

1.1 moves to amend H.F. No. 238 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 CHILD CARE

1.5 Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 2, is amended to read:

1.6 Subd. 2. **Applicant.** "Child care fund applicants" means all parents; stepparents; legal
1.7 guardians; ~~or~~; eligible relative caregivers ~~who are~~; relative custodians who accepted a transfer
1.8 of permanent legal and physical custody of a child under section 260C.515, subdivision 4,
1.9 or similar permanency disposition in Tribal code; successor custodians or guardians as
1.10 established by section 256N.22, subdivision 10; or foster parents providing care to a child
1.11 placed in a family foster home under section 260C.007, subdivision 16b. Applicants must
1.12 be members of the family and reside in the household that applies for child care assistance
1.13 under the child care fund.

1.14 **EFFECTIVE DATE.** This section is effective August 25, 2024.

1.15 Sec. 2. Minnesota Statutes 2022, section 119B.011, subdivision 5, is amended to read:

1.16 Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a
1.17 parent; stepparent; legal guardian; eligible relative caregiver; relative custodian who
1.18 accepted a transfer of permanent legal and physical custody of a child under section
1.19 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor
1.20 custodian or guardian as established according to section 256N.22, subdivision 10; foster
1.21 parent providing care to a child placed in a family foster home under section 260C.007,
1.22 subdivision 16b; or the spouses spouse of any of the foregoing in or outside the child's own
1.23 home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

2.1 **EFFECTIVE DATE.** This section is effective August 25, 2024.

2.2 Sec. 3. Minnesota Statutes 2022, section 119B.011, subdivision 13, is amended to read:

2.3 Subd. 13. **Family.** "Family" means parents;² stepparents;² guardians and their spouses,
 2.4 ~~or~~² other eligible relative caregivers and their spouses;² relative custodians who accepted a
 2.5 transfer of permanent legal and physical custody of a child under section 260C.515,
 2.6 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
 2.7 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
 2.8 foster parents providing care to a child placed in a family foster home under section
 2.9 260C.007, subdivision 16b, and their spouses; and ~~their~~ the blood related dependent children
 2.10 and adoptive siblings under the age of 18 years living in the same home ~~including~~ as any
 2.11 of the above. Family includes children temporarily absent from the household in settings
 2.12 such as schools, foster care, and residential treatment facilities ~~or parents, stepparents,~~
 2.13 ~~guardians and their spouses, or other relative caregivers and their spouses~~ and adults
 2.14 temporarily absent from the household in settings such as schools, military service, or
 2.15 rehabilitation programs. An adult family member who is not in an authorized activity under
 2.16 this chapter may be temporarily absent for up to 60 days. When a minor parent or parents
 2.17 and his, her, or their child or children are living with other relatives, and the minor parent
 2.18 or parents apply for a child care subsidy, "family" means only the minor parent or parents
 2.19 and their child or children. An adult age 18 or older who meets this definition of family and
 2.20 is a full-time high school or postsecondary student may be considered a dependent member
 2.21 of the family unit if 50 percent or more of the adult's support is provided by the parents;²
 2.22 stepparents;² guardians and their spouses; relative custodians who accepted a transfer of
 2.23 permanent legal and physical custody of a child under section 260C.515, subdivision 4, or
 2.24 similar permanency disposition in Tribal code, and their spouses; successor custodians or
 2.25 guardians as established by section 256N.22, subdivision 10, and their spouses; foster parents
 2.26 providing care to a child placed in a family foster home under section 260C.007, subdivision
 2.27 16b, and their spouses; or eligible relative caregivers and their spouses residing in the same
 2.28 household.

2.29 **EFFECTIVE DATE.** This section is effective August 25, 2024.

2.30 Sec. 4. Minnesota Statutes 2022, section 119B.011, subdivision 19a, is amended to read:

2.31 Subd. 19a. **Registration.** "Registration" means the process used by ~~a county~~ the
 2.32 commissioner to determine whether the provider selected by a family applying for or
 2.33 receiving child care assistance to care for that family's children meets the requirements

3.1 necessary for payment of child care assistance for care provided by that provider. The
3.2 commissioner shall create a process for statewide registration by April 28, 2025.

3.3 **EFFECTIVE DATE.** This section is effective April 28, 2025.

3.4 Sec. 5. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

3.5 Subd. 4a. ~~Temporary reprioritization~~ Funding priorities. (a) ~~Notwithstanding~~
3.6 ~~subdivision 4~~ In the event that inadequate funding necessitates the use of waiting lists,
3.7 priority for child care assistance under the basic sliding fee assistance program shall be
3.8 determined according to this subdivision ~~beginning July 1, 2021, through May 31, 2024.~~

3.9 (b) First priority must be given to eligible non-MFIP families who do not have a high
3.10 school diploma or commissioner of education-selected high school equivalency certification
3.11 or who need remedial and basic skill courses in order to pursue employment or to pursue
3.12 education leading to employment and who need child care assistance to participate in the
3.13 education program. This includes student parents as defined under section 119B.011,
3.14 subdivision 19b. Within this priority, the following subpriorities must be used:

3.15 (1) child care needs of minor parents;

3.16 (2) child care needs of parents under 21 years of age; and

3.17 (3) child care needs of other parents within the priority group described in this paragraph.

3.18 (c) Second priority must be given to families in which at least one parent is a veteran,
3.19 as defined under section 197.447.

3.20 (d) Third priority must be given to eligible families who do not meet the specifications
3.21 of paragraph (b), (c), (e), or (f).

3.22 (e) Fourth priority must be given to families who are eligible for portable basic sliding
3.23 fee assistance through the portability pool under subdivision 9.

3.24 (f) Fifth priority must be given to eligible families receiving services under section
3.25 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
3.26 year, or if the parents are no longer receiving or eligible for DWP supports.

3.27 (g) Families under paragraph (f) must be added to the basic sliding fee waiting list on
3.28 the date they complete their transition year under section 119B.011, subdivision 20.

4.1 Sec. 6. Minnesota Statutes 2022, section 119B.125, subdivision 1, is amended to read:

4.2 Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider
4.3 chosen by an applicant or a participant before the county can authorize payment for care
4.4 provided by that provider. The commissioner must establish the requirements necessary for
4.5 authorization of providers. A provider must be reauthorized every two years. ~~A legal,~~
4.6 ~~nonlicensed family child care provider also must be reauthorized when another person over~~
4.7 ~~the age of 13 joins the household, a current household member turns 13, or there is reason~~
4.8 ~~to believe that a household member has a factor that prevents authorization. The provider~~
4.9 ~~is required to report all family changes that would require reauthorization. When a provider~~
4.10 ~~has been authorized for payment for providing care for families in more than one county,~~
4.11 ~~the county responsible for reauthorization of that provider is the county of the family with~~
4.12 ~~a current authorization for that provider and who has used the provider for the longest length~~
4.13 ~~of time.~~

4.14 **EFFECTIVE DATE.** This section is effective April 28, 2025.

4.15 Sec. 7. Minnesota Statutes 2022, section 119B.125, subdivision 1a, is amended to read:

4.16 Subd. 1a. **Background study required.** (a) This subdivision only applies to legal,
4.17 nonlicensed family child care providers.

4.18 (b) Prior to authorization, and as part of each reauthorization required in subdivision 1,
4.19 the county the commissioner shall perform a background study on every member of the
4.20 provider's household who is age 13 and older. The county shall also perform a background
4.21 study on an individual who has reached age ten but is not yet age 13 and is living in the
4.22 household where the nonlicensed child care will be provided when the county has reasonable
4.23 cause as defined under section 245C.02, subdivision 15 individuals identified under section
4.24 245C.02, subdivision 6a.

4.25 (c) After authorization, a background study shall also be performed when an individual
4.26 identified under section 245C.02, subdivision 6a, joins the household. The provider must
4.27 report all family changes that would require a new background study.

4.28 (d) At each reauthorization, the commissioner shall ensure that a background study
4.29 through NETStudy 2.0 has been performed on all individuals in the provider's household
4.30 for whom a background study is required under paragraphs (b) and (c).

4.31 (e) Prior to a background study through NETStudy 2.0 expiring, another background
4.32 study shall be completed on all individuals for whom the background study is expiring.

4.33 **EFFECTIVE DATE.** This section is effective April 28, 2025.

5.1 Sec. 8. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

5.2 Subd. 1b. **Training required.** (a) ~~Effective November 1, 2011,~~ Prior to initial
5.3 authorization as required in subdivision 1, a legal nonlicensed family child care provider
5.4 must complete first aid and CPR training and provide the verification of first aid and CPR
5.5 training to the ~~county~~ commissioner. The training documentation must have valid effective
5.6 dates as of the date the registration request is submitted to the ~~county~~ commissioner. The
5.7 training must have been provided by an individual approved to provide first aid and CPR
5.8 instruction and have included CPR techniques for infants and children.

5.9 ~~(b) Legal nonlicensed family child care providers with an authorization effective before~~
5.10 ~~November 1, 2011, must be notified of the requirements before October 1, 2011, or at~~
5.11 ~~authorization, and must meet the requirements upon renewal of an authorization that occurs~~
5.12 ~~on or after January 1, 2012.~~

5.13 ~~(e)~~ (b) Upon each reauthorization after the authorization period when the initial first aid
5.14 and CPR training requirements are met, a legal nonlicensed family child care provider must
5.15 provide verification of at least eight hours of additional training listed in the Minnesota
5.16 Center for Professional Development Registry.

5.17 ~~(d)~~ (c) This subdivision only applies to legal nonlicensed family child care providers.

5.18 **EFFECTIVE DATE.** This section is effective April 28, 2025.

5.19 Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

5.20 Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization
5.21 under this section shall collect the information required under section 245C.05, ~~subdivision~~
5.22 ~~4,~~ and forward the information to the ~~county agency~~ commissioner. The background study
5.23 must include a review of the information required under section 245C.08, ~~subdivisions 2,~~
5.24 ~~subdivision 3, and 4, paragraph (b).~~

5.25 (b) A legal nonlicensed family child care provider is not authorized under this section
5.26 if:

5.27 (1) the commissioner determines that any household member who is the subject of a
5.28 background study is determined to have a disqualifying characteristic under paragraphs (b)
5.29 to (e) or under section 245C.14 or 245C.15. If a county has determined that a provider is
5.30 able to be authorized in that county, and a family in another county later selects that provider,
5.31 the provider is able to be authorized in the second county without undergoing a new
5.32 background investigation unless one of the following conditions exists: disqualified from

6.1 direct contact with, or from access to, persons served by the program and that disqualification
 6.2 has not been set aside or a variance has not been granted under chapter 245C;

6.3 ~~(1) two years have passed since the first authorization;~~

6.4 ~~(2) another person age 13 or older has joined the provider's household since the last~~
 6.5 ~~authorization;~~

6.6 ~~(3) a current household member has turned 13 since the last authorization; or~~

6.7 ~~(4) there is reason to believe that a household member has a factor that prevents~~
 6.8 ~~authorization.~~

6.9 ~~(b) (2) the person has refused to give written consent for disclosure of criminal history~~
 6.10 ~~records;~~

6.11 ~~(e) (3) the person has been denied a family child care license or has received a fine or~~
 6.12 ~~a sanction as a licensed child care provider that has not been reversed on appeal;~~

6.13 ~~(d) (4) the person has a family child care licensing disqualification that has not been set~~
 6.14 ~~aside; or~~

6.15 ~~(e) (5) the person has admitted or a county has found that there is a preponderance of~~
 6.16 ~~evidence that fraudulent information was given to the county for child care assistance~~
 6.17 ~~application purposes or was used in submitting child care assistance bills for payment.~~

6.18 **EFFECTIVE DATE.** This section is effective April 28, 2025.

6.19 Sec. 10. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

6.20 Subd. 3. **Authorization exception.** When ~~a county~~ the commissioner denies a person
 6.21 authorization as a legal nonlicensed family child care provider under subdivision 2, the
 6.22 ~~county commissioner~~ later may authorize that person as a provider if the following conditions
 6.23 are met:

6.24 (1) after receiving notice of the denial of the authorization, the person applies for and
 6.25 obtains a valid child care license issued under chapter 245A, issued by a tribe, or issued by
 6.26 another state;

6.27 (2) the person maintains the valid child care license; and

6.28 (3) the person is providing child care in the state of licensure or in the area under the
 6.29 jurisdiction of the licensing tribe.

6.30 **EFFECTIVE DATE.** This section is effective April 28, 2025.

7.1 Sec. 11. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

7.2 Subd. 4. **Unsafe care.** ~~A county~~ (a) The commissioner may deny authorization as a child
7.3 care provider to any applicant or rescind authorization of any provider when ~~the~~ a county
7.4 or commissioner knows or has reason to believe that the provider is unsafe or that the
7.5 circumstances of the chosen child care arrangement are unsafe, based on statewide criteria
7.6 developed by the commissioner. ~~The county must include the conditions under which a~~
7.7 ~~provider or care arrangement will be determined to be unsafe in the county's child care fund~~
7.8 ~~plan under section 119B.08, subdivision 3~~

7.9 (b) The commissioner shall develop and introduce statewide criteria for unsafe care.

7.10 **EFFECTIVE DATE.** This section is effective April 28, 2025.

7.11 Sec. 12. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

7.12 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers
7.13 receiving child care assistance payments must:

7.14 (1) keep accurate and legible daily attendance records at the site where services are
7.15 delivered for children receiving child care assistance; and

7.16 (2) make those records available immediately to the county or the commissioner upon
7.17 request. Any records not provided to a county or the commissioner at the date and time of
7.18 the request are deemed inadmissible if offered as evidence by the provider in any proceeding
7.19 to contest an overpayment or disqualification of the provider.

7.20 (b) As a condition of payment, attendance records must be completed daily and include
7.21 the date, the first and last name of each child in attendance, and the times when each child
7.22 is dropped off and picked up. To the extent possible, the times that the child was dropped
7.23 off to and picked up from the child care provider must be entered by the person dropping
7.24 off or picking up the child. The daily attendance records must be retained at the site where
7.25 services are delivered for six years after the date of service.

7.26 (c) ~~A county or the commissioner may deny or revoke a provider's authorization to~~
7.27 ~~receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d),~~
7.28 ~~pursue a fraud disqualification under section 256.98, take an action against the provider~~
7.29 ~~under chapter 245E, or establish an attendance record overpayment under paragraph (d)~~
7.30 ~~against a current or former provider.~~ When the county or the commissioner knows or has
7.31 reason to believe that ~~the~~ a current or former provider has not complied with the
7.32 record-keeping requirement in this subdivision.;

8.1 (1) the commissioner may:

8.2 (i) deny or revoke a provider's authorization to receive child care assistance payments
8.3 under section 119B.13, subdivision 6, paragraph (d);

8.4 (ii) pursue an administrative disqualification under sections 256.046, subdivision 3, and
8.5 256.98; or

8.6 (iii) take an action against the provider under chapter 245E; or

8.7 (2) a county or the commissioner may establish an attendance record overpayment under
8.8 paragraph (d).

8.9 (d) To calculate an attendance record overpayment under this subdivision, the
8.10 commissioner or county agency shall subtract the maximum daily rate from the total amount
8.11 paid to a provider for each day that a child's attendance record is missing, unavailable,
8.12 incomplete, inaccurate, or otherwise inadequate.

8.13 (e) The commissioner shall develop criteria for a county to determine an attendance
8.14 record overpayment under this subdivision.

8.15 **EFFECTIVE DATE.** This section is effective April 28, 2025.

8.16 Sec. 13. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

8.17 Subd. 7. **Failure to comply with attendance record requirements.** (a) In establishing
8.18 an overpayment claim for failure to provide attendance records in compliance with
8.19 subdivision 6, the county or commissioner is limited to the six years prior to the date the
8.20 county or the commissioner requested the attendance records.

8.21 (b) The commissioner or county may periodically audit child care providers to determine
8.22 compliance with subdivision 6.

8.23 (c) When the commissioner or county establishes an overpayment claim against a current
8.24 or former provider, the commissioner or county must provide notice of the claim to the
8.25 provider. A notice of overpayment claim must specify the reason for the overpayment, the
8.26 authority for making the overpayment claim, the time period in which the overpayment
8.27 occurred, the amount of the overpayment, and the provider's right to appeal.

8.28 (d) The commissioner or county shall seek to recoup or recover overpayments paid to
8.29 a current or former provider.

8.30 (e) When a provider has been disqualified or convicted of fraud under section 256.98,
8.31 theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent

9.1 billing for a program administered by the commissioner or a county, recoupment or recovery
9.2 must be sought regardless of the amount of overpayment.

9.3 **EFFECTIVE DATE.** This section is effective April 28, 2025.

9.4 Sec. 14. Minnesota Statutes 2022, section 119B.13, subdivision 1, is amended to read:

9.5 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~November 15, 2021~~ October 30,
9.6 2023, the maximum rate paid for child care assistance in any county or county price cluster
9.7 under the child care fund shall be:

9.8 ~~(1) for all infants and toddlers, the greater of the 40th 75th percentile of the 2021 child~~
9.9 ~~care provider rate survey or the rates in effect at the time of the update; and.~~

9.10 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
9.11 ~~2021 child care provider rate survey or the rates in effect at the time of the update.~~

9.12 (b) Beginning the first full service period on or after January 1, 2025, and every three
9.13 years thereafter, the maximum rate paid for child care assistance in a county or county price
9.14 cluster under the child care fund shall be:

9.15 ~~(1) for all infants and toddlers, the greater of the 40th 75th percentile of the 2024 most~~
9.16 ~~recent child care provider rate survey or the rates in effect at the time of the update; and.~~

9.17 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
9.18 ~~2024 child care provider rate survey or the rates in effect at the time of the update.~~

9.19 The rates under paragraph (a) continue until the rates under this paragraph go into effect.

9.20 (c) For a child care provider located within the boundaries of a city located in two or
9.21 more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child
9.22 care assistance shall be equal to the maximum rate paid in the county with the highest
9.23 maximum reimbursement rates or the provider's charge, whichever is less. The commissioner
9.24 may: (1) assign a county with no reported provider prices to a similar price cluster; and (2)
9.25 consider county level access when determining final price clusters.

