment Portal](#) should be directed to [ELSPaymentSupport@gtcuw.org](mailto:ELSPaymentSupport@gtcuw.org).

#### *Submitting Invoicing and Payment Requests*

Timely invoicing and payment are required to ensure that Early Learning Scholarships remain current and accurately reflect scholarship spending. This supports both families and programs in having up-to-date information on scholarship balances and helps reduce financial hardship for programs awaiting payment.

Programs receiving Pathway I scholarship funds must submit payment requests within 30 days of the end of the service period. The Central Payment Administrator must process invoices and issue payment as soon as possible, and no later than 30 days after receiving a complete and accurate invoice.

Programs are expected to meet all participation requirements, including timely and accurate invoicing. Failure to meet these requirements may result in delayed or denied payment, or the requirement to repay scholarship funds. If a program is not paid for services due to failure to meet program requirements, the program may not seek payment from the family for those services.

The Central Payment Administrator will provide participating early childhood programs serving at least one child with a Pathway I scholarship award with instructions for submitting payment requests through the [Central Payment Portal](#).

## 9. Monitoring

The state has implemented a formal monitoring process of all Early Learning Scholarships. The main goals of this monitoring process are continuous program improvement, assistance with fiscal and program management, and to support scholarship use so that Minnesota children with high needs have access to high-quality early learning programs.

All Pathway II programs will be selected to participate in monitoring based on the anticipated schedule. The state reserves the right to modify the timeline based on initial-year findings and technical assistance needed for programs.

Pathway II monitoring frequency:

- Awards less than \$50,000: Monitored once every five years
- Awards between \$50,000 and \$250,000: Monitored once every two years
- Awards over \$250,000: Monitored once every year

Once grantees have completed the initial review, the intensity and/or frequency of future monitoring may be modified based on the results.

Pathway II programs are required to maintain scholarship documentation for seven years, in compliance with data retention policies. Documentation that must be maintained for each scholarship award includes:

- Child applications and renewal forms, including income documentation
- *Award and Renewal Letters* sent to parents or guardians
- Justification of scholarship award amount (demonstrated per child cost, or hours child is served)
- Attendance documentation
- Documentation of amendments, adjustments, or other special circumstances from the state
- Evidence of compliance with Early Learning Scholarships policies which may include but is not limited to enrollment forms, attendance records, Child and Adult Care Food Program (CACFP) records, etc.

### 9.1 Interaction between State and Other Grant Scholarship Programs

Early Learning Scholarships might be embedded in other state of Minnesota grant making. The grantee is responsible for ensuring payments are not duplicated for the same services, time frame, child, and program.

### 9.2 Provider Recoupments and Overpayments

If a provider continues to receive Early Learning Scholarship payments, the Minnesota Department of Children, Youth, and Families (DCYF) will recoup any overpayment by reducing the amount paid to the provider from subsequent payments until the overpayment is fully recovered.

When an overpayment is due to a billing error, the provider's failure to provide accurate information, or a combination of provider, family, or agency error, the recoupment amount will be applied to each payment until the overpayment is paid in full, as follows:

- 20% of the provider's payment for monthly billing cycles, or
- 10% of the provider's payment for biweekly billing cycles

## 10. Collecting Data and Tracking Scholarship Usage

### 10.1 Early Learning Scholarships Administrator Hub

The Early Learning Scholarships Administrator Hub is the companion to the Early Learning Scholarship Hub. The Early Learning Scholarships Administrator Hub allows Area Administrators to track, process, and manage Pathway I scholarship applications. If an applicant submits a paper application, the Area Administrator manually enters and uploads the paper application into the Early Learning Scholarships Administrator Hub. All applications must be tracked within the system. In the Early Learning Scholarships Administrator Hub, Area Administrators can review applications, assign action items to applicants, update the application status, manage awards, and report on pertinent data. Additionally, staff of the Central Payment Administrator access the Early Learning Scholarships Administrator Hub to support coordinated work with Area Administrators. There is an integration between the Early Learning Scholarships Administrator Hub and ELSA, so once a child is awarded a scholarship the child and family data is automatically synced to ELSA.

Together, the Early Learning Scholarships Hub and Early Learning Scholarships Administrator Hub are commonly referred to as the ELS Hub.

View these resources for additional information:

- Applicants can visit the [Early Learning Scholarships Hub](#) for information about getting started, income eligibility, privacy and use of information, application definitions, and a series of knowledge articles that describe how to use the Hub.
- Area Administrators and the Central Payment Administrators can reference the Early Learning Scholarships Area Administrator SharePoint site for a User Guide, Job Aids, training videos, and other resources to support their use of the system.