9.26 (d) A rate which includes a special needs rate paid under subdivision 3 may be in excess
9.27 of the maximum rate allowed under this subdivision.

9.28 (e) The department shall monitor the effect of this paragraph on provider rates. The
9.29 county shall pay the provider's full charges for every child in care up to the maximum
9.30 established. The commissioner shall determine the maximum rate for each type of care on
9.31 an hourly, full-day, and weekly basis, including special needs and disability care.

10.1 (f) If a child uses one provider, the maximum payment for one day of care must not
10.2 exceed the daily rate. The maximum payment for one week of care must not exceed the
10.3 weekly rate.

10.4 (g) If a child uses two providers under section 119B.097, the maximum payment must
10.5 not exceed:

10.6 (1) the daily rate for one day of care;

10.7 (2) the weekly rate for one week of care by the child's primary provider; and

10.8 (3) two daily rates during two weeks of care by a child's secondary provider.

10.9 (h) Child care providers receiving reimbursement under this chapter must not be paid
10.10 activity fees or an additional amount above the maximum rates for care provided during
10.11 nonstandard hours for families receiving assistance.

10.12 (i) If the provider charge is greater than the maximum provider rate allowed, the parent
10.13 is responsible for payment of the difference in the rates in addition to any family co-payment
10.14 fee.

10.15 (j) Beginning October 30, 2023, the maximum registration fee paid for child care
10.16 assistance in any county or county price cluster under the child care fund shall be set as
10.17 follows: ~~(1) beginning November 15, 2021, the greater of the 40th 75th percentile of the~~
10.18 ~~2021 most recent~~ child care provider rate survey or the registration fee in effect at the time
10.19 of the update; and ~~(2) beginning the first full service period on or after January 1, 2025, the~~
10.20 ~~maximum registration fee shall be the greater of the 40th percentile of the 2024 child care~~
10.21 ~~provider rate survey or the registration fee in effect at the time of the update. The registration~~
10.22 ~~fees under clause (1) continue until the registration fees under clause (2) go into effect.~~

10.23 (k) Maximum registration fees must be set for licensed family child care and for child
10.24 care centers. For a child care provider located in the boundaries of a city located in two or
10.25 more of the counties of Benton, Sherburne, and Stearns, the maximum registration fee paid
10.26 for child care assistance shall be equal to the maximum registration fee paid in the county
10.27 with the highest maximum registration fee or the provider's charge, whichever is less.

10.28 Sec. 15. Minnesota Statutes 2022, section 119B.13, subdivision 4, is amended to read:

10.29 Subd. 4. **Rates charged to publicly subsidized families.** Child care providers receiving
10.30 reimbursement under this chapter may not charge a rate to clients receiving assistance under
10.31 this chapter that is higher than the private, full-paying client rate. This subdivision shall not

11.1 prohibit a child care provider receiving reimbursement under this chapter from providing
11.2 discounts, scholarships, or other financial assistance to any clients.

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

11.4 Sec. 16. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

11.5 **Subd. 6. Provider payments.** (a) A provider shall bill only for services documented
11.6 according to section 119B.125, subdivision 6. The provider shall bill for services provided
11.7 within ten days of the end of the service period. Payments under the child care fund shall
11.8 be made within 21 days of receiving a complete bill from the provider. Counties or the state
11.9 may establish policies that make payments on a more frequent basis.

11.10 (b) If a provider has received an authorization of care and been issued a billing form for
11.11 an eligible family, the bill must be submitted within 60 days of the last date of service on
11.12 the bill. A bill submitted more than 60 days after the last date of service must be paid if the
11.13 county determines that the provider has shown good cause why the bill was not submitted
11.14 within 60 days. Good cause must be defined in the county's child care fund plan under
11.15 section 119B.08, subdivision 3, and the definition of good cause must include county error.
11.16 Any bill submitted more than a year after the last date of service on the bill must not be
11.17 paid.

11.18 (c) If a provider provided care for a time period without receiving an authorization of
11.19 care and a billing form for an eligible family, payment of child care assistance may only be
11.20 made retroactively for a maximum of three months from the date the provider is issued an
11.21 authorization of care and a billing form. For a family at application, if a provider provided
11.22 child care during a time period without receiving an authorization of care and a billing form,
11.23 a county may only make child care assistance payments to the provider retroactively from
11.24 the date that child care began, or from the date that the family's eligibility began under
11.25 section 119B.09, subdivision 7, or from the date that the family meets authorization
11.26 requirements, not to exceed six months from the date that the provider is issued an
11.27 authorization of care and a billing form, whichever is later.

11.28 (d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a
11.29 certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization
11.30 to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,
11.31 licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified,
11.32 licensed, or legal nonlicensed provider if:

12.1 (1) the provider admits to intentionally giving the county materially false information
12.2 on the provider's billing forms;

12.3 (2) ~~a county or~~ the commissioner finds by a preponderance of the evidence that the
12.4 provider intentionally gave the county materially false information on the provider's billing
12.5 forms, or provided false attendance records to a county or the commissioner;

12.6 (3) the provider is in violation of child care assistance program rules, until the agency
12.7 determines those violations have been corrected;

12.8 (4) the provider is operating after:

12.9 (i) an order of suspension of the provider's license issued by the commissioner;

12.10 (ii) an order of revocation of the provider's license issued by the commissioner; or

12.11 (iii) an order of decertification issued to the provider;

12.12 (5) the provider submits false attendance reports or refuses to provide documentation
12.13 of the child's attendance upon request;

12.14 (6) the provider gives false child care price information; or

12.15 (7) the provider fails to report decreases in a child's attendance as required under section
12.16 119B.125, subdivision 9.

12.17 (e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), ~~the county or the~~
12.18 commissioner may withhold the provider's authorization or payment for a period of time
12.19 not to exceed three months beyond the time the condition has been corrected.

12.20 (f) A county's payment policies must be included in the county's child care plan under
12.21 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
12.22 compliance with this subdivision, the payments must be made in compliance with section
12.23 16A.124.

12.24 (g) If the commissioner ~~or responsible county agency~~ suspends or refuses payment to a
12.25 provider under paragraph (d), clause (1) or (2), or chapter 245E and the provider has:

12.26 (1) a disqualification for wrongfully obtaining assistance under section 256.98,
12.27 subdivision 8, paragraph (c);

12.28 (2) an administrative disqualification under section 256.046, subdivision 3; or

12.29 (3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or
12.30 245E.06;

13.1 then the provider forfeits the payment to the commissioner or the responsible county agency,
13.2 regardless of the amount assessed in an overpayment, charged in a criminal complaint, or
13.3 ordered as criminal restitution.

13.4 **EFFECTIVE DATE.** This section is effective April 28, 2025.

13.5 Sec. 17. Minnesota Statutes 2022, section 119B.16, subdivision 1a, is amended to read:

13.6 Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers
13.7 caring for children receiving child care assistance.

13.8 (b) A provider may request a fair hearing according to sections 256.045 and 256.046
13.9 only if a county agency or the commissioner:

13.10 (1) denies or revokes a provider's authorization, unless the action entitles the provider
13.11 to:

13.12 (i) an administrative review under section 119B.161; or

13.13 (ii) a contested case hearing under section 245.095, subdivision 4;

13.14 (2) assigns responsibility for an overpayment to a provider under section 119B.11,
13.15 subdivision 2a;

13.16 (3) establishes an overpayment for failure to comply with section 119B.125, subdivision
13.17 6;

13.18 (4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4,
13.19 paragraph (c), clause (2);

13.20 (5) initiates an administrative fraud disqualification hearing; or

13.21 (6) issues a payment and the provider disagrees with the amount of the payment.

13.22 (c) A provider may request a fair hearing by submitting a written request to the
13.23 Department of Human Services, Appeals Division. A provider's request must be received
13.24 by the Appeals Division no later than 30 days after the date a county or the commissioner
13.25 mails the notice.

13.26 (d) The provider's appeal request must contain the following:

13.27 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
13.28 dollar amount involved for each disputed item;

13.29 (2) the computation the provider believes to be correct, if applicable;

13.30 (3) the statute or rule relied on for each disputed item; and

14.1 (4) the name, address, and telephone number of the person at the provider's place of
14.2 business with whom contact may be made regarding the appeal.

14.3 Sec. 18. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

14.4 Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision
14.5 1a, paragraph (b), a county agency or the commissioner must mail written notice to the
14.6 provider against whom the action is being taken. Unless otherwise specified under this
14.7 chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the
14.8 commissioner must mail the written notice at least 15 calendar days before the adverse
14.9 action's effective date.

14.10 (b) The notice shall state (1) the factual basis for the county agency or department's
14.11 determination, (2) the action the county agency or department intends to take, (3) the dollar
14.12 amount of the monetary recovery or recoupment, if known, and (4) the provider's right to
14.13 appeal the department's proposed action.

14.14 **EFFECTIVE DATE.** This section is effective April 28, 2025.

14.15 Sec. 19. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

14.16 Subd. 3. **Fair hearing stayed.** (a) ~~If a county agency or~~ the commissioner denies or
14.17 revokes a provider's authorization based on a licensing action under section 245A.07, and
14.18 the provider appeals, the provider's fair hearing must be stayed until the commissioner issues
14.19 an order as required under section 245A.08, subdivision 5.

14.20 (b) If the commissioner denies or revokes a provider's authorization based on
14.21 decertification under section 245H.07, and the provider appeals, the provider's fair hearing
14.22 must be stayed until the commissioner issues a final order as required under section 245H.07.

14.23 **EFFECTIVE DATE.** This section is effective April 28, 2025.

14.24 Sec. 20. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

14.25 Subd. 2. **Notice.** (a) ~~A county agency or~~ The commissioner must mail written notice to
14.26 a provider within five days of suspending payment or denying or revoking the provider's
14.27 authorization under subdivision 1.

14.28 (b) The notice must:

14.29 (1) state the provision under which ~~a county agency or~~ the commissioner is denying,
14.30 revoking, or suspending the provider's authorization or suspending payment to the provider;

15.1 (2) set forth the general allegations leading to the denial, revocation, or suspension of
 15.2 the provider's authorization. The notice need not disclose any specific information concerning
 15.3 an ongoing investigation;

15.4 (3) state that the denial, revocation, or suspension of the provider's authorization is for
 15.5 a temporary period and explain the circumstances under which the action expires; and

15.6 (4) inform the provider of the right to submit written evidence and argument for
 15.7 consideration by the commissioner.

15.8 (c) Notwithstanding Minnesota Rules, part 3400.0185, if ~~a county agency~~ or the
 15.9 commissioner suspends payment to a provider under chapter 245E or denies or revokes a
 15.10 provider's authorization under section 119B.13, subdivision 6, paragraph (d), clause (1) or
 15.11 (2), a county agency or the commissioner must send notice of service authorization closure
 15.12 to each affected family. The notice sent to an affected family is effective on the date the
 15.13 notice is created.

15.14 **EFFECTIVE DATE.** This section is effective April 28, 2025.

15.15 Sec. 21. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

15.16 Subd. 3. **Duration.** If a provider's payment is suspended under chapter 245E or a
 15.17 provider's authorization is denied or revoked under section 119B.13, subdivision 6, paragraph
 15.18 (d), clause (1) or (2), the provider's denial, revocation, temporary suspension, or payment
 15.19 suspension remains in effect until:

15.20 (1) the commissioner or a law enforcement authority determines that there is insufficient
 15.21 evidence warranting the action and ~~a county agency~~ or the commissioner does not pursue
 15.22 an additional administrative remedy under chapter 245E or section 256.98; or

15.23 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
 15.24 misconduct conclude and any appeal rights are exhausted.

15.25 **EFFECTIVE DATE.** This section is effective April 28, 2025.

15.26 Sec. 22. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

15.27 (a) If a provider believes that the contents of the commissioner's correction order are in
 15.28 error, the provider may ask the Department of Human Services to reconsider the part of the
 15.29 correction order that are alleged to be in error. The request for reconsideration must be made
 15.30 in writing and must be postmarked and sent to the commissioner within 30 calendar days
 15.31 from the date the correction order was mailed to the provider, and:

16.1 (1) specify the parts of the correction order that are alleged to be in error;

16.2 (2) explain why they are in error; and

16.3 (3) include documentation to support the allegation of error.

16.4 (b) A request for reconsideration does not stay any provisions or requirements of the
16.5 correction order. The commissioner's disposition of a request for reconsideration is final
16.6 and not subject to appeal under chapter 14. The commissioner's decision is appealable by
16.7 petition for writ of certiorari under chapter 606.

16.8 Sec. 23. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

16.9 Subd. 7. **Child care resource and referral programs.** Within each region, a child care
16.10 resource and referral program must:

16.11 (1) maintain one database of all existing child care resources and services and one
16.12 database of family referrals;

16.13 (2) provide a child care referral service for families;

16.14 (3) develop resources to meet the child care service needs of families;

16.15 (4) increase the capacity to provide culturally responsive child care services;

16.16 (5) coordinate professional development opportunities for child care and school-age
16.17 care providers;

16.18 (6) administer and award child care services grants;

16.19 (7) cooperate with the Minnesota Child Care Resource and Referral Network and its
16.20 member programs to develop effective child care services and child care resources; ~~and~~

16.21 (8) assist in fostering coordination, collaboration, and planning among child care programs
16.22 and community programs such as school readiness, Head Start, early childhood family
16.23 education, local interagency early intervention committees, early childhood screening,
16.24 special education services, and other early childhood care and education services and
16.25 programs that provide flexible, family-focused services to families with young children to
16.26 the extent possible; and

16.27 (9) administer the child care one-stop regional assistance network to assist child care
16.28 providers and individuals interested in becoming child care providers with establishing and
16.29 sustaining a licensed family child care or group family child care program or a child care
16.30 center.

17.1 Sec. 24. **[119B.196] FAMILY, FRIEND, AND NEIGHBOR GRANT PROGRAM.**

17.2 **Subdivision 1. Establishment.** The commissioner of human services shall establish a
17.3 family, friend, and neighbor (FFN) grant program to promote children's social-emotional
17.4 learning and healthy development, early literacy, and other skills to succeed as learners and
17.5 to foster community partnerships that will help children thrive when they enter school.

17.6 **Subd. 2. Grant awards.** The commissioner may award grants under this section to the
17.7 following entities working with FFN caregivers: community-based organizations, nonprofit
17.8 organizations, local or regional libraries, local public health agencies, and Indian Tribes
17.9 and Tribal organizations. Grantees may use grant money received under this section to:

17.10 (1) provide culturally and linguistically appropriate training, support, and resources to
17.11 FFN caregivers and children's families to improve and promote children's health, safety,
17.12 nutrition, and learning;

17.13 (2) connect FFN caregivers and children's families with community resources that support
17.14 the families' physical and mental health and economic and developmental needs;

17.15 (3) connect FFN caregivers and children's families to early childhood screening programs
17.16 and facilitate referrals to state and local agencies, schools, community organizations, and
17.17 medical providers, as appropriate;

17.18 (4) provide FFN caregivers and children's families with information about high-quality,
17.19 community-based early care and learning programs and financial assistance available to the
17.20 families, including but not limited to child care assistance under chapter 119B and early
17.21 learning scholarships under section 124D.165;

17.22 (5) provide FFN caregivers with information about registering as a legal nonlicensed
17.23 child care provider under section 119B.011, subdivision 16, and establishing a licensed
17.24 family or group family child care program;

17.25 (6) provide transportation for FFN caregivers and children's families to educational and
17.26 other early childhood training activities;

17.27 (7) translate materials for FFN caregivers and children's families and provide translation
17.28 services to FFN caregivers and children's families;

17.29 (8) develop and disseminate social-emotional learning, health and safety, and early
17.30 learning kits to FFN caregivers; and

17.31 (9) establish play and learning groups for FFN caregivers.

18.1 Subd. 3. **Administration.** Applicants must apply for the grants using the forms and
18.2 according to timelines established by the commissioner.

18.3 Subd. 4. **Reporting requirements.** (a) Grantees shall provide data and program outcomes
18.4 to the commissioner in a form and manner specified by the commissioner for the purpose
18.5 of evaluating the grant program.

18.6 (b) Beginning February 1, 2024, and every two years thereafter, the commissioner shall
18.7 report to the legislature on program outcomes.

18.8 **Sec. 25. [119B.27] CHILD CARE RETENTION PROGRAM.**

18.9 Subdivision 1. **Establishment.** A child care retention program is established to provide
18.10 eligible child care programs with payments to improve access to child care in Minnesota
18.11 and to strengthen the ability of child care programs to recruit and retain qualified early
18.12 educators to work in child care programs. The child care retention program shall be
18.13 administered by the commissioner of human services.

18.14 Subd. 2. **Eligible programs.** (a) The following programs are eligible to receive child
18.15 care retention payments under this section:

18.16 (1) family and group family child care homes licensed under Minnesota Rules, chapter
18.17 9502;

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

18.19 (3) certified license-exempt child care centers under chapter 245H;

18.20 (4) Tribally licensed child care programs; and

18.21 (5) other programs as determined by the commissioner.

18.22 (b) To be eligible, programs must not be:

18.23 (1) the subject of a finding of fraud for which the program or individual is currently
18.24 serving a penalty or exclusion;

18.25 (2) the subject of suspended, denied, or terminated payments to a provider under section
18.26 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02,
18.27 subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;

18.28 (3) prohibited from receiving public funds under section 245.095, regardless of whether
18.29 the action is under appeal; or

18.30 (4) under license revocation, suspension, temporary immediate suspension, or
18.31 decertification, regardless of whether the action is under appeal.

19.1 Subd. 3. Requirements. (a) As a condition of payment, all providers receiving retention
19.2 payments under this section must:

19.3 (1) complete an application developed by the commissioner for each payment period
19.4 for which the eligible program applies for funding;

19.5 (2) submit data on child enrollment and attendance to the commissioner in the form and
19.6 manner specified by the commissioner; and

19.7 (3) attest and agree in writing that the program was open and operating and served a
19.8 minimum number of children, as determined by the commissioner, during the funding
19.9 period, with the exceptions of:

19.10 (i) service disruptions that are necessary to protect the safety and health of children and
19.11 child care programs based on public health guidance issued by the Centers for Disease
19.12 Control and Prevention, the commissioner of health, the commissioner of human services,
19.13 or a local public health agency; and

19.14 (ii) planned temporary closures for provider vacation and holidays during each payment
19.15 period. The maximum allowed duration of vacations and holidays must be established by
19.16 the commissioner.

19.17 (b) Funds received under this section must be expended by a provider no later than six
19.18 months after the date the payment was received.

19.19 (c) Recipients must comply with all requirements listed in the application under this
19.20 section. Methods for demonstrating that requirements have been met shall be determined
19.21 by the commissioner.

19.22 (d) Recipients must keep accurate and legible records of the following at the site where
19.23 services are delivered:

19.24 (1) use of money;

19.25 (2) attendance records. Daily attendance records must be completed every day and
19.26 include the date, the first and last name of each child in attendance, and the times when
19.27 each child is dropped off and picked up. To the extent possible, the times that the child was
19.28 dropped off and picked up from the child care provider must be entered by the person
19.29 dropping off or picking up the child; and

19.30 (3) staff employment, compensation, and benefits records. Employment, compensation,
19.31 and benefits records must include time sheets or other records of daily hours worked and
19.32 documentation of compensation and benefits, and documentation of written changes to

20.1 employees' rate or rates of pay and basis thereof as a result of retention payments, as required
20.2 under Minnesota Statutes, section 181.032, and any other records required to be maintained
20.3 under Minnesota Statutes, section 177.30.

20.4 (e) The requirement to document compensation and benefits only applies to family child
20.5 care providers if retention payment funds are used for employee compensation and benefits.

20.6 (f) All records must be retained at the site where services are delivered for six years after
20.7 the date of receipt of payment and be made immediately available to the commissioner upon
20.8 request. Any records not provided to the commissioner at the date and time of the request
20.9 are deemed inadmissible if offered as evidence by a provider in any proceeding to contest
20.10 an overpayment or disqualification of the provider.

20.11 (g) Recipients that fail to meet the requirements under this section are subject to
20.12 discontinuation of future installment payments, recovery of overpayments, and actions under
20.13 chapter 245E. Except when based on a finding of fraud, actions to establish an overpayment
20.14 must be made within six years of receipt of the payments. Once an overpayment is
20.15 established, collection may continue until funds have been repaid in full. The appeal process
20.16 under section 119B.16 applies to actions taken for failure to meet the requirements of this
20.17 section.

20.18 Subd. 4. **Providing payments.** (a) The commissioner shall provide retention payments
20.19 under this section to all eligible programs on a noncompetitive basis.

20.20 (b) The commissioner shall award retention payments to all eligible programs. The
20.21 payment amounts shall be based on the number of full-time equivalent staff who regularly
20.22 care for children in the program, including any employees, sole proprietors, or independent
20.23 contractors.

20.24 (c) One full-time equivalent is defined as an individual caring for children 32 hours per
20.25 week. An individual can count as more or less than one full-time equivalent staff, but as no
20.26 more than two full-time equivalent staff.

20.27 (d) The amount awarded per full-time equivalent individual caring for children for each
20.28 payment type must be established by the commissioner.

20.29 (e) Payments must be increased by 25 percent for providers receiving payments through
20.30 the child care assistance programs under section 119B.03 or 119B.05 or early learning
20.31 scholarships under section 124D.165 or whose program is located in a child care access
20.32 equity area. Child care access equity areas are areas with low access to child care, high
20.33 poverty rates, high unemployment rates, low home ownership rates, and low median

21.1 household incomes. The commissioner must develop a method for establishing child care
21.2 access equity areas.

21.3 (f) The commissioner shall make payments to eligible programs under this section in
21.4 the form, frequency, and manner established by the commissioner.

21.5 Subd. 5. **Eligible uses of money.** (a) Recipients that are child care centers licensed under
21.6 Minnesota Rules, chapter 9503; certified license-exempt child care centers under chapter
21.7 245H; or Tribally licensed child care centers must use money provided under this section
21.8 to pay for increases in compensation, benefits, premium pay, or additional federal taxes
21.9 assessed on the compensation of employees as a result of paying increased compensation
21.10 or premium pay to all paid employees or independent contractors regularly caring for
21.11 children. The increases in this paragraph must occur no less frequently than once per year.

21.12 (b) Recipients that are family and group family child care homes licensed under
21.13 Minnesota Rules, chapter 9502, or are Tribally licensed family child care homes shall use
21.14 money provided under this section for one or more of the following uses:

21.15 (1) paying personnel costs, such as payroll, salaries, or similar compensation; employee
21.16 benefits; premium pay; or financial incentives for recruitment and retention for an employee,
21.17 a sole proprietor, or an independent contractor;

21.18 (2) paying rent, including rent under a lease agreement, or making payments on any
21.19 mortgage obligation, utilities, facility maintenance or improvements, property taxes, or
21.20 insurance;

21.21 (3) purchasing or updating equipment, supplies, goods, or services;

21.22 (4) providing mental health supports for children; or

21.23 (5) purchasing training or other professional development.

21.24 Subd. 6. **Report.** By January 1 each year, the commissioner must report to the chairs
21.25 and ranking minority members of the legislative committees with jurisdiction over child
21.26 care the number of payments provided to recipients and outcomes of the retention payment
21.27 program since the last report. This subdivision expires January 31, 2033.

21.28 Sec. 26. **[119B.28] SHARED SERVICES GRANTS.**

21.29 (a) The commissioner of human services shall establish a grant program to distribute
21.30 funds for the planning, establishment, expansion, improvement, or operation of shared
21.31 services alliances to allow family child care providers to achieve economies of scale. The
21.32 commissioner must develop a process to fund organizations to operate shared services

22.1 alliances that includes application forms, timelines, and standards for renewal. For purposes
22.2 of this section, "shared services alliances" means networks of licensed family child care
22.3 providers that share services to reduce costs and achieve efficiencies.

22.4 (b) Programs eligible to be a part of the shared services alliances supported through this
22.5 grant program include:

22.6 (1) family child care or group family child care homes licensed under Minnesota Rules,
22.7 chapter 9502;

22.8 (2) Tribally licensed family child care or group family child care; and

22.9 (3) individuals in the process of starting a family child care or group family child care
22.10 home.

22.11 (c) Eligible applicants include public entities and private for-profit and nonprofit
22.12 organizations.

22.13 (d) Grantees shall use the grant funds to deliver one or more of the following services:

22.14 (1) pooling the management of payroll and benefits, banking, janitorial services, food
22.15 services, and other operations;

22.16 (2) shared administrative staff for tasks such as record keeping and reporting for programs
22.17 such as the child care assistance program, Head Start, the child and adult care food program,
22.18 and early learning scholarships;

22.19 (3) coordination of bulk purchasing;

22.20 (4) management of a substitute pool;

22.21 (5) support for implementing shared curriculum and assessments;

22.22 (6) mentoring child care provider participants to improve business practices;

22.23 (7) provision of and training in child care management software to simplify processes
22.24 such as enrollment, billing, and tracking expenditures;

22.25 (8) support for a group of providers sharing one or more physical spaces within a larger
22.26 building; or

22.27 (9) other services as determined by the commissioner.

22.28 (e) The commissioner must develop a process by which grantees will report to the
22.29 Department of Human Services on activities funded by the grant.

22.30 **EFFECTIVE DATE.** This section is effective July 1, 2023.

23.1 Sec. 27. [119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY

23.2 GRANTS.

23.3 (a) The commissioner of human services shall distribute money provided by this section
23.4 through grants to one or more organizations to offer grants or other supports to child care
23.5 providers for technology intended to improve the providers' business practices. The
23.6 commissioner must develop a process to fund organizations to provide technology supports
23.7 that includes application forms, timelines, reporting requirements, and standards for renewal.

23.8 (b) Programs eligible to be supported through this grant program include:

23.9 (1) child care centers licensed under Minnesota Rules, chapter 9503;

23.10 (2) family or group family child care homes licensed under Minnesota Rules, chapter
23.11 9502; and

23.12 (3) Tribally licensed centers, family child care, and group family child care.

23.13 (c) Eligible applicants include public entities and private for-profit and nonprofit
23.14 organizations with the ability to develop technology products for child care business
23.15 management or offer training, technical assistance, coaching, or other supports for child
23.16 care providers to use technology products for child care business management.

23.17 (d) Grantees shall use the grant funds, either directly or through grants to providers, for
23.18 one or more of the following purposes:

23.19 (1) the purchase of computers or mobile devices for use in business management;

23.20 (2) access to the Internet through the provision of necessary hardware such as routers
23.21 or modems or by covering the costs of monthly fees for Internet access;

23.22 (3) covering the costs of subscription to child care management software;

23.23 (4) covering the costs of training in the use of technology for business management
23.24 purposes; and

23.25 (5) other services as determined by the commissioner.

23.26 Sec. 28. Minnesota Statutes 2022, section 245C.04, subdivision 1, is amended to read:

23.27 Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner
23.28 shall conduct a background study of an individual required to be studied under section
23.29 245C.03, subdivision 1, at least upon application for initial license for all license types.

23.30 (b) The commissioner shall conduct a background study of an individual required to be
23.31 studied under section 245C.03, subdivision 1, including a child care background study

24.1 subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed
24.2 child care center, certified license-exempt child care center, or legal nonlicensed child care
24.3 provider, on a schedule determined by the commissioner. Except as provided in section
24.4 245C.05, subdivision 5a, a child care background study must include submission of
24.5 fingerprints for a national criminal history record check and a review of the information
24.6 under section 245C.08. A background study for a child care program must be repeated
24.7 within five years from the most recent study conducted under this paragraph.

24.8 (c) At reauthorization or when a new background study is needed under section 119B.125,
24.9 subdivision 1a, for a legal nonlicensed child care provider authorized under chapter 119B:

24.10 (1) for a background study affiliated with a legal nonlicensed child care provider, the
24.11 individual shall provide information required under section 245C.05, subdivision 1,
24.12 paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed
24.13 under section 245C.05, subdivision 5; and

24.14 (2) the commissioner shall verify the information received under clause (1) and submit
24.15 the request in NETStudy 2.0 to complete the background study.

24.16 ~~(e)~~ (d) At reapplication for a family child care license:

24.17 (1) for a background study affiliated with a licensed family child care center ~~or legal~~
24.18 ~~nonlicensed child care provider~~, the individual shall provide information required under
24.19 section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be
24.20 fingerprinted and photographed under section 245C.05, subdivision 5;

24.21 (2) the county agency shall verify the information received under clause (1) and forward
24.22 the information to the commissioner and submit the request in NETStudy 2.0 to complete
24.23 the background study; and

24.24 (3) the background study conducted by the commissioner under this paragraph must
24.25 include a review of the information required under section 245C.08.

24.26 ~~(d)~~ (e) The commissioner is not required to conduct a study of an individual at the time
24.27 of reapplication for a license if the individual's background study was completed by the
24.28 commissioner of human services and the following conditions are met:

24.29 (1) a study of the individual was conducted either at the time of initial licensure or when
24.30 the individual became affiliated with the license holder;

24.31 (2) the individual has been continuously affiliated with the license holder since the last
24.32 study was conducted; and

25.1 (3) the last study of the individual was conducted on or after October 1, 1995.

25.2 ~~(e)~~ (f) The commissioner of human services shall conduct a background study of an
25.3 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6),
25.4 who is newly affiliated with a child foster family setting license holder:

25.5 (1) the county or private agency shall collect and forward to the commissioner the
25.6 information required under section 245C.05, subdivisions 1 and 5, when the child foster
25.7 family setting applicant or license holder resides in the home where child foster care services
25.8 are provided; and

25.9 (2) the background study conducted by the commissioner of human services under this
25.10 paragraph must include a review of the information required under section 245C.08,
25.11 subdivisions 1, 3, and 4.

25.12 ~~(f)~~ (g) The commissioner shall conduct a background study of an individual specified
25.13 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated
25.14 with an adult foster care or family adult day services and with a family child care license
25.15 holder or a legal nonlicensed child care provider authorized under chapter 119B and:

25.16 (1) except as provided in section 245C.05, subdivision 5a, the county shall collect and
25.17 forward to the commissioner the information required under section 245C.05, subdivision
25.18 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted
25.19 by the commissioner for all family adult day services, for adult foster care when the adult
25.20 foster care license holder resides in the adult foster care residence, and for family child care
25.21 and legal nonlicensed child care authorized under chapter 119B;

25.22 (2) the license holder shall collect and forward to the commissioner the information
25.23 required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs
25.24 (a) and (b), for background studies conducted by the commissioner for adult foster care
25.25 when the license holder does not reside in the adult foster care residence; and

25.26 (3) the background study conducted by the commissioner under this paragraph must
25.27 include a review of the information required under section 245C.08, subdivision 1, paragraph
25.28 (a), and subdivisions 3 and 4.

25.29 ~~(g)~~ (h) Applicants for licensure, license holders, and other entities as provided in this
25.30 chapter must submit completed background study requests to the commissioner using the
25.31 electronic system known as NETStudy before individuals specified in section 245C.03,
25.32 subdivision 1, begin positions allowing direct contact in any licensed program.

26.1 ~~(h)~~ (i) For an individual who is not on the entity's active roster, the entity must initiate
26.2 a new background study through NETStudy when:

26.3 (1) an individual returns to a position requiring a background study following an absence
26.4 of 120 or more consecutive days; or

26.5 (2) a program that discontinued providing licensed direct contact services for 120 or
26.6 more consecutive days begins to provide direct contact licensed services again.

26.7 The license holder shall maintain a copy of the notification provided to the commissioner
26.8 under this paragraph in the program's files. If the individual's disqualification was previously
26.9 set aside for the license holder's program and the new background study results in no new
26.10 information that indicates the individual may pose a risk of harm to persons receiving
26.11 services from the license holder, the previous set-aside shall remain in effect.

26.12 ~~(i)~~ (j) For purposes of this section, a physician licensed under chapter 147, advanced
26.13 practice registered nurse licensed under chapter 148, or physician assistant licensed under
26.14 chapter 147A is considered to be continuously affiliated upon the license holder's receipt
26.15 from the commissioner of health or human services of the physician's, advanced practice
26.16 registered nurse's, or physician assistant's background study results.

26.17 ~~(j)~~ (k) For purposes of family child care, a substitute caregiver must receive repeat
26.18 background studies at the time of each license renewal.

26.19 ~~(k)~~ (l) A repeat background study at the time of license renewal is not required if the
26.20 family child care substitute caregiver's background study was completed by the commissioner
26.21 on or after October 1, 2017, and the substitute caregiver is on the license holder's active
26.22 roster in NETStudy 2.0.

26.23 ~~(l)~~ (m) Before and after school programs authorized under chapter 119B, are exempt
26.24 from the background study requirements under section 123B.03, for an employee for whom
26.25 a background study under this chapter has been completed.

26.26 **EFFECTIVE DATE.** This section is effective April 28, 2025.

26.27 Sec. 29. Minnesota Statutes 2022, section 245C.05, subdivision 4, is amended to read:

26.28 Subd. 4. **Electronic transmission.** (a) For background studies conducted by the
26.29 Department of Human Services, the commissioner shall implement a secure system for the
26.30 electronic transmission of:

26.31 (1) background study information to the commissioner;

26.32 (2) background study results to the license holder;

27.1 (3) background study information obtained under this section and section 245C.08 to
27.2 counties and private agencies for background studies conducted by the commissioner for
27.3 child foster care, including a summary of nondisqualifying results, except as prohibited by
27.4 law; and

27.5 (4) background study results to county agencies for background studies conducted by
27.6 the commissioner for adult foster care and family adult day services and, upon
27.7 implementation of NETStudy 2.0, family child care ~~and legal nonlicensed child care~~
27.8 ~~authorized under chapter 119B.~~

27.9 (b) Unless the commissioner has granted a hardship variance under paragraph (c), a
27.10 license holder or an applicant must use the electronic transmission system known as
27.11 NETStudy or NETStudy 2.0 to submit all requests for background studies to the
27.12 commissioner as required by this chapter.

27.13 (c) A license holder or applicant whose program is located in an area in which high-speed
27.14 Internet is inaccessible may request the commissioner to grant a variance to the electronic
27.15 transmission requirement.

27.16 (d) Section 245C.08, subdivision 3, paragraph (c), applies to results transmitted under
27.17 this subdivision.

27.18 **EFFECTIVE DATE.** This section is effective April 28, 2025.

27.19 Sec. 30. Minnesota Statutes 2022, section 245C.17, subdivision 6, is amended to read:

27.20 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to
27.21 provide adult foster care when the applicant or license holder resides in the adult foster care
27.22 residence and family adult day services and, effective upon implementation of NETStudy
27.23 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B,~~ the
27.24 commissioner shall also provide a notice of the background study results to the county
27.25 agency that initiated the background study.

27.26 **EFFECTIVE DATE.** This section is effective April 28, 2025.