### 10.2 Early Learning Scholarships Hub

The Early Learning Scholarships Hub is an online application system for parents, guardians, and foster care case workers applying for a Pathway I scholarship. The Early Learning Scholarships Hub allows new applicants to save their progress when filling out the application, view the status of their application at any time, and receive email communication if any action is required. The system also tracks waitlist status and the renewals process.

## 10.3 ELSA

ELSA, or the Early Learning Scholarship Administration System, is a web-based data and payment system application for the real-time management of allocated scholarship funds, administration of child records and awards, and processing of payment requests.

The primary purpose of ELSA is to provide state oversight of the Early Learning Scholarships program. Child-level information on awarded scholarships across the state is collected through this system to uphold the statutory requirement that each child receive only one scholarship. Additionally, it is used to collect information for the evaluation of program efficiency and effectiveness.

Information is entered into ELSA by Scholarship Administrators tasked with the work of scholarship administration for the organizations funded by the Early Learning Scholarships program as grantees of the state. The system captures parent/legal guardian, child, award, eligibility, and payment information. Currently, only awarded scholarship children are entered into the system.

Every child receiving a scholarship award must be entered into ELSA. The system assists in validating each child record and award. Administrators of scholarships use the system to determine if a child already has an ELSA record by searching through the database for a match based on a combination of the child details. After a new child record is entered, the State Student Identification (SSID) Maintainer of the child's resident school district is responsible for assigning the SSID number to the child record in ELSA.

View these resources for additional information:

- Guidance for ELSA system use can be found in the [Early Learning Scholarship Administration System \(ELSA\) User Manual](#).
- A step-by-step guide is available for SSID Maintainers of resident school districts: *Assigning a State Student Identification (SSID) Number in the Early Learning Scholarship Administration System (ELSA)*. Request a copy of this guide by emailing [DCYF.ELSA@state.mn.us](mailto:DCYF.ELSA@state.mn.us).
- View the [Student ID Validations for Early Learners](#) policy memo for details on the responsibility for assigning the State Student Identification (SSID) number for children participating in the Early Learning Scholarships program, Early Childhood Family Education, School Readiness, Head Start, and other public preschool programs.

## 10.4 Data Entry

Administrators were previously allowed to use an internal data tracking system, in addition to ELSA, to collect information about families and document reimbursements/payments to programs. Use of a secondary case management system should be minimized or discontinued to avoid duplication and ensure privacy of data. Area Administrators should consult with the Department of Children, Youth, and Families if there are questions about this policy.

All Pathway I scholarship data is managed by Area Administrators in the Early Learning Scholarships Administrator Hub. The statewide administrator of child care Pathway II scholarships, currently Milestones, is responsible for entering all Pathway II child care data in ELSA. The Central Payment Administrator is responsible for updating award amounts in ELSA based on actual use and forecasting of the child's need up to the scholarship cap. For Pathway II-awarded Head Start and school-based programs, Scholarship Administrators are responsible for entering their program's scholarship data in ELSA.

## 10.5 Required Reporting

Area and Tribal Administrators and the Central Payment Administrator submit quarterly reports to the state. Refer to the dates as listed in the Official Grant Award Notification (OGAN) or any amendments for the specific reporting timelines. State program staff will provide the format for reporting.

## 10.6 Data Privacy Requirements

The parent or legal guardian must sign the scholarship application so that the appropriate data can be shared with programs for purposes of setting up payments.

All data or information about a family or an individual is considered private data and cannot be shared without the family or individual's consent. Area Administrators and Pathway II programs are restricted from responding to requests for private scholarship program data unless it is from the evaluation team at the state, their designated evaluation contractor, or it is for a purpose allowed under the Minnesota Government Data Privacy Practices Act. Questions about the release of data should be directed to the state, and additional information can be found in the [Data Practices for Early Learning Scholarship Administrators](#) document.

Note: Nothing that could potentially violate the privacy of a child or family should be sent via email unless it is in a secure format. Programs should make every effort to send any invoices or other documentation through a secure method. If there is not a secure method available via electronic means, programs should plan to send by mail. Programs should be aware of the risk of compromising private data if they are not ensuring security.

### 10.6.1 Data Storage Requirements

Data and documentation collected from families and programs must be kept on file for at least seven years. This includes data for tracking and storing scholarship funds. Area Administrators, the Central Payment Administrator, and Scholarship Administrators of Pathway II programs may store data and documentation electronically at their discretion but are required to do so in a secure manner that is protected from inappropriate or inadvertent access by anyone who is not authorized to have access to the data in the course of their work. The department has rights to this data and the sharing of this information as stated in the *Data Sharing Agreement*. This includes, but is not limited to, transferring information to the state or an evaluator at the state's discretion.