27.27 Sec. 31. Minnesota Statutes 2022, section 245C.23, subdivision 2, is amended to read:

27.28 Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The
27.29 commissioner shall notify the license holder of the disqualification and order the license
27.30 holder to immediately remove the individual from any position allowing direct contact with
27.31 persons receiving services from the license holder if:

28.1 (1) the individual studied does not submit a timely request for reconsideration under
28.2 section 245C.21;

28.3 (2) the individual submits a timely request for reconsideration, but the commissioner
28.4 does not set aside the disqualification for that license holder under section 245C.22, unless
28.5 the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

28.6 (3) an individual who has a right to request a hearing under sections 245C.27 and 256.045,
28.7 or 245C.28 and chapter 14 for a disqualification that has not been set aside, does not request
28.8 a hearing within the specified time; or

28.9 (4) an individual submitted a timely request for a hearing under sections 245C.27 and
28.10 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the
28.11 disqualification under section 245A.08, subdivision 5, or 256.045.

28.12 (b) If the commissioner does not set aside the disqualification under section 245C.22,
28.13 and the license holder was previously ordered under section 245C.17 to immediately remove
28.14 the disqualified individual from direct contact with persons receiving services or to ensure
28.15 that the individual is under continuous, direct supervision when providing direct contact
28.16 services, the order remains in effect pending the outcome of a hearing under sections 245C.27
28.17 and 256.045, or 245C.28 and chapter 14.

28.18 (c) If the commissioner does not set aside the disqualification under section 245C.22,
28.19 and the license holder was not previously ordered under section 245C.17 to immediately
28.20 remove the disqualified individual from direct contact with persons receiving services or
28.21 to ensure that the individual is under continuous direct supervision when providing direct
28.22 contact services, the commissioner shall order the individual to remain under continuous
28.23 direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045,
28.24 or 245C.28 and chapter 14.

28.25 (d) For background studies related to child foster care when the applicant or license
28.26 holder resides in the home where services are provided, the commissioner shall also notify
28.27 the county or private agency that initiated the study of the results of the reconsideration.

28.28 (e) For background studies related to family child care, ~~legal nonlicensed child care,~~
28.29 adult foster care programs when the applicant or license holder resides in the home where
28.30 services are provided, and family adult day services, the commissioner shall also notify the
28.31 county that initiated the study of the results of the reconsideration.

28.32 **EFFECTIVE DATE.** This section is effective April 28, 2025.

29.1 Sec. 32. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

29.2 Subd. 3. **Appeal of department action.** A provider's rights related to the department's
29.3 action taken under this chapter against a provider are established in sections 119B.16 and₂
29.4 119B.161, and 245.095, subdivision 4.

29.5 Sec. 33. Minnesota Statutes 2022, section 256.046, subdivision 3, is amended to read:

29.6 Subd. 3. **Administrative disqualification of child care providers caring for children**
29.7 **receiving child care assistance.** (a) The department ~~or local agency~~ shall pursue an
29.8 administrative disqualification, if the child care provider is accused of committing an
29.9 intentional program violation, in lieu of a criminal action when it has not been pursued.
29.10 Intentional program violations include intentionally making false or misleading statements;
29.11 intentionally misrepresenting, concealing, or withholding facts; and repeatedly and
29.12 intentionally violating program regulations under chapters 119B and 245E. Intent may be
29.13 proven by demonstrating a pattern of conduct that violates program rules under chapters
29.14 119B and 245E.

29.15 (b) To initiate an administrative disqualification, ~~a local agency or~~ the commissioner
29.16 must mail written notice by certified mail to the provider against whom the action is being
29.17 taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter
29.18 3400, ~~a local agency or~~ the commissioner must mail the written notice at least 15 calendar
29.19 days before the adverse action's effective date. The notice shall state (1) the factual basis
29.20 for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount
29.21 of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal
29.22 the agency's proposed action.

29.23 (c) The provider may appeal an administrative disqualification by submitting a written
29.24 request to the Department of Human Services, Appeals Division. A provider's request must
29.25 be received by the Appeals Division no later than 30 days after the date ~~a local agency or~~
29.26 the commissioner mails the notice.

29.27 (d) The provider's appeal request must contain the following:

29.28 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
29.29 dollar amount involved for each disputed item;

29.30 (2) the computation the provider believes to be correct, if applicable;

29.31 (3) the statute or rule relied on for each disputed item; and

30.1 (4) the name, address, and telephone number of the person at the provider's place of
30.2 business with whom contact may be made regarding the appeal.

30.3 (e) On appeal, the issuing agency bears the burden of proof to demonstrate by a
30.4 preponderance of the evidence that the provider committed an intentional program violation.

30.5 (f) The hearing is subject to the requirements of sections 256.045 and 256.0451. The
30.6 human services judge may combine a fair hearing and administrative disqualification hearing
30.7 into a single hearing if the factual issues arise out of the same or related circumstances and
30.8 the provider receives prior notice that the hearings will be combined.

30.9 (g) A provider found to have committed an intentional program violation and is
30.10 administratively disqualified shall be disqualified, for a period of three years for the first
30.11 offense and permanently for any subsequent offense, from receiving any payments from
30.12 any child care program under chapter 119B.

30.13 (h) Unless a timely and proper appeal made under this section is received by the
30.14 department, the administrative determination of the department is final and binding.

30.15 **EFFECTIVE DATE.** This section is effective April 28, 2025.

30.16 Sec. 34. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

30.17 Subd. 5. **Child care providers; financial misconduct.** (a) A county or tribal agency
30.18 may conduct investigations of financial misconduct by child care providers as described in
30.19 chapter 245E. Prior to opening an investigation, a county or tribal agency must contact the
30.20 commissioner to determine whether an investigation under this chapter may compromise
30.21 an ongoing investigation.

30.22 (b) If, upon investigation, a preponderance of evidence shows a provider committed an
30.23 intentional program violation, intentionally gave the county or tribe materially false
30.24 information on the provider's billing forms, provided false attendance records to a county,
30.25 tribe, or the commissioner, or committed financial misconduct as described in section
30.26 245E.01, subdivision 8, the county or tribal agency may recommend that the commissioner
30.27 suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's
30.28 authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to
30.29 pursuing other available remedies. ~~The county or tribe must send notice in accordance with~~
30.30 ~~the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended~~
30.31 ~~under this section, the payment suspension shall remain in effect until: (1) the commissioner,~~
30.32 ~~county, tribe, or a law enforcement authority determines that there is insufficient evidence~~
30.33 ~~warranting the action and a county, tribe, or the commissioner does not pursue an additional~~

31.1 ~~administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2)~~
 31.2 ~~all criminal, civil, and administrative proceedings related to the provider's alleged misconduct~~
 31.3 ~~conclude and any appeal rights are exhausted.~~

31.4 ~~(c) For the purposes of this section, an intentional program violation includes intentionally~~
 31.5 ~~making false or misleading statements; intentionally misrepresenting, concealing, or~~
 31.6 ~~withholding facts; and repeatedly and intentionally violating program regulations under~~
 31.7 ~~chapters 119B and 245E.~~

31.8 ~~(d) A provider has the right to administrative review under section 119B.161 if: (1)~~
 31.9 ~~payment is suspended under chapter 245E; or (2) the provider's authorization was denied~~
 31.10 ~~or revoked under section 119B.13, subdivision 6, paragraph (d), clause (2).~~

31.11 **EFFECTIVE DATE.** This section is effective April 28, 2025.

31.12 Sec. 35. **DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE**
 31.13 **STABILIZATION GRANTS.**

31.14 (a) The commissioner of human services must continue providing child care stabilization
 31.15 grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July
 31.16 1, 2023, through no later than December 31, 2023.

31.17 (b) The commissioner shall award transition child care stabilization grant amounts to
 31.18 all eligible programs. The transition month grant amounts must be based on the number of
 31.19 full-time equivalent staff who regularly care for children in the program, including employees,
 31.20 sole proprietors, or independent contractors. One full-time equivalent staff is defined as an
 31.21 individual caring for children 32 hours per week. An individual can count as more, or less,
 31.22 than one full-time equivalent staff, but as no more than two full-time equivalent staff.

31.23 Sec. 36. **DIRECTION TO COMMISSIONER; INCREASE FOR MAXIMUM CHILD**
 31.24 **CARE ASSISTANCE RATES.**

31.25 Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the
 31.26 commissioner must allocate the additional basic sliding fee child care funds for calendar
 31.27 year 2024 to counties and Tribes for updated maximum rates based on relative need to cover
 31.28 maximum rate increases. In distributing the additional funds, the commissioner shall consider
 31.29 the following factors by county and Tribe:

31.30 (1) the number of children;

31.31 (2) the provider type;

32.1 (3) the age of children served; and

32.2 (4) the amount of the increase in maximum rates.

32.3 **Sec. 37. DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING**
 32.4 **FEE FUNDS.**

32.5 Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the
 32.6 commissioner of human services must allocate additional basic sliding fee child care money
 32.7 for calendar year 2025 to counties and Tribes to account for the change in the definition of
 32.8 family in Minnesota Statutes, section 119B.011, in this article. In allocating the additional
 32.9 money, the commissioner shall consider:

32.10 (1) the number of children in the county or Tribe who receive care from a relative
 32.11 custodian who accepted a transfer of permanent legal and physical custody of a child under
 32.12 section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor
 32.13 custodian or guardian as established according to section 256N.22, subdivision 10; or foster
 32.14 parents in a family foster home under section 260C.007, subdivision 16b; and

32.15 (2) the average basic sliding fee cost of care in the county or Tribe.

32.16 **Sec. 38. REPEALER.**

32.17 (a) Minnesota Statutes 2022, section 119B.03, subdivision 4, is repealed.

32.18 (b) Minnesota Statutes 2022, section 245C.11, subdivision 3, is repealed.

32.19 **EFFECTIVE DATE.** Paragraph (b) is effective April 28, 2025.

32.20 **ARTICLE 2**

32.21 **CHILD SAFETY AND PERMANENCY**

32.22 **Section 1. [256.4791] INDEPENDENT LIVING SKILLS FOR FOSTER YOUTH**
 32.23 **GRANTS.**

32.24 Subdivision 1. **Program established.** The commissioner shall establish direct grants to
 32.25 local social service agencies, Tribes, and other organizations to provide independent living
 32.26 services to eligible foster youth as described under section 260C.452.

32.27 Subd. 2. **Grant awards.** The commissioner shall request proposals and make grants to
 32.28 eligible applicants. The commissioner shall determine the timing and form of the application
 32.29 and the criteria for making grant awards to eligible applicants.

33.1 Subd. 3. **Program reporting.** Grant recipients shall provide the commissioner with a
33.2 report that describes all of the activities and outcomes of services funded by the grant
33.3 program in a format and at a time determined by the commissioner.

33.4 Subd. 4. **Undistributed funds.** Undistributed funds must be reallocated by the
33.5 commissioner for the goals of the grant program. Undistributed funds are available until
33.6 expended.

33.7 **Sec. 2. [256.4792] SUPPORT BEYOND 21 GRANT PROGRAM.**

33.8 Subdivision 1. **Establishment and authority.** The commissioner shall establish the
33.9 support beyond 21 grant program, to distribute grants to one or more community-based
33.10 organizations to provide services and financial support to youth eligible for the support
33.11 beyond 21 program under section 260C.451, subdivision 8b.

33.12 Subd. 2. **Distribution of funds by the grantee.** (a) The grantee shall distribute support
33.13 beyond 21 grant program funds to eligible youth to be used for basic well-being needs and
33.14 housing as determined solely by the youth.

33.15 (b) The grantee shall distribute support beyond 21 grant funds to eligible youth on a
33.16 monthly basis for 12 months.

33.17 (c) Once a youth has completed the program, the youth must receive a stipend to complete
33.18 an exit survey on their experiences in the program.

33.19 (d) A grantee may not deny funding to a youth based on any criteria beyond a youth's
33.20 eligibility for the support beyond 21 program under section 260C.451, subdivision 8b.

33.21 Subd. 3. **Reporting.** The selected grantee or grantees must report quarterly to the
33.22 commissioner of human services in order to receive the quarterly payment. Information to
33.23 be reported includes:

33.24 (1) a list of eligible youth who have been referred;

33.25 (2) the amount of funds that have been distributed to each youth per month;

33.26 (3) any surveys completed by youth leaving the support beyond 21 program; and

33.27 (4) other data as determined by the commissioner.

33.28 **Sec. 3. Minnesota Statutes 2022, section 256N.24, subdivision 12, is amended to read:**

33.29 **Subd. 12. **Approval of initial assessments, special assessments, and reassessments.** (a)**
33.30 **Any agency completing initial assessments, special assessments, or reassessments must**

34.1 designate one or more supervisors or other staff to examine and approve assessments
34.2 completed by others in the agency under subdivision 2. The person approving an assessment
34.3 must not be the case manager or staff member completing that assessment.

34.4 (b) In cases where a special assessment or reassessment for Northstar kinship assistance
34.5 and adoption assistance is required under subdivision 8 or 11, the commissioner shall review
34.6 and approve the assessment as part of the eligibility determination process outlined in section
34.7 256N.22, subdivision 7, for Northstar kinship assistance, or section 256N.23, subdivision
34.8 7, for adoption assistance. The assessment determines the maximum of the negotiated
34.9 agreement amount under section 256N.25.

34.10 (c) The effective date of the new rate is effective the calendar month that the assessment
34.11 is approved, or the effective date of the agreement, whichever is later. determined as follows:

34.12 (1) for initial assessments of children in foster care, the new rate is effective based on
34.13 the emergency foster care rate for initial placement pursuant to section 256N.26, subdivision
34.14 6;

34.15 (2) for special assessments, the new rate is effective the date of the finalized adoption
34.16 decree or the date of the court order that transfers permanent legal and physical custody to
34.17 a relative;

34.18 (3) for postpermanency reassessments, the new rate is effective the date that the
34.19 commissioner signs the amendment to the Northstar Adoption Assistance or Northstar
34.20 Kinship Assistance benefit agreement.

34.21 Sec. 4. **[260.014] FAMILY FIRST PREVENTION AND EARLY INTERVENTION**
34.22 **ALLOCATION PROGRAM.**

34.23 Subdivision 1. **Authorization.** The commissioner shall establish a program that allocates
34.24 money to counties and federally recognized Tribes in Minnesota to provide prevention and
34.25 early intervention services under the Family First Prevention Services Act.

34.26 Subd. 2. **Uses.** (a) Money allocated to counties and Tribes may be used for the following
34.27 purposes:

34.28 (1) to implement or expand any service or program that is included in the state's
34.29 prevention plan;

34.30 (2) to implement or expand any proposed service or program;

34.31 (3) to implement or expand any existing service or programming; and

34.32 (4) any other use approved by the commissioner.

35.1 A county or a Tribe must use at least ten percent of the allocation to provide services and
35.2 supports directly to families.

35.3 Subd. 3. **Payments.** (a) The commissioner shall allocate state funds appropriated under
35.4 this section to each county board or Tribe on a calendar-year basis using a formula established
35.5 by the commissioner.

35.6 (b) Notwithstanding this subdivision, to the extent that money is available, no county
35.7 or Tribe shall be allocated less than:

35.8 (1) \$25,000 in calendar year 2024;

35.9 (2) \$50,000 in calendar year 2025; and

35.10 (3) \$75,000 in calendar year 2026 and each year thereafter.

35.11 (c) A county agency or an initiative Tribe must submit a plan and report the use of money
35.12 as determined by the commissioner.

35.13 (d) The commissioner may distribute money under this section for a two-year period.

35.14 Subd. 4. **Prohibition on supplanting existing funds.** Funds received under this section
35.15 must be used to address prevention and early intervention staffing, programming, and other
35.16 activities as determined by the commissioner. Funds must not be used to supplant current
35.17 county or Tribal expenditures for these purposes.

35.18 Sec. 5. Minnesota Statutes 2022, section 260.761, subdivision 2, is amended to read:

35.19 Subd. 2. **Agency and court notice to tribes.** (a) When a local social services agency
35.20 has information that a family assessment ~~or~~ investigation, or noncaregiver sex trafficking
35.21 assessment being conducted may involve an Indian child, the local social services agency
35.22 shall notify the Indian child's tribe of the family assessment ~~or~~ investigation, or noncaregiver
35.23 sex trafficking assessment according to section 260E.18. The local social services agency
35.24 shall provide initial notice ~~shall be provided~~ by telephone and by email or facsimile. The
35.25 local social services agency shall request that the tribe or a designated tribal representative
35.26 participate in evaluating the family circumstances, identifying family and tribal community
35.27 resources, and developing case plans.

35.28 (b) When a local social services agency has information that a child receiving services
35.29 may be an Indian child, the local social services agency shall notify the tribe by telephone
35.30 and by email or facsimile of the child's full name and date of birth, the full names and dates
35.31 of birth of the child's biological parents, and, if known, the full names and dates of birth of
35.32 the child's grandparents and of the child's Indian custodian. This notification must be provided

36.1 ~~so~~ for the tribe can to determine if the child is enrolled in the tribe or eligible for Tribal
36.2 membership, and ~~must be provided~~ the agency must provide this notification to the Tribe
36.3 within seven days of receiving information that the child may be an Indian child. If
36.4 information regarding the child's grandparents or Indian custodian is not available within
36.5 the seven-day period, the local social services agency shall continue to request this
36.6 information and shall notify the tribe when it is received. Notice shall be provided to all
36.7 tribes to which the child may have any tribal lineage. If the identity or location of the child's
36.8 parent or Indian custodian and tribe cannot be determined, the local social services agency
36.9 shall provide the notice required in this paragraph to the United States secretary of the
36.10 interior.

36.11 (c) In accordance with sections 260C.151 and 260C.152, when a court has reason to
36.12 believe that a child placed in emergency protective care is an Indian child, the court
36.13 administrator or a designee shall, as soon as possible and before a hearing takes place, notify
36.14 the tribal social services agency by telephone and by email or facsimile of the date, time,
36.15 and location of the emergency protective case hearing. The court shall make efforts to allow
36.16 appearances by telephone for tribal representatives, parents, and Indian custodians.

36.17 (d) A local social services agency must provide the notices required under this subdivision
36.18 at the earliest possible time to facilitate involvement of the Indian child's tribe. Nothing in
36.19 this subdivision is intended to hinder the ability of the local social services agency and the
36.20 court to respond to an emergency situation. Lack of participation by a tribe shall not prevent
36.21 the tribe from intervening in services and proceedings at a later date. A tribe may participate
36.22 in a case at any time. At any stage of the local social services agency's involvement with
36.23 an Indian child, the agency shall provide full cooperation to the tribal social services agency,
36.24 including disclosure of all data concerning the Indian child. Nothing in this subdivision
36.25 relieves the local social services agency of satisfying the notice requirements in the Indian
36.26 Child Welfare Act.

36.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

36.28 **Sec. 6. [260.786] CHILD WELFARE STAFF ALLOCATION FOR TRIBES.**

36.29 **Subdivision 1. Allocations.** The commissioner shall allocate \$80,000 annually to each
36.30 of Minnesota's federally recognized Tribes that, at the beginning of the fiscal year, have not
36.31 joined the American Indian Child welfare initiative under section 256.01, subdivision 14b.
36.32 Tribes not participating in or planning to join the initiative as of July 1, 2023, are: Bois Fort
36.33 Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, Grand Portage Band

37.1 of Lake Superior Chippewa, Lower Sioux Indian Community, Prairie Island Indian
37.2 Community, and Upper Sioux Indian Community.

37.3 Subd. 2. **Purposes.** Funds must be used to address staffing for responding to notifications
37.4 under the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, to
37.5 the extent necessary, or providing other child protection and child welfare services. Funds
37.6 must not be used to supplant current Tribal expenditures for these purposes.

37.7 Subd. 3. **Reporting.** By June 1 each year, Tribes receiving these funds shall provide a
37.8 report to the commissioner. The report shall be written in a manner prescribed by the
37.9 commissioner and must include an accounting of funds spent, staff hired, job duties, and
37.10 other information as required by the commissioner.

37.11 Subd. 4. **Redistribution of funds.** If a Tribe joins the American Indian child welfare
37.12 initiative, the payment for that Tribe shall be distributed equally among the remaining Tribes
37.13 receiving an allocation under this section.

37.14 Sec. 7. Minnesota Statutes 2022, section 260C.007, subdivision 14, is amended to read:

37.15 Subd. 14. **Egregious harm.** "Egregious harm" means the infliction of bodily harm to a
37.16 child or neglect of a child which demonstrates a grossly inadequate ability to provide
37.17 minimally adequate parental care. The egregious harm need not have occurred in the state
37.18 or in the county where a termination of parental rights action ~~is otherwise properly venued~~
37.19 has proper venue. Egregious harm includes, but is not limited to:

37.20 (1) conduct ~~towards~~ toward a child that constitutes a violation of sections 609.185 to
37.21 609.2114, 609.222, subdivision 2, 609.223, or any other similar law of any other state;

37.22 (2) the infliction of "substantial bodily harm" to a child, as defined in section 609.02,
37.23 subdivision 7a;

37.24 (3) conduct ~~towards~~ toward a child that constitutes felony malicious punishment of a
37.25 child under section 609.377;

37.26 (4) conduct ~~towards~~ toward a child that constitutes felony unreasonable restraint of a
37.27 child under section 609.255, subdivision 3;

37.28 (5) conduct ~~towards~~ toward a child that constitutes felony neglect or endangerment of
37.29 a child under section 609.378;

37.30 (6) conduct ~~towards~~ toward a child that constitutes assault under section 609.221, 609.222,
37.31 or 609.223;

38.1 (7) conduct ~~towards~~ toward a child that constitutes sex trafficking, solicitation,
38.2 inducement, ~~or~~ promotion of, or receiving profit derived from prostitution under section
38.3 609.322;

38.4 (8) conduct ~~towards~~ toward a child that constitutes murder or voluntary manslaughter
38.5 as defined by United States Code, title 18, section 1111(a) or 1112(a);

38.6 (9) conduct ~~towards~~ toward a child that constitutes aiding or abetting, attempting,
38.7 conspiring, or soliciting to commit a murder or voluntary manslaughter that constitutes a
38.8 violation of United States Code, title 18, section 1111(a) or 1112(a); or

38.9 (10) conduct toward a child that constitutes criminal sexual conduct under sections
38.10 609.342 to 609.345 or sexual extortion under section 609.3458.

38.11 Sec. 8. Minnesota Statutes 2022, section 260C.221, subdivision 1, is amended to read:

38.12 Subdivision 1. **Relative search requirements.** (a) The responsible social services agency
38.13 shall exercise due diligence to identify and notify adult relatives, as defined in section
38.14 260C.007, subdivision 27, and current caregivers of a child's sibling, prior to placement or
38.15 within 30 days after the child's removal from the parent, regardless of whether a child is
38.16 placed in a relative's home, as required under subdivision 2. The relative search required
38.17 by this section shall be comprehensive in scope.

38.18 (b) The relative search required by this section shall include both maternal and paternal
38.19 adult relatives of the child; all adult grandparents; all legal parents, guardians, or custodians
38.20 of the child's siblings; and any other adult relatives suggested by the child's parents, subject
38.21 to the exceptions due to family violence in subdivision 5, paragraph (b). The search shall
38.22 also include getting information from the child in an age-appropriate manner about who the
38.23 child considers to be family members and important friends with whom the child has resided
38.24 or had significant contact. The relative search required under this section must fulfill the
38.25 agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the
38.26 breakup of the Indian family under United States Code, title 25, section 1912(d), and to
38.27 meet placement preferences under United States Code, title 25, section 1915.

38.28 (c) The responsible social services agency has a continuing responsibility to search for
38.29 and identify relatives of a child and send the notice to relatives that is required under
38.30 subdivision 2, unless the court has relieved the agency of this duty under subdivision 5,
38.31 paragraph (e).

39.1 **Sec. 9. [260C.30] COMMUNITY RESOURCE CENTERS.**

39.2 **Subdivision 1. Definitions.** (a) For purposes of this section, the following definitions
39.3 apply:

39.4 (b) "Commissioner" means the commissioner of human services or the commissioner's
39.5 designee.

39.6 (c) "Communities and families furthest from opportunity" means any community or
39.7 family that experiences inequities in accessing supports and services due to the community's
39.8 or family's circumstances, including but not limited to racism, income, disability, language,
39.9 gender, and geography.

39.10 (d) "Community resource center" means a community-based coordinated point of entry
39.11 that provides culturally responsive, relationship-based service navigation and other supportive
39.12 services for expecting and parenting families and youth.

39.13 (e) "Culturally responsive, relationship-based service navigation" means aiding families
39.14 in finding services and supports that are meaningful to them in ways that are built on trust
39.15 and that use cultural values, beliefs, and practices of families, communities, indigenous
39.16 families, and Tribal Nations for case planning, service design, and decision-making processes.

39.17 (f) "Expecting and parenting family" means any configuration of parents, grandparents,
39.18 guardians, foster parents, kinship caregivers, and youth who are pregnant or expecting or
39.19 have children and youth they care for and support.

39.20 (g) "Protective factors" means conditions or attributes of individuals, families,
39.21 communities, and the larger society that mitigate risk and promote the healthy development
39.22 and well-being of children, youth, and families, and that are strengths that help buffer and
39.23 support families.

39.24 **Subd. 2. Community resource centers established.** The commissioner in consultation
39.25 with other state agencies, partners, and the Community Resource Center Advisory Council
39.26 may award grants to support planning, implementation, and evaluation of community
39.27 resource centers to provide culturally responsive, relationship-based service navigation,
39.28 parent, family, and caregiver supports to expecting and parenting families with a focus on
39.29 ensuring equitable access to programs and services that promote protective factors and
39.30 support children and families.

39.31 **Subd. 3. Commissioner's duties; related infrastructure.** The commissioner in
39.32 consultation with the Community Resource Center Advisory Council shall:

39.33 (1) develop a request for proposals to support community resource centers;

40.1 (2) provide outreach and technical assistance to support applicants with data or other
40.2 matters pertaining to equity of access to funding;

40.3 (3) provide technical assistance to grantees including but not limited to skill building
40.4 and professional development, trainings, evaluation, communities of practice, networking,
40.5 and trauma informed mental health consultation;

40.6 (4) provide data collection and IT support; and

40.7 (5) provide grant coordination and management focused on promoting equity and
40.8 accountability.

40.9 Subd. 4. **Grantee duties.** At a minimum, grantees shall:

40.10 (1) provide culturally responsive, relationship-based service navigation and supports for
40.11 expecting and parenting families;

40.12 (2) improve community engagement and feedback loops to support continuous
40.13 improvement and program planning to better promote protective factors;

40.14 (3) demonstrate community-based planning with multiple partners;

40.15 (4) develop or use an existing parent and family advisory council consisting of community
40.16 members with lived expertise to advise the work of the grantee; and

40.17 (5) participate in program evaluation, data collection, and technical assistance activities.

40.18 Subd. 5. **Eligibility.** Organizations eligible to receive grant funding under this section
40.19 include:

40.20 (1) community-based organizations, Tribal Nations, urban Indian organizations, local
40.21 and county government agencies, schools, nonprofit agencies or any cooperative of these
40.22 organizations; and

40.23 (2) organizations or cooperatives supporting communities and families furthest from
40.24 opportunity.

40.25 Subd. 6. **Community Resource Center Advisory Council; establishment and**
40.26 **duties.** (a) The commissioner, in consultation with other relevant state agencies, shall appoint
40.27 members to the Community Resource Center Advisory Council.

40.28 (b) Membership must be demographically and geographically diverse and include:

40.29 (1) parents and family members with lived experience and who are furthest from
40.30 opportunity;

40.31 (2) community-based organizations serving families furthest from opportunity;

41.1 (3) Tribal and urban American Indian representatives;

41.2 (4) county government representatives;

41.3 (5) school and school district representatives; and

41.4 (6) state partner representatives.

41.5 (b) Duties of the Community Resource Center Advisory Council shall include but are
41.6 not limited to:

41.7 (1) advising the commissioner on the development and funding of a network of
41.8 community resource centers;

41.9 (2) advising the commissioner on the development of requests for proposals and grant
41.10 award processes;

41.11 (3) advising the commissioner on the development of program outcomes and
41.12 accountability measures; and

41.13 (4) advising the commissioner on ongoing governance and necessary support in the
41.14 implementation of the community resource centers.

41.15 Subd. 7. **Grantee reporting.** Grantees must report program data and outcomes in a
41.16 manner determined by the commissioner and the Community Resource Center Advisory
41.17 Council.

41.18 Subd. 8. **Evaluation.** The commissioner, in partnership with the Community Resource
41.19 Center Advisory Council, shall develop an outcome and evaluation plan. Beginning July
41.20 1, 2026, a biennial report must be provided to the commissioner and the chairs and ranking
41.21 minority members of the legislative committees with jurisdiction over health and human
41.22 services that reflects the duties of the Community Resource Center Advisory Council in
41.23 subdivision 6 and may describe outcomes and impacts related to equity, community
41.24 partnerships, program and service availability, child development, family well-being, and
41.25 child welfare system involvement.

41.26 Sec. 10. Minnesota Statutes 2022, section 260C.317, subdivision 3, is amended to read:

41.27 Subd. 3. **Order; retention of jurisdiction.** (a) A certified copy of the findings and the
41.28 order terminating parental rights, and a summary of the court's information concerning the
41.29 child shall be furnished by the court to the commissioner or the agency to which guardianship
41.30 is transferred.

42.1 (b) The orders shall be on a document separate from the findings. The court shall furnish
42.2 the guardian a copy of the order terminating parental rights.

42.3 (c) When the court orders guardianship pursuant to this section, the guardian ad litem
42.4 and counsel for the child shall continue on the case until an adoption decree is entered. An
42.5 in-court appearance hearing must be held every 90 days following termination of parental
42.6 rights for the court to review progress toward an adoptive placement and the specific
42.7 recruitment efforts the agency has taken to find an adoptive family for the child and to
42.8 finalize the adoption or other permanency plan. Review of the progress toward adoption of
42.9 a child under guardianship of the commissioner of human services shall be conducted
42.10 according to section 260C.607.

42.11 (d) Upon terminating parental rights or upon a parent's consent to adoption under
42.12 ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, or section 260C.515, subdivision~~
42.13 ~~5 3~~, resulting in an order for guardianship to the commissioner of human services, the court
42.14 shall retain jurisdiction:

42.15 (1) until the child is adopted;

42.16 (2) through the child's minority; or

42.17 (3) as long as the child continues in or reenters foster care, until the individual becomes
42.18 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

42.19 Sec. 11. Minnesota Statutes 2022, section 260C.451, is amended by adding a subdivision
42.20 to read:

42.21 Subd. 8a. **Transition planning.** (a) For a youth who will be discharged from foster care
42.22 at 21 years of age or older, the responsible social services agency must develop an individual
42.23 transition plan as directed by the youth during the 180-day period immediately prior to the
42.24 youth's expected date of discharge according to section 260C.452, subdivision 4. The youth's
42.25 individual transition plan may be shared with a contracted agency providing case management
42.26 services to the youth under section 260C.452.

42.27 (b) As part of transition planning, the responsible social services agency must inform a
42.28 youth preparing to leave extended foster care of the youth's eligibility for the support beyond
42.29 21 program under subdivision 8b and must include that program in the individual transition
42.30 plan for the eligible youth. Consistent with section 13.46, the local social services agency
42.31 or initiative Tribe must refer a youth to the support beyond 21 program by providing the
42.32 contracted agency with the youth's contact information

43.1 Sec. 12. Minnesota Statutes 2022, section 260C.451, is amended by adding a subdivision
43.2 to read:

43.3 Subd. 8b. **Support beyond 21 program.** (a) The commissioner shall establish the support
43.4 beyond 21 program to provide financial assistance to a youth leaving foster care to help
43.5 ensure that the youth's basic needs are met as the youth transitions into adulthood.

43.6 (b) An individual who has left extended foster care and was discharged at the age of 21
43.7 under subdivision 3 is eligible for the support beyond 21 program.

43.8 (c) An eligible youth receiving benefits under the support beyond 21 program is also
43.9 eligible for the successful transition to adulthood program under section 260C.452.

43.10 (d) A youth who transitions to adult residential services under section 256B.092 or
43.11 256B.49 or a youth in a correctional facility licensed under section 241.021 is not eligible
43.12 for the support beyond 21 program.

43.13 (e) To the extent that funds are available under section 256.4792, an eligible youth who
43.14 participates in the support beyond 21 program must receive monthly financial assistance
43.15 for 12 months after the youth is discharged from extended foster care under subdivision 3.
43.16 The funds are available to assist the youth in meeting basic well-being and housing needs
43.17 as determined solely by the youth. Monthly payments must be reduced quarterly. Payments
43.18 must be made by a grantee according to the requirements of section 256.4792, and a list of
43.19 counties that failed to provide complete information and data to the commissioner or the
43.20 commissioner's designee under paragraph (d).

43.21 Sec. 13. Minnesota Statutes 2022, section 260C.452, is amended by adding a subdivision
43.22 to read:

43.23 Subd. 6. **Independent living skills grant program.** (a) The commissioner shall establish
43.24 direct grants to local social service agencies, Tribes, and other community organizations to
43.25 provide independent living services to eligible youth under this section.

43.26 (b)The commissioner shall make allocations, request proposals, and specify the
43.27 information and criteria required for applications to the independent living skills grant
43.28 program.

44.1 Sec. 14. Minnesota Statutes 2022, section 260C.704, is amended to read:

44.2 **260C.704 REQUIREMENTS FOR THE QUALIFIED INDIVIDUAL'S**
44.3 **ASSESSMENT OF THE CHILD FOR PLACEMENT IN A QUALIFIED**
44.4 **RESIDENTIAL TREATMENT PROGRAM.**

44.5 (a) A qualified individual must complete an assessment of the child prior to the child's
44.6 placement in a qualified residential treatment program in a format approved by the
44.7 commissioner of human services unless, due to a crisis, the child must immediately be
44.8 placed in a qualified residential treatment program. When a child must immediately be
44.9 placed in a qualified residential treatment program without an assessment, the qualified
44.10 individual must complete the child's assessment within 30 days of the child's placement.
44.11 The qualified individual must:

44.12 (1) assess the child's needs and strengths, using an age-appropriate, evidence-based,
44.13 validated, functional assessment approved by the commissioner of human services;

44.14 (2) determine whether the child's needs can be met by the child's family members or
44.15 through placement in a family foster home; or, if not, determine which residential setting
44.16 would provide the child with the most effective and appropriate level of care to the child
44.17 in the least restrictive environment;

44.18 (3) develop a list of short- and long-term mental and behavioral health goals for the
44.19 child; and

44.20 (4) work with the child's family and permanency team using culturally competent
44.21 practices.

44.22 If a level of care determination was conducted under section 245.4885, that information
44.23 must be shared with the qualified individual and the juvenile treatment screening team.

44.24 (b) The child and the child's parents, when appropriate, may request that a specific
44.25 culturally competent qualified individual complete the child's assessment. The agency shall
44.26 make efforts to refer the child to the identified qualified individual to complete the
44.27 assessment. The assessment must not be delayed for a specific qualified individual to
44.28 complete the assessment.