# 11. Special Topics

## 11.1 Extended Day or Wrap-Around Care

To use Pathway II funding for extended day or wrap-around care, the program must be Parent Aware Rated and meeting all School Readiness statute requirements. If there are questions about including extended day or wrap-around care under a program's Parent Aware rating, including certified child care programs administered by the district or charter school, please contact [ParentAware.DCYF@state.mn.us](mailto:ParentAware.DCYF@state.mn.us).

For programs receiving Child Care Assistance Program (CCAP) funds, the total award to the child should be based on the hours that the child is in your program and receiving a Pathway II scholarship, minus their CCAP reimbursement.

For example, if you are serving a child for 500 hours, they are eligible for a \$4,000 award. If that child receives a total of \$2,500 in CCAP reimbursement throughout the year, then their scholarship award should be \$1,500. As a reminder, scholarships can and should cover the family's co-payment.

If awarding by actual costs for wrap-around, extended day, or summer/school release day child care, state Early Learning Scholarships and other public funds should not exceed the cost that would be charged to private-pay families. When offering child care, to align with child care guidance, public programs should set award amounts based on tuition rates or a cost per child rather than by annual instructional hours.

Voluntary Prekindergarten (VPK) Early Learning Scholarships, Pathway I and Pathway II, cannot be used for the hours determined to be VPK instructional hours for a child generating Average Daily Membership (ADM). If the VPK calendar covers the child's full schedule, then the VPK-funded child cannot receive a Pathway II scholarship. However, a Pathway II scholarship could be used for a 4-year-old generating VPK funding if it is used to provide additional programming to a child beyond VPK hours of the day.

For example, if VPK is offered in the morning and the child needs afternoon services as well, the scholarship could be used to cover the costs of the additional hours beyond the VPK hours. Programs would set the scholarship amount by taking the total program hours minus the VPK hours, and awarding based on the remaining hours not funded by VPK.

Also, VPK funds a maximum of 510 hours (0.6 ADM), so any hours above 510 can be funded with Pathway II scholarships. In this case, programs would take the total hours minus 510 VPK hours, and award based on the remaining hours not funded by VPK.

Mixed-age classrooms are also permissible. VPK program standards must apply to the entire classroom including staff-to-child ratios of 1:10 and a maximum group size of 20 children. All children, including those with disabilities, are counted as part of the 20 maximum group size. Early Learning Scholarships may be used to cover the cost of 3-year-olds enrolled in the VPK classroom.

4-year-olds who are not generating VPK ADM may use Pathway II funding within the VPK program. Children in a mixed delivery child care site not generating VPK funding may use either Pathway I or Pathway II funding.

Note that regardless of how the program plans to braid Early Learning Scholarships and VPK funding, they must ensure expenses and revenue are properly coded in UFARS.

The state understands that VPK funding, like other state and local changes in funding, may result in the modification of your program and use of Pathway II funds. If your program needs to amend the Pathway II plan submitted to the state, please reach out to [DCYF.PathwayII@state.mn.us](mailto:DCYF.PathwayII@state.mn.us) to request an amendment form.

## 11.2 Using Early Learning Scholarships with Child Care Assistance Program

Many of the families with children who receive state Early Learning Scholarships are also eligible for and participate in the Child Care Assistance Program (CCAP).

If CCAP funds cover the entire cost of the child's care, their scholarship should not be canceled. Instead, the amount of their scholarship award should be informally reduced by the Central Payment Administrator in line with the state's forecasting model, and the program should continue to include the child in their Pathway I or Pathway II Child Care invoice submissions. This provides the family support should their CCAP funding change. CCAP payment must be documented on all invoices.

In line with [Minnesota Statutes 142E](#), when a source other than the family pays other child care costs on behalf of the family, the provider must keep documentation of those payments. Examples of other sources of payment include Early Learning Scholarships. The documentation must include payment source, amount received, type of expenses, and time period covered.

A provider may use [Child Care Assistance Program Financial Tracking Form DHS-5318-ENG \(PDF\)](#) to document child care expenses paid by other sources, including payment of a family's copayment by Early Learning Scholarships.