44.29 (c) The qualified individual must provide the assessment, when complete, to the
44.30 responsible social services agency. If the assessment recommends placement of the child
44.31 in a qualified residential treatment facility, the agency must distribute the assessment to the
44.32 child's parent or legal guardian and file the assessment with the court report as required in
44.33 section 260C.71, subdivision 2. If the assessment does not recommend placement in a

45.1 qualified residential treatment facility, the agency must provide a copy of the assessment
45.2 to the parents or legal guardians and the guardian ad litem and file the assessment
45.3 determination with the court at the next required hearing as required in section 260C.71,
45.4 subdivision 5. If court rules and chapter 13 permit disclosure of the results of the child's
45.5 assessment, the agency may share the results of the child's assessment with the child's foster
45.6 care provider, other members of the child's family, and the family and permanency team.
45.7 The agency must not share the child's private medical data with the family and permanency
45.8 team unless: (1) chapter 13 permits the agency to disclose the child's private medical data
45.9 to the family and permanency team; or (2) the child's parent has authorized the agency to
45.10 disclose the child's private medical data to the family and permanency team.

45.11 (d) For an Indian child, the assessment of the child must follow the order of placement
45.12 preferences in the Indian Child Welfare Act of 1978, United States Code, title 25, section
45.13 1915.

45.14 (e) In the assessment determination, the qualified individual must specify in writing:

45.15 (1) the reasons why the child's needs cannot be met by the child's family or in a family
45.16 foster home. A shortage of family foster homes is not an acceptable reason for determining
45.17 that a family foster home cannot meet a child's needs;

45.18 (2) why the recommended placement in a qualified residential treatment program will
45.19 provide the child with the most effective and appropriate level of care to meet the child's
45.20 needs in the least restrictive environment possible and how placing the child at the treatment
45.21 program is consistent with the short-term and long-term goals of the child's permanency
45.22 plan; and

45.23 (3) if the qualified individual's placement recommendation is not the placement setting
45.24 that the parent, family and permanency team, child, or tribe prefer, the qualified individual
45.25 must identify the reasons why the qualified individual does not recommend the parent's,
45.26 family and permanency team's, child's, or tribe's placement preferences. The out-of-home
45.27 placement plan under section 260C.708 must also include reasons why the qualified
45.28 individual did not recommend the preferences of the parents, family and permanency team,
45.29 child, or tribe.

45.30 (f) If the qualified individual determines that the child's family or a family foster home
45.31 or other less restrictive placement may meet the child's needs, the agency must move the
45.32 child out of the qualified residential treatment program and transition the child to a less
45.33 restrictive setting within 30 days of the determination. If the responsible social services
45.34 agency has placement authority of the child, the agency must make a plan for the child's

46.1 placement according to section 260C.212, subdivision 2. The agency must file the child's
46.2 assessment determination with the court at the next required hearing.

46.3 (g) If the qualified individual recommends placing the child in a qualified residential
46.4 treatment program and if the responsible social services agency has placement authority of
46.5 the child, the agency shall make referrals to appropriate qualified residential treatment
46.6 programs and, upon acceptance by an appropriate program, place the child in an approved
46.7 or certified qualified residential treatment program.

46.8 (h) The commissioner shall establish a review process for a qualified individual's
46.9 completed assessment of a child. The review process must be developed with county and
46.10 Tribal agency representatives. The review process must ensure that the qualified individual's
46.11 assessment is an independent, objective assessment that recommends the least restrictive
46.12 setting to meet the child's needs.

46.13 Sec. 15. Minnesota Statutes 2022, section 260C.80, subdivision 1, is amended to read:

46.14 Subdivision 1. **Office of the Foster Youth Ombudsperson.** The Office of the Foster
46.15 Youth Ombudsperson is hereby created. The ombudsperson serves ~~at the pleasure of the~~
46.16 ~~governor~~ in the unclassified service, must be selected without regard to political affiliation,
46.17 and must be a person highly competent and qualified to work to improve the lives of youth
46.18 in the foster care system, while understanding the administration and public policy related
46.19 to youth in the foster care system. The ombudsperson may be removed only for just cause.
46.20 No person may serve as the foster youth ombudsperson while holding any other public
46.21 office. The foster youth ombudsperson is accountable to the governor and may investigate
46.22 decisions, acts, and other matters related to the health, safety, and welfare of youth in foster
46.23 care to promote the highest attainable standards of competence, efficiency, and justice for
46.24 youth who are in the care of the state.

46.25 Sec. 16. Minnesota Statutes 2022, section 260E.01, is amended to read:

46.26 **260E.01 POLICY.**

46.27 (a) The legislature hereby declares that the public policy of this state is to protect children
46.28 whose health or welfare may be jeopardized through maltreatment. While it is recognized
46.29 that most parents want to keep their children safe, sometimes circumstances or conditions
46.30 interfere with their ability to do so. When this occurs, the health and safety of the children
46.31 must be of paramount concern. Intervention and prevention efforts must address immediate
46.32 concerns for child safety and the ongoing risk of maltreatment and should engage the

47.1 protective capacities of families. In furtherance of this public policy, it is the intent of the
47.2 legislature under this chapter to:

47.3 (1) protect children and promote child safety;

47.4 (2) strengthen the family;

47.5 (3) make the home, school, and community safe for children by promoting responsible
47.6 child care in all settings; and

47.7 (4) provide, when necessary, a safe temporary or permanent home environment for
47.8 maltreated children.

47.9 (b) In addition, it is the policy of this state to:

47.10 (1) require the reporting of maltreatment of children in the home, school, and community
47.11 settings;

47.12 (2) provide for ~~the~~ voluntary reporting of maltreatment of children;

47.13 (3) require an investigation when the report alleges sexual abuse or substantial child
47.14 endangerment, except when the report alleges sex trafficking by a noncaregiver sex trafficker;

47.15 (4) provide a family assessment, if appropriate, when the report does not allege sexual
47.16 abuse or substantial child endangerment; ~~and~~

47.17 (5) provide a noncaregiver sex trafficking assessment when the report alleges sex
47.18 trafficking by a noncaregiver sex trafficker; and

47.19 (6) provide protective, family support, and family preservation services when needed
47.20 in appropriate cases.

47.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.

47.22 Sec. 17. Minnesota Statutes 2022, section 260E.02, subdivision 1, is amended to read:

47.23 Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary
47.24 child protection team that may include, but is not be limited to, the director of the local
47.25 welfare agency or designees, the county attorney or designees, the county sheriff or designees,
47.26 representatives of health and education, representatives of mental health, representatives of
47.27 agencies providing specialized services or responding to youth who experience or are at
47.28 risk of experiencing sex trafficking or sexual exploitation, or other appropriate human
47.29 services or community-based agencies, and parent groups. As used in this section, a
47.30 "community-based agency" may include, but is not limited to, schools, social services
47.31 agencies, family service and mental health collaboratives, children's advocacy centers, early

48.1 childhood and family education programs, Head Start, or other agencies serving children
48.2 and families. A member of the team must be designated as the lead person of the team
48.3 responsible for the planning process to develop standards for the team's activities with
48.4 battered women's and domestic abuse programs and services.

48.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

48.6 Sec. 18. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision
48.7 to read:

48.8 Subd. 15a. **Noncaregiver sex trafficker.** "Noncaregiver sex trafficker" means an
48.9 individual who is alleged to have engaged in the act of sex trafficking a child and who is
48.10 not a person responsible for the child's care, who does not have a significant relationship
48.11 with the child as defined in section 609.341, and who is not a person in a current or recent
48.12 position of authority as defined in section 609.341, subdivision 10.

48.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

48.14 Sec. 19. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision
48.15 to read:

48.16 Subd. 15b. **Noncaregiver sex trafficking assessment.** "Noncaregiver sex trafficking
48.17 assessment" is a comprehensive assessment of child safety, the risk of subsequent child
48.18 maltreatment, and strengths and needs of the child and family. The local welfare agency
48.19 shall only perform a noncaregiver sex trafficking assessment when a maltreatment report
48.20 alleges sex trafficking of a child by someone other than the child's caregiver. A noncaregiver
48.21 sex trafficking assessment does not include a determination of whether child maltreatment
48.22 occurred. A noncaregiver sex trafficking assessment includes a determination of a family's
48.23 need for services to address the safety of the child or children, the safety of family members,
48.24 and the risk of subsequent child maltreatment.

48.25 **EFFECTIVE DATE.** This section is effective July 1, 2024.

48.26 Sec. 20. Minnesota Statutes 2022, section 260E.03, subdivision 22, is amended to read:

48.27 Subd. 22. **Substantial child endangerment.** "Substantial child endangerment" means
48.28 that a person responsible for a child's care, by act or omission, commits or attempts to
48.29 commit an act against a child ~~under their~~ in the person's care that constitutes any of the
48.30 following:

48.31 (1) egregious harm under subdivision 5;

- 49.1 (2) abandonment under section 260C.301, subdivision 2;
- 49.2 (3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers
49.3 the child's physical or mental health, including a growth delay, which may be referred to
49.4 as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;
- 49.5 (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;
- 49.6 (5) manslaughter in the first or second degree under section 609.20 or 609.205;
- 49.7 (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;
- 49.8 (7) sex trafficking, solicitation, inducement, ~~and~~ or promotion of prostitution under
49.9 section 609.322;
- 49.10 (8) criminal sexual conduct under sections 609.342 to 609.3451;
- 49.11 (9) sexual extortion under section 609.3458;
- 49.12 (10) solicitation of children to engage in sexual conduct under section 609.352;
- 49.13 (11) malicious punishment or neglect or endangerment of a child under section 609.377
49.14 or 609.378;
- 49.15 (12) use of a minor in sexual performance under section 617.246; or
- 49.16 (13) parental behavior, status, or condition ~~that mandates that~~ requiring the county
49.17 attorney to file a termination of parental rights petition under section 260C.503, subdivision
49.18 2.

49.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

49.20 Sec. 21. Minnesota Statutes 2022, section 260E.14, subdivision 2, is amended to read:

49.21 Subd. 2. **Sexual abuse.** (a) The local welfare agency is the agency responsible for
49.22 investigating an allegation of sexual abuse if the alleged offender is the parent, guardian,
49.23 sibling, or an individual functioning within the family unit as a person responsible for the
49.24 child's care, or a person with a significant relationship to the child if that person resides in
49.25 the child's household.

49.26 (b) The local welfare agency is also responsible for assessing or investigating when a
49.27 child is identified as a victim of sex trafficking.

49.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

50.1 Sec. 22. Minnesota Statutes 2022, section 260E.14, subdivision 5, is amended to read:

50.2 Subd. 5. **Law enforcement.** (a) The local law enforcement agency is the agency
50.3 responsible for investigating a report of maltreatment if a violation of a criminal statute is
50.4 alleged.

50.5 (b) Law enforcement and the responsible agency must coordinate their investigations
50.6 or assessments as required under this chapter when ~~the~~: (1) a report alleges maltreatment
50.7 that is a violation of a criminal statute by a person who is a parent, guardian, sibling, person
50.8 responsible for the child's care functioning within the family unit, or by a person who lives
50.9 in the child's household and who has a significant relationship to the child, in a setting other
50.10 than a facility as defined in section 260E.03; or (2) a report alleges sex trafficking of a child.

50.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

50.12 Sec. 23. Minnesota Statutes 2022, section 260E.17, subdivision 1, is amended to read:

50.13 Subdivision 1. **Local welfare agency.** (a) Upon receipt of a report, the local welfare
50.14 agency shall determine whether to conduct a family assessment ~~or~~, an investigation, or a
50.15 noncaregiver sex trafficking assessment as appropriate to prevent or provide a remedy for
50.16 maltreatment.

50.17 (b) The local welfare agency shall conduct an investigation when the report involves
50.18 sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.

50.19 (c) The local welfare agency shall begin an immediate investigation ~~if~~, at any time when
50.20 the local welfare agency is ~~using~~ responding with a family assessment response, and the
50.21 local welfare agency determines that there is reason to believe that sexual abuse ~~or~~, substantial
50.22 child endangerment, or a serious threat to the child's safety exists.

50.23 (d) The local welfare agency may conduct a family assessment for reports that do not
50.24 allege sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.
50.25 In determining that a family assessment is appropriate, the local welfare agency may consider
50.26 issues of child safety, parental cooperation, and the need for an immediate response.

50.27 (e) The local welfare agency may conduct a family assessment ~~on~~ for a report that was
50.28 initially screened and assigned for an investigation. In determining that a complete
50.29 investigation is not required, the local welfare agency must document the reason for
50.30 terminating the investigation and notify the local law enforcement agency if the local law
50.31 enforcement agency is conducting a joint investigation.

51.1 (f) The local welfare agency shall conduct a noncaregiver sex trafficking assessment
 51.2 when a maltreatment report alleges sex trafficking of a child and the alleged offender is a
 51.3 noncaregiver sex trafficker as defined by section 260E.03, subdivision 15a.

51.4 (g) During a noncaregiver sex trafficking assessment, the local welfare agency shall
 51.5 initiate an immediate investigation if there is reason to believe that a child's parent, caregiver,
 51.6 or household member allegedly engaged in the act of sex trafficking a child or was alleged
 51.7 to have engaged in any conduct requiring the agency to conduct an investigation.

51.8 **EFFECTIVE DATE.** This section is effective July 1, 2024.

51.9 Sec. 24. Minnesota Statutes 2022, section 260E.18, is amended to read:

51.10 **260E.18 NOTICE TO CHILD'S TRIBE.**

51.11 The local welfare agency shall provide immediate notice, according to section 260.761,
 51.12 subdivision 2, to an Indian child's tribe when the agency has reason to believe that the family
 51.13 assessment or investigation, or noncaregiver sex trafficking assessment may involve an
 51.14 Indian child. For purposes of this section, "immediate notice" means notice provided within
 51.15 24 hours.

51.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

51.17 Sec. 25. Minnesota Statutes 2022, section 260E.20, subdivision 2, is amended to read:

51.18 Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare
 51.19 agency shall ~~conduct a~~ have face-to-face contact with the child reported to be maltreated
 51.20 and with the child's primary caregiver sufficient to complete a safety assessment and ensure
 51.21 the immediate safety of the child. When it is possible and the report alleges substantial child
 51.22 endangerment or sexual abuse, the local welfare agency is not required to provide notice
 51.23 before conducting the initial face-to-face contact with the child and the child's primary
 51.24 caregiver.

51.25 (b) Except in a noncaregiver sex trafficking assessment, the local welfare agency shall
 51.26 have face-to-face contact with the child and primary caregiver ~~shall occur~~ immediately after
 51.27 the agency screens in a report if sexual abuse or substantial child endangerment is alleged
 51.28 and within five calendar days of a screened in report for all other reports. If the alleged
 51.29 offender was not already interviewed as the primary caregiver, the local welfare agency
 51.30 shall also conduct a face-to-face interview with the alleged offender in the early stages of
 51.31 the assessment or investigation, except in a noncaregiver sex trafficking assessment.
 51.32 Face-to-face contact with the child and primary caregiver in response to a report alleging

52.1 sexual abuse or substantial child endangerment may be postponed for no more than five
52.2 calendar days if the child is residing in a location that is confirmed to restrict contact with
52.3 the alleged offender as established in guidelines issued by the commissioner, or if the local
52.4 welfare agency is pursuing a court order for the child's caregiver to produce the child for
52.5 questioning under section 260E.22, subdivision 5.

52.6 (c) At the initial contact with the alleged offender, the local welfare agency or the agency
52.7 responsible for assessing or investigating the report must inform the alleged offender of the
52.8 complaints or allegations made against the individual in a manner consistent with laws
52.9 protecting the rights of the person who made the report. The interview with the alleged
52.10 offender may be postponed if it would jeopardize an active law enforcement investigation.
52.11 In a noncaregiver sex trafficking assessment, the local child welfare agency is not required
52.12 to inform or interview the alleged offender.

52.13 (d) The local welfare agency or the agency responsible for assessing or investigating
52.14 the report must provide the alleged offender with an opportunity to make a statement, except
52.15 in a noncaregiver sex trafficking assessment. The alleged offender may submit supporting
52.16 documentation relevant to the assessment or investigation.

52.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

52.18 Sec. 26. Minnesota Statutes 2022, section 260E.24, subdivision 2, is amended to read:

52.19 Subd. 2. **Determination after family assessment or a noncaregiver sex trafficking**
52.20 **assessment.** After conducting a family assessment or a noncaregiver sex trafficking
52.21 assessment, the local welfare agency shall determine whether child protective services are
52.22 needed to address the safety of the child and other family members and the risk of subsequent
52.23 maltreatment. The local welfare agency must document the information collected under
52.24 section 260E.20, subdivision 3, related to the completed family assessment in the child's or
52.25 family's case notes.

52.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

52.27 Sec. 27. Minnesota Statutes 2022, section 260E.24, subdivision 7, is amended to read:

52.28 Subd. 7. **Notification at conclusion of family assessment or a noncaregiver sex**
52.29 **trafficking assessment.** Within ten working days of the conclusion of a family assessment
52.30 or a noncaregiver sex trafficking assessment, the local welfare agency shall notify the parent
52.31 or guardian of the child of the need for services to address child safety concerns or significant

53.1 risk of subsequent maltreatment. The local welfare agency and the family may also jointly
53.2 agree that family support and family preservation services are needed.

53.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

53.4 Sec. 28. Minnesota Statutes 2022, section 260E.33, subdivision 1, is amended to read:

53.5 Subdivision 1. **Following a family assessment or a noncaregiver sex trafficking**
53.6 **assessment.** Administrative reconsideration is not applicable to a family assessment or
53.7 noncaregiver sex trafficking assessment since no determination concerning maltreatment
53.8 is made.

53.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

53.10 Sec. 29. Minnesota Statutes 2022, section 260E.35, subdivision 6, is amended to read:

53.11 Subd. 6. **Data retention.** (a) Notwithstanding sections 138.163 and 138.17, a record
53.12 maintained or a record derived from a report of maltreatment by a local welfare agency,
53.13 agency responsible for assessing or investigating the report, court services agency, or school
53.14 under this chapter shall be destroyed as provided in paragraphs (b) to (e) by the responsible
53.15 authority.

53.16 (b) For a report alleging maltreatment that was not accepted for an assessment or an
53.17 investigation, a family assessment case, a noncaregiver sex trafficking assessment case, and
53.18 a case where an investigation results in no determination of maltreatment or the need for
53.19 child protective services, the record must be maintained for a period of five years after the
53.20 date that the report was not accepted for assessment or investigation or the date of the final
53.21 entry in the case record. A record of a report that was not accepted must contain sufficient
53.22 information to identify the subjects of the report, the nature of the alleged maltreatment,
53.23 and the reasons ~~as to~~ why the report was not accepted. Records under this paragraph may
53.24 not be used for employment, background checks, or purposes other than to assist in future
53.25 screening decisions and risk and safety assessments.

53.26 (c) All records relating to reports that, upon investigation, indicate ~~either~~ maltreatment
53.27 or a need for child protective services shall be maintained for ten years after the date of the
53.28 final entry in the case record.

53.29 (d) All records regarding a report of maltreatment, including a notification of intent to
53.30 interview that was received by a school under section 260E.22, subdivision 7, shall be
53.31 destroyed by the school when ordered to do so by the agency conducting the assessment or

54.1 investigation. The agency shall order the destruction of the notification when other records
54.2 relating to the report under investigation or assessment are destroyed under this subdivision.

54.3 (e) Private or confidential data released to a court services agency under subdivision 3,
54.4 paragraph (d), must be destroyed by the court services agency when ordered to do so by the
54.5 local welfare agency that released the data. The local welfare agency or agency responsible
54.6 for assessing or investigating the report shall order destruction of the data when other records
54.7 relating to the assessment or investigation are destroyed under this subdivision.

54.8 **EFFECTIVE DATE.** This section is effective July 1, 2024.

54.9 **Sec. 30. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FOSTER**
54.10 **CARE FEDERAL CASH ASSISTANCE BENEFITS PRESERVATION.**

54.11 (a) The commissioner of human services must develop a plan to preserve and make
54.12 available the income and resources attributable to a child in foster care to meet the best
54.13 interests of the child. The plan must include recommendations on:

54.14 (1) policies for youth and caregiver access to preserved federal cash assistance benefit
54.15 payments;

54.16 (2) representative payees for children in voluntary foster care for treatment pursuant to
54.17 Minnesota Statutes, chapter 260D; and

54.18 (3) family preservation and reunification.

54.19 (b) For purposes of this section, "income and resources attributed to a child" means all
54.20 benefits from programs administered by the Social Security Administration, including but
54.21 not limited to retirement, survivors benefits, disability insurance programs, Supplemental
54.22 Security Income, veterans benefits, and railroad retirement benefits.

54.23 (c) When developing the plan under this section, the commissioner shall consult or
54.24 engage with:

54.25 (1) individuals or entities with experience in managing trusts and investment;

54.26 (2) individuals or entities with expertise in providing tax advice;

54.27 (3) individuals or entities with expertise in preserving assets to avoid negative impact
54.28 on public assistance eligibility;

54.29 (4) other relevant state agencies;

54.30 (5) Tribal social services agencies;

54.31 (6) counties;

- 55.1 (7) the Children's Justice Initiative;
- 55.2 (8) organizations that serve and advocate for children and families in the child protection
- 55.3 system;
- 55.4 (9) parents, legal custodians, foster families, and kinship caregivers, to the extent possible;
- 55.5 (10) youth who have been or are currently in out-of-home placement; and
- 55.6 (11) other relevant stakeholders.
- 55.7 (d) By December 15, 2023, each county shall provide the following data for fiscal years
- 55.8 2018 and 2021 to the commissioner or the commissioner's designee in a form prescribed
- 55.9 by the commissioner:
- 55.10 (1) the nonduplicated number of children in foster care in the county who received
- 55.11 income and resources attributable to the child as defined in paragraph (b);
- 55.12 (2) the number of children for whom the county was the representative payee for income
- 55.13 and resources attributable to the child;
- 55.14 (3) the amount of money that the county received from income and resources attributable
- 55.15 to children in out-of-home placement for whom the county served as the representative
- 55.16 payee;
- 55.17 (4) the county's policies and standards regarding collection and use of these funds,
- 55.18 including:
- 55.19 (i) how long after a child is in out-of-home placement does the county agency become
- 55.20 the representative payee;
- 55.21 (ii) the disposition of any funds that exceed the costs for out-of-home placement for a
- 55.22 child;
- 55.23 (iii) how the county complies with federal reporting requirements related to the use of
- 55.24 income and resources attributable to the child;
- 55.25 (iv) whether the county uses income and resources attributable to a child for out-of-home
- 55.26 placement costs for other children who do not receive federal cash assistance benefit
- 55.27 payments;
- 55.28 (v) whether the county seeks repayment of federal income and resources attributable to
- 55.29 a child from the child's parents, who may have received such payments or resources while
- 55.30 the child is in out-of-home placement, and the ratio of requests for repayment to funds
- 55.31 collected on an annual basis; and

56.1 (5) other information as determined by the commissioner.

56.2 (e) By January 15, 2025, the commissioner shall submit a report to the chairs and ranking
56.3 minority members of the legislative committees with jurisdiction over human services and
56.4 child welfare outlining the plan developed under this section. The report must include a
56.5 projected timeline for implementing the plan, estimated implementation costs, and any
56.6 legislative actions that may be required to implement the plan. The report must also include
56.7 data provided by counties related to the requirements for the parent or custodian of a child
56.8 to reimburse a county for the cost of care, examination, or treatment in subdivision (f), and
56.9 a list of counties that failed to provide complete information and data to the commissioner
56.10 or the commissioner's designee as required under paragraph (d).

56.11 (f) By December 15, 2023, every county shall provide the commissioner of human
56.12 services with the following data from fiscal years 2018 and 2021 in a form prescribed by
56.13 the commissioner:

56.14 (1) the nonduplicated number of cases in which the county received payments from a
56.15 parent or custodian of a child to reimburse the cost of care, examination, or treatment; and

56.16 (2) the total amount in payments that the county collected from a parent or custodian of
56.17 a child to reimburse the cost of care, examination or treatment.

56.18 (g) The commissioner may contract with an individual or entity to collect and analyze
56.19 financial data reported by counties in paragraphs (d) and (f).

56.20 **Sec. 31. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; CHILD**
56.21 **PROTECTION INFORMATION TECHNOLOGY SYSTEM REVIEW.**

56.22 (a) The commissioner of human services must contract with an independent consultant
56.23 to perform a thorough evaluation of the social services information system (SSIS), which
56.24 supports the child protection system in Minnesota. The consultant must make
56.25 recommendations for improving the current system for usability, system performance, and
56.26 federal Comprehensive Child Welfare Information System compliance, and must address
56.27 technical problems and identify any unnecessary or unduly burdensome data entry
56.28 requirements that have contributed to system capacity issues. The consultant must assist
56.29 the commissioner with selecting a platform for future development of an information
56.30 technology system for child protection.

56.31 (b) The commissioner of human services must conduct a study and develop
56.32 recommendations to streamline and reduce SSIS data entry requirements for child protection
56.33 cases. The study must be completed in partnership with local social services agencies and

57.1 others, as determined by the commissioner. By June 30, 2024, the commissioner must
57.2 provide a status report to the chairs and ranking minority members of the legislative
57.3 committees with jurisdiction over child protection. The status report must include information
57.4 about procedures for soliciting ongoing user input from stakeholders, progress on solicitation
57.5 and hiring of a consultant to conduct the system evaluation required under paragraph (a),
57.6 and a report on progress and completed efforts to streamline data entry requirements and
57.7 improve user experience.

57.8 **ARTICLE 3**

57.9 **CHILD SUPPORT**

57.10 Section 1. Minnesota Statutes 2022, section 518A.31, is amended to read:

57.11 **518A.31 SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS** 57.12 **RECEIVED ON BEHALF OF THE CHILD.**

57.13 (a) The amount of the monthly Social Security benefits or apportioned veterans' benefits
57.14 provided for a joint child shall be included in the gross income of the parent on whose
57.15 eligibility the benefits are based.

57.16 (b) The amount of the monthly survivors' and dependents' educational assistance provided
57.17 for a joint child shall be included in the gross income of the parent on whose eligibility the
57.18 benefits are based.

57.19 (c) If Social Security or apportioned veterans' benefits are provided for a joint child
57.20 based on the eligibility of the obligor, and are received by the obligee as a representative
57.21 payee for the child or by the child attending school, then the amount of the benefits shall
57.22 also be subtracted from the obligor's net child support obligation as calculated pursuant to
57.23 section 518A.34.

57.24 (d) If the survivors' and dependents' educational assistance is provided for a joint child
57.25 based on the eligibility of the obligor, and is received by the obligee as a representative
57.26 payee for the child or by the child attending school, then the amount of the assistance shall
57.27 also be subtracted from the obligor's net child support obligation as calculated under section
57.28 518A.34.

57.29 (e) Upon a motion to modify child support, any regular or lump sum payment of Social
57.30 Security or apportioned veterans' benefit received by the obligee for the benefit of the joint
57.31 child based upon the obligor's disability prior to filing the motion to modify may be used
57.32 to satisfy arrears that remain due for the period of time for which the benefit was received.

58.1 This paragraph applies only if the derivative benefit was not considered in the guidelines
 58.2 calculation of the previous child support order.

58.3 **EFFECTIVE DATE.** This section is effective January 1, 2025.

58.4 Sec. 2. Minnesota Statutes 2022, section 518A.32, subdivision 3, is amended to read:

58.5 Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed**
 58.6 **on a less than full-time basis.** A parent is not considered voluntarily unemployed,
 58.7 underemployed, or employed on a less than full-time basis upon a showing by the parent
 58.8 that:

58.9 (1) the unemployment, underemployment, or employment on a less than full-time basis
 58.10 is temporary and will ultimately lead to an increase in income;

58.11 (2) the unemployment, underemployment, or employment on a less than full-time basis
 58.12 represents a bona fide career change that outweighs the adverse effect of that parent's
 58.13 diminished income on the child; ~~or~~

58.14 (3) the unemployment, underemployment, or employment on a less than full-time basis
 58.15 is because a parent is physically or mentally incapacitated or due to incarceration; or

58.16 (4) a governmental agency authorized to determine eligibility for general assistance or
 58.17 supplemental Social Security income has determined that the individual is eligible to receive
 58.18 general assistance or supplemental Social Security income. Actual income earned by the
 58.19 parent may be considered for the purpose of calculating child support.

58.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

58.21 Sec. 3. Minnesota Statutes 2022, section 518A.32, subdivision 4, is amended to read:

58.22 Subd. 4. **TANF or MFIP recipient.** If the parent of a joint child is a recipient of a
 58.23 temporary assistance to a needy family (TANF) cash grant; or comparable state-funded
 58.24 Minnesota family investment program (MFIP) benefits, no potential income is to be imputed
 58.25 to that parent.

58.26 **EFFECTIVE DATE.** This section is effective January 1, 2025.

58.27 Sec. 4. Minnesota Statutes 2022, section 518A.34, is amended to read:

58.28 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

58.29 (a) To determine the presumptive child support obligation of a parent, the court shall
 58.30 follow the procedure set forth in this section.

59.1 (b) To determine the obligor's basic support obligation, the court shall:

59.2 (1) determine the gross income of each parent under section 518A.29;

59.3 (2) calculate the parental income for determining child support (PICS) of each parent,
59.4 by subtracting from the gross income the credit, if any, for each parent's nonjoint children
59.5 under section 518A.33;

59.6 (3) determine the percentage contribution of each parent to the combined PICS by
59.7 dividing the combined PICS into each parent's PICS;

59.8 (4) determine the combined basic support obligation by application of the guidelines in
59.9 section 518A.35;

59.10 (5) determine each parent's share of the combined basic support obligation by multiplying
59.11 the percentage figure from clause (3) by the combined basic support obligation in clause
59.12 (4); and

59.13 (6) apply the parenting expense adjustment formula provided in section 518A.36 to
59.14 determine the obligor's basic support obligation.

59.15 (c) If the parents have split custody of joint children, child support must be calculated
59.16 for each joint child as follows:

59.17 (1) the court shall determine each parent's basic support obligation under paragraph (b)
59.18 and include the amount of each parent's obligation in the court order. If the basic support
59.19 calculation results in each parent owing support to the other, the court shall offset the higher
59.20 basic support obligation with the lower basic support obligation to determine the amount
59.21 to be paid by the parent with the higher obligation to the parent with the lower obligation.
59.22 For the purpose of the cost-of-living adjustment required under section 518A.75, the
59.23 adjustment must be based on each parent's basic support obligation prior to offset. For the
59.24 purposes of this paragraph, "split custody" means that there are two or more joint children
59.25 and each parent has at least one joint child more than 50 percent of the time;

59.26 (2) if each parent pays all child care expenses for at least one joint child, the court shall
59.27 calculate child care support for each joint child as provided in section 518A.40. The court
59.28 shall determine each parent's child care support obligation and include the amount of each
59.29 parent's obligation in the court order. If the child care support calculation results in each
59.30 parent owing support to the other, the court shall offset the higher child care support
59.31 obligation with the lower child care support obligation to determine the amount to be paid
59.32 by the parent with the higher obligation to the parent with the lower obligation; and

60.1 (3) if each parent pays all medical or dental insurance expenses for at least one joint
60.2 child, medical support shall be calculated for each joint child as provided in section 518A.41.
60.3 The court shall determine each parent's medical support obligation and include the amount
60.4 of each parent's obligation in the court order. If the medical support calculation results in
60.5 each parent owing support to the other, the court shall offset the higher medical support
60.6 obligation with the lower medical support obligation to determine the amount to be paid by
60.7 the parent with the higher obligation to the parent with the lower obligation. Unreimbursed
60.8 and uninsured medical expenses are not included in the presumptive amount of support
60.9 owed by a parent and are calculated and collected as provided in section 518A.41.

60.10 (d) The court shall determine the child care support obligation for the obligor as provided
60.11 in section 518A.40.

60.12 (e) The court shall determine the medical support obligation for each parent as provided
60.13 in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the
60.14 presumptive amount of support owed by a parent and are calculated and collected as described
60.15 in section 518A.41.

60.16 (f) The court shall determine each parent's total child support obligation by adding
60.17 together each parent's basic support, child care support, and health care coverage obligations
60.18 as provided in this section.

60.19 (g) If Social Security benefits or veterans' benefits are received by one parent as a
60.20 representative payee for a joint child based on the other parent's eligibility, the court shall
60.21 subtract the amount of benefits from the other parent's net child support obligation, if any.
60.22 Any benefit received by the obligee for the benefit of the joint child based upon the obligor's
60.23 disability or past earnings in any given month in excess of the child support obligation must
60.24 not be treated as an arrearage payment or a future payment.

60.25 (h) The final child support order shall separately designate the amount owed for basic
60.26 support, child care support, and medical support. If applicable, the court shall use the
60.27 self-support adjustment and minimum support adjustment under section 518A.42 to determine
60.28 the obligor's child support obligation.

60.29 **EFFECTIVE DATE.** This section is effective January 1, 2025.

60.30 Sec. 5. Minnesota Statutes 2022, section 518A.41, is amended to read:

60.31 **518A.41 MEDICAL SUPPORT.**

60.32 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and
60.33 chapter 518.

61.1 (a) "Health care coverage" means ~~medical, dental, or other health care benefits that are~~
 61.2 ~~provided by one or more health plans. Health care coverage does not include any form of~~
 61.3 ~~public coverage~~ private health care coverage, including fee for service, health maintenance
 61.4 organization, preferred provider organization, and other types of private health care coverage.
 61.5 Health care coverage also means public health care coverage under which medical or dental
 61.6 services could be provided to a dependent child.

61.7 (b) ~~"Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and~~
 61.8 ~~62L.02, subdivision 16.~~

61.9 (c) ~~"Health plan"~~ (b) "Private health care coverage" means a health plan, other than any
 61.10 ~~form of public coverage,~~ that provides medical, dental, or other health care benefits and is:

61.11 (1) provided on an individual or group basis;

61.12 (2) provided by an employer or union;

61.13 (3) purchased in the private market; ~~or~~

61.14 (4) provided through MinnesotaCare under chapter 256L; or

61.15 ~~(4)~~ (5) available to a person eligible to carry insurance for the joint child, including a
 61.16 party's spouse or parent.

61.17 ~~Health plan~~ Private health care coverage includes, but is not limited to, a health plan meeting
 61.18 the definition under section 62A.011, subdivision 3, except that the exclusion of coverage
 61.19 designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause
 61.20 (6), does not apply to the definition of ~~health plan~~ private health care coverage under this
 61.21 section; a group health plan governed under the federal Employee Retirement Income
 61.22 Security Act of 1974 (ERISA); a self-insured plan under sections 43A.23 to 43A.317 and
 61.23 471.617; and a policy, contract, or certificate issued by a community-integrated service
 61.24 network licensed under chapter 62N.

61.25 (c) "Public health care coverage" means health care benefits provided by any form of
 61.26 medical assistance under chapter 256B. Public health care coverage does not include
 61.27 MinnesotaCare or health plans subsidized by federal premium tax credits or federal
 61.28 cost-sharing reductions.