## 12. Glossary of Terms

| Term                       | Definition                                                                                                                                                                                                                                                                                                        |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allocation/Allocated Funds | A distribution of funds granted to an organization or organizational unit. Early Learning Scholarships program funding is initially allocated equitably across the state based on region at the start of each state fiscal year. Funds may later be reallocated (i.e., redistributed) to fit evolving conditions. |
| Area Administrator         | The organization that received the grant from the state to provide local implementation of scholarships in each of the defined service delivery areas. The                                                                                                                                                        |

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | term also encompasses Tribal Administrators unless specifically noted. Formerly referred to as Regional Administrator.                                                                                                                                                                                                                                                                                                    |
| Child Care Assistance Program (CCAP)                    | This publicly funded program provides child care benefits to eligible families. Early Learning Scholarships program payments may be layered with CCAP payments to cover eligible charges for fees and/or services, but charges for a particular fee or service cannot result in a duplicate payment of funds for the same fee or service (i.e., no supplanting of funds).                                                 |
| Central Payment Administrator (CPA)                     | A single grantee responsible for overseeing scholarship payment processing for Pathway I Early Learning Scholarships and child care programs receiving Pathway II funding.                                                                                                                                                                                                                                                |
| Central Payment Portal (CPP)                            | A system managed by the Central Payment Administrator (CPA) used by Pathway I and Pathway II child care programs to submit invoices, support payment processing, track scholarship payments, and manage related documentation for Early Learning Scholarships. The Central Payment Portal supports consistent administration, reconciliation, and oversight of scholarship funds in accordance with program requirements. |
| Early Learning Scholarships Hub                         | The online application system where parents, guardians, and foster care case workers can apply for a Pathway I Early Learning Scholarship.                                                                                                                                                                                                                                                                                |
| Early Learning Scholarships Administrator Hub           | The backend companion system where Area Administrators process applications and manage awards. Often referred to as the ELS Admin Hub.                                                                                                                                                                                                                                                                                    |
| ELSA (Early Learning Scholarship Administration System) | The system (web-based software application and database) in which all scholarships awarded are entered and managed and all payments of scholarship funds are ultimately requested.                                                                                                                                                                                                                                        |
| Expenditure                                             | A financial outlay of approved transactions of charges made to the project or programs.                                                                                                                                                                                                                                                                                                                                   |
| MARSS                                                   | Minnesota Automated Reporting Student System. The primary statewide student data reporting system.                                                                                                                                                                                                                                                                                                                        |
| Obligation/Obligated Funds                              | The amount of allocated funds that are committed to current scholarship awards and anticipated award renewals.                                                                                                                                                                                                                                                                                                            |
| Parent Aware                                            | Minnesota's Quality Rating and Improvement System for early childhood programs. An early childhood program must be participating in Parent Aware to be eligible to receive scholarships.                                                                                                                                                                                                                                  |
| Pathway I                                               | A funding path of the Early Learning Scholarships program, through which scholarships are awarded directly to families by an Area Administrator. Families choose an early childhood program participating in Parent Aware at which to use                                                                                                                                                                                 |

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | their Pathway I scholarship. Pathway I scholarships are portable for the family, should their child’s program of attendance change.                                                                                                                                                                                                                                                                                                               |
| Pathway II             | A funding path of the Early Learning Scholarships program through which scholarships are awarded to families by a Parent Aware Four-Star Rated program that has been allocated Pathway II funding by the state. Pathway II funding stays with the program that has been granted Pathway II funds; scholarship awards are canceled if the awarded child leaves the funded program.                                                                 |
| Pathway I Application  | Form completed by a family to access Early Learning Scholarships – Pathway I. Families can apply through the online Early Learning Scholarships Hub, or if not able to do so, request a paper or electronic copy from the Area Administrator for their county of residence.                                                                                                                                                                       |
| Pathway II Application | Form completed by a family to access Early Learning Scholarships – Pathway II. These are provided to families by a program that has been granted Pathway II funds.                                                                                                                                                                                                                                                                                |
| Pathway II Program     | A program that has been awarded Early Learning Scholarships – Pathway II funding. This program is required to make scholarship awards to eligible children and administer those awards in line with program guidance and policy. Policies for Pathway II child care and Pathway II public programs (school-based and Head Start) are sometimes differentiated throughout the manual to reflect the inherent differences in their business models. |
| SSID                   | State Student Identification Number. The legacy term “MARSS number” is often used synonymously, though the Student ID Validation System (SIVS) is the source of child SSID records for the state.                                                                                                                                                                                                                                                 |

## 13. Department of Children, Youth, and Families (DCYF)

### Early Learning Scholarship Contacts

- [DCYF.ELScholarships@state.mn.us](mailto:DCYF.ELScholarships@state.mn.us) for general questions about Early Learning Scholarships
- [DCYF.PathwayII@state.mn.us](mailto:DCYF.PathwayII@state.mn.us) for Pathway II implementation/policy questions
- [DCYF.ELSA@state.mn.us](mailto:DCYF.ELSA@state.mn.us) for ELSA system questions
- [ParentAware.DCYF@state.mn.us](mailto:ParentAware.DCYF@state.mn.us) for questions about Parent Aware ratings at public programs (school districts, charters, and Head Start programs)
- [DCYF.ELS@state.mn.us](mailto:DCYF.ELS@state.mn.us) for other questions for staff in the Early Learning Services Division