61.29 (d) "Medical support" means providing health care coverage for a joint child ~~by carrying~~
 61.30 ~~health care coverage for the joint child or~~ by contributing to the cost of health care coverage,
 61.31 ~~public coverage,~~ unreimbursed ~~medical~~ health-related expenses, and uninsured ~~medical~~
 61.32 health-related expenses of the joint child.

62.1 (e) "National medical support notice" means an administrative notice issued by the public
 62.2 authority to enforce health insurance provisions of a support order in accordance with Code
 62.3 of Federal Regulations, title 45, section 303.32, in cases where the public authority provides
 62.4 support enforcement services.

62.5 ~~(f) "Public coverage" means health care benefits provided by any form of medical~~
 62.6 ~~assistance under chapter 256B. Public coverage does not include MinnesotaCare or health~~
 62.7 ~~plans subsidized by federal premium tax credits or federal cost-sharing reductions.~~

62.8 ~~(g)~~ (f) "Uninsured medical health-related expenses" means a joint child's reasonable and
 62.9 necessary ~~health-related~~ medical and dental expenses if the joint child is not covered by a
 62.10 ~~health plan or public coverage~~ private health insurance care when the expenses are incurred.

62.11 ~~(h)~~ (g) "Unreimbursed medical health-related expenses" means a joint child's reasonable
 62.12 and necessary ~~health-related~~ medical and dental expenses if a joint child is covered by a
 62.13 ~~health plan or public coverage~~ health care coverage and ~~the plan or~~ health care coverage
 62.14 does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed
 62.15 ~~medical health-related~~ expenses do not include the cost of premiums. Unreimbursed ~~medical~~
 62.16 health-related expenses include, but are not limited to, deductibles, co-payments, and
 62.17 expenses for orthodontia, and prescription eyeglasses and contact lenses, but not
 62.18 over-the-counter medications if ~~coverage is under a health plan~~ provided through health
 62.19 care coverage.

62.20 Subd. 2. **Order.** (a) A completed national medical support notice issued by the public
 62.21 authority or a court order that complies with this section is a qualified medical child support
 62.22 order under the federal Employee Retirement Income Security Act of 1974 (ERISA), United
 62.23 States Code, title 29, section 1169(a).

62.24 (b) Every order addressing child support must state:

62.25 (1) the names, last known addresses, and Social Security numbers of the parents and the
 62.26 joint child that is a subject of the order unless the court prohibits the inclusion of an address
 62.27 or Social Security number and orders the parents to provide the address and Social Security
 62.28 number to the administrator of the health plan;

62.29 (2) ~~if a joint child is not presently enrolled in health care coverage~~, whether appropriate
 62.30 health care coverage for the joint child is available and, if so, state:

62.31 (i) the parents' responsibilities for carrying health care coverage;

62.32 (ii) the cost of premiums and how the cost is allocated between the parents; ~~and~~

63.1 (iii) the circumstances, if any, under which an obligation to provide private health care
63.2 coverage for the joint child will shift from one parent to the other; and

63.3 ~~(3) if appropriate health care coverage is not available for the joint child;~~ (iv) whether
63.4 a contribution for ~~medical support~~ public health care coverage is required; and

63.5 ~~(4)~~ (3) how unreimbursed or uninsured ~~medical~~ health-related expenses will be allocated
63.6 between the parents.

63.7 Subd. 3. **Determining appropriate health care coverage.** Public health care coverage
63.8 is presumed appropriate. In determining whether a parent has appropriate private health
63.9 care coverage for the joint child, the court must consider the following factors:

63.10 (1) comprehensiveness of private health care coverage providing medical benefits.
63.11 Dependent private health care coverage providing medical benefits is presumed
63.12 comprehensive if it includes medical and hospital coverage and provides for preventive,
63.13 emergency, acute, and chronic care; or if it meets the minimum essential coverage definition
63.14 in United States Code, title 26, section 5000A(f). If both parents have private health care
63.15 coverage providing medical benefits that is presumed comprehensive under this paragraph,
63.16 the court must determine which parent's private health care coverage is more comprehensive
63.17 by considering what other benefits are included in the private health care coverage;

63.18 (2) accessibility. Dependent private health care coverage is accessible if the covered
63.19 joint child can obtain services from a health plan provider with reasonable effort by the
63.20 parent with whom the joint child resides. Private health care coverage is presumed accessible
63.21 if:

63.22 (i) primary care is available within 30 minutes or 30 miles of the joint child's residence
63.23 and specialty care is available within 60 minutes or 60 miles of the joint child's residence;

63.24 (ii) the private health care coverage is available through an employer and the employee
63.25 can be expected to remain employed for a reasonable amount of time; and

63.26 (iii) no preexisting conditions exist to unduly delay enrollment in private health care
63.27 coverage;

63.28 (3) the joint child's special medical needs, if any; and

63.29 (4) affordability. Dependent private health care coverage is presumed affordable if it is
63.30 ~~reasonable in cost.~~ If both parents have health care coverage available for a joint child that
63.31 ~~is comparable with regard to comprehensiveness of medical benefits, accessibility, and the~~
63.32 ~~joint child's special needs, the least costly health care coverage is presumed to be the most~~
63.33 ~~appropriate health care coverage for the joint child~~ the premium to cover the marginal cost

64.1 of the joint child does not exceed five percent of the parents' combined monthly PICS. A
64.2 court may additionally consider high deductibles and the cost to enroll the parent if the
64.3 parent must enroll themselves in private health care coverage to access private health care
64.4 coverage for the child.

64.5 Subd. 4. **Ordering health care coverage.** ~~(a) If a joint child is presently enrolled in~~
64.6 ~~health care coverage, the court must order that the parent who currently has the joint child~~
64.7 ~~enrolled continue that enrollment unless the parties agree otherwise or a party requests a~~
64.8 ~~change in coverage and the court determines that other health care coverage is more~~
64.9 ~~appropriate.~~

64.10 ~~(b) If a joint child is not presently enrolled in health care coverage providing medical~~
64.11 ~~benefits, upon motion of a parent or the public authority, the court must determine whether~~
64.12 ~~one or both parents have appropriate health care coverage providing medical benefits for~~
64.13 ~~the joint child.~~

64.14 (a) If a joint child is presently enrolled in health care coverage, the court shall order that
64.15 the parent who currently has the joint child enrolled in health care coverage continue that
64.16 enrollment if the health care coverage is appropriate as defined under subdivision 3.

64.17 ~~(e)~~ (b) If only one parent has appropriate health care coverage providing medical benefits
64.18 available, the court must order that parent to carry the coverage for the joint child.

64.19 ~~(d)~~ (c) If both parents have appropriate health care coverage providing medical benefits
64.20 available, the court must order the parent with whom the joint child resides to carry the
64.21 health care coverage for the joint child, unless:

64.22 (1) a party expresses a preference for private health care coverage providing medical
64.23 benefits available through the parent with whom the joint child does not reside;

64.24 (2) the parent with whom the joint child does not reside is already carrying dependent
64.25 private health care coverage providing medical benefits for other children and the cost of
64.26 contributing to the premiums of the other parent's health care coverage would cause the
64.27 parent with whom the joint child does not reside extreme hardship; or

64.28 (3) the parties agree as to which parent will carry health care coverage providing medical
64.29 benefits and agree on the allocation of costs.

64.30 ~~(e)~~ (d) If the exception in paragraph ~~(d)~~ (c), clause (1) or (2), applies, the court must
64.31 determine which parent has the most appropriate health care coverage providing medical
64.32 benefits available and order that parent to carry health care coverage for the joint child.

65.1 ~~(f)~~ (e) If neither parent has appropriate health care coverage available, the court must
65.2 order the parents to:

65.3 (1) contribute toward the actual health care costs of the joint children based on a pro
65.4 rata share; ~~or,~~

65.5 (2) ~~if the joint child is receiving any form of public coverage, the parent with whom the~~
65.6 ~~joint child does not reside shall contribute a monthly amount toward the actual cost of public~~
65.7 ~~coverage. The amount of the noncustodial parent's contribution is determined by applying~~
65.8 ~~the noncustodial parent's PICS to the premium scale for MinnesotaCare under section~~
65.9 ~~256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility~~
65.10 ~~requirements for MinnesotaCare, the contribution is the amount the noncustodial parent~~
65.11 ~~would pay for the child's premium. If the noncustodial parent's PICS exceeds the eligibility~~
65.12 ~~requirements, the contribution is the amount of the premium for the highest eligible income~~
65.13 ~~on the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph~~
65.14 ~~(d). For purposes of determining the premium amount, the noncustodial parent's household~~
65.15 ~~size is equal to one parent plus the child or children who are the subject of the child support~~
65.16 ~~order. The custodial parent's obligation is determined under the requirements for public~~
65.17 ~~coverage as set forth in chapter 256B; or~~

65.18 (3) ~~if the noncustodial parent's PICS meet the eligibility requirement for public coverage~~
65.19 ~~under chapter 256B or the noncustodial parent receives public assistance, the noncustodial~~
65.20 ~~parent must not be ordered to contribute toward the cost of public coverage.~~

65.21 ~~(g)~~ (f) If neither parent has appropriate health care coverage available, the court may
65.22 order the parent with whom the child resides to apply for public health care coverage for
65.23 the child.

65.24 ~~(h) The commissioner of human services must publish a table with the premium schedule~~
65.25 ~~for public coverage and update the chart for changes to the schedule by July 1 of each year.~~

65.26 ~~(i)~~ (g) If a joint child is not presently enrolled in private health care coverage providing
65.27 dental benefits, upon motion of a parent or the public authority, the court must determine
65.28 whether one or both parents have appropriate ~~dental~~ private health care coverage providing
65.29 dental benefits for the joint child, and the court may order a parent with appropriate ~~dental~~
65.30 private health care coverage providing dental benefits available to carry the health care
65.31 coverage for the joint child.

65.32 ~~(j)~~ (h) If a joint child is not presently enrolled in available private health care coverage
65.33 providing benefits other than medical benefits or dental benefits, upon motion of a parent
65.34 or the public authority, the court may determine whether ~~that other~~ private health care

66.1 coverage providing other health benefits for the joint child is appropriate, and the court may
66.2 order a parent with that appropriate private health care coverage available to carry the
66.3 coverage for the joint child.

66.4 Subd. 5. **Medical support costs; unreimbursed and uninsured ~~medical~~ health-related**
66.5 **expenses.** (a) Unless otherwise agreed to by the parties and approved by the court, the court
66.6 must order that the cost of private health care coverage and all unreimbursed and uninsured
66.7 ~~medical~~ health-related expenses ~~under the health plan~~ be divided between the obligor and
66.8 obligee based on their proportionate share of the parties' combined monthly PICS. The
66.9 amount allocated for medical support is considered child support but is not subject to a
66.10 cost-of-living adjustment under section 518A.75.

66.11 (b) If a party owes a ~~joint-child~~ basic support obligation for a joint child and is ordered
66.12 to carry private health care coverage for the joint child, and the other party is ordered to
66.13 contribute to the carrying party's cost for coverage, the carrying party's ~~child~~ basic support
66.14 payment must be reduced by the amount of the contributing party's contribution.

66.15 (c) If a party owes a ~~joint-child~~ basic support obligation for a joint child and is ordered
66.16 to contribute to the other party's cost for carrying private health care coverage for the joint
66.17 child, the contributing party's child support payment must be increased by the amount of
66.18 the contribution. The contribution toward private health care coverage must not be charged
66.19 in any month in which the party ordered to carry private health care coverage fails to maintain
66.20 private coverage.

66.21 (d) If the party ordered to carry private health care coverage for the joint child already
66.22 carries dependent private health care coverage for other dependents and would incur no
66.23 additional premium costs to add the joint child to the existing health care coverage, the court
66.24 must not order the other party to contribute to the premium costs for health care coverage
66.25 of the joint child.

66.26 (e) If a party ordered to carry private health care coverage for the joint child does not
66.27 already carry dependent private health care coverage but has other dependents who may be
66.28 added to the ordered health care coverage, the full premium costs of the dependent private
66.29 health care coverage must be allocated between the parties in proportion to the party's share
66.30 of the parties' combined monthly PICS, unless the parties agree otherwise.

66.31 (f) If a party ordered to carry private health care coverage for the joint child is required
66.32 to enroll in a health plan so that the joint child can be enrolled in dependent private health
66.33 care coverage under the plan, the court must allocate the costs of the dependent private
66.34 health care coverage between the parties. The costs of the private health care coverage for

67.1 the party ordered to carry the health care coverage for the joint child must not be allocated
67.2 between the parties.

67.3 (g) If the joint child is receiving any form of public health care coverage:

67.4 (1) the parent with whom the joint child does not reside shall contribute a monthly
67.5 amount toward the actual cost of public health care coverage. The amount of the noncustodial
67.6 parent's contribution is determined by applying the noncustodial parent's PICS to the premium
67.7 scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the
67.8 noncustodial parent's PICS meets the eligibility requirements for MinnesotaCare, the
67.9 contribution is the amount that the noncustodial parent would pay for the child's premium;

67.10 (2) if the noncustodial parent's PICS exceeds the eligibility requirements, the contribution
67.11 is the amount of the premium for the highest eligible income on the premium scale for
67.12 MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). For purposes of
67.13 determining the premium amount, the noncustodial parent's household size is equal to one
67.14 parent plus the child or children who are the subject of the order;

67.15 (3) the custodial parent's obligation is determined under the requirements for public
67.16 health care coverage in chapter 256B; or

67.17 (4) if the noncustodial parent's PICS is less than 200 percent of the federal poverty
67.18 guidelines for one person or the noncustodial parent receives public assistance, the
67.19 noncustodial parent must not be ordered to contribute toward the cost of public health care
67.20 coverage.

67.21 (h) The commissioner of human services must publish a table for section 256L.15,
67.22 subdivision 2, paragraph (d), and update the table with changes to the schedule by July 1
67.23 of each year.

67.24 **Subd. 6. Notice or court order sent to party's employer, union, or health carrier. (a)**
67.25 The public authority must forward a copy of the national medical support notice or court
67.26 order for private health care coverage to the party's employer within two business days after
67.27 the date the party is entered into the work reporting system under section 256.998.

67.28 (b) The public authority or a party seeking to enforce an order for private health care
67.29 coverage must forward a copy of the national medical support notice or court order to the
67.30 obligor's employer or union, or to the health carrier under the following circumstances:

67.31 (1) the party ordered to carry private health care coverage for the joint child fails to
67.32 provide written proof to the other party or the public authority, within 30 days of the effective

68.1 date of the court order, that the party has applied for private health care coverage for the
68.2 joint child;

68.3 (2) the party seeking to enforce the order or the public authority gives written notice to
68.4 the party ordered to carry private health care coverage for the joint child of its intent to
68.5 enforce medical support. The party seeking to enforce the order or public authority must
68.6 mail the written notice to the last known address of the party ordered to carry private health
68.7 care coverage for the joint child; and

68.8 (3) the party ordered to carry private health care coverage for the joint child fails, within
68.9 15 days after the date on which the written notice under clause (2) was mailed, to provide
68.10 written proof to the other party or the public authority that the party has applied for private
68.11 health care coverage for the joint child.

68.12 (c) The public authority is not required to forward a copy of the national medical support
68.13 notice or court order to the obligor's employer or union, or to the health carrier, if the court
68.14 orders private health care coverage for the joint child that is not employer-based or
68.15 union-based coverage.

68.16 **Subd. 7. Employer or union requirements.** (a) An employer or union must forward
68.17 the national medical support notice or court order to its health plan within 20 business days
68.18 after the date on the national medical support notice or after receipt of the court order.

68.19 (b) Upon determination by an employer's or union's health plan administrator that a joint
68.20 child is eligible to be covered under the health plan, the employer or union and health plan
68.21 must enroll the joint child as a beneficiary in the health plan, and the employer must withhold
68.22 any required premiums from the income or wages of the party ordered to carry health care
68.23 coverage for the joint child.

68.24 (c) If enrollment of the party ordered to carry private health care coverage for a joint
68.25 child is necessary to obtain dependent private health care coverage under the plan, and the
68.26 party is not enrolled in the health plan, the employer or union must enroll the party in the
68.27 plan.

68.28 (d) Enrollment of dependents and, if necessary, the party ordered to carry private health
68.29 care coverage for the joint child must be immediate and not dependent upon open enrollment
68.30 periods. Enrollment is not subject to the underwriting policies under section 62A.048.

68.31 (e) Failure of the party ordered to carry private health care coverage for the joint child
68.32 to execute any documents necessary to enroll the dependent in the health plan does not
68.33 affect the obligation of the employer or union and health plan to enroll the dependent in a

69.1 plan. Information and authorization provided by the public authority, or by a party or
69.2 guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

69.3 (f) An employer or union that is included under the federal Employee Retirement Income
69.4 Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), may not deny
69.5 enrollment to the joint child or to the parent if necessary to enroll the joint child based on
69.6 exclusionary clauses described in section 62A.048.

69.7 (g) A new employer or union of a party who is ordered to provide private health care
69.8 coverage for a joint child must enroll the joint child in the party's health plan as required
69.9 by a national medical support notice or court order.

69.10 Subd. 8. **Health plan requirements.** (a) If a health plan administrator receives a
69.11 completed national medical support notice or court order, the plan administrator must notify
69.12 the parties, and the public authority if the public authority provides support enforcement
69.13 services, within 40 business days after the date of the notice or after receipt of the court
69.14 order, of the following:

69.15 (1) whether health care coverage is available to the joint child under the terms of the
69.16 health plan and, if not, the reason why health care coverage is not available;

69.17 (2) whether the joint child is covered under the health plan;

69.18 (3) the effective date of the joint child's coverage under the health plan; and

69.19 (4) what steps, if any, are required to effectuate the joint child's coverage under the health
69.20 plan.

69.21 (b) If the employer or union offers more than one plan and the national medical support
69.22 notice or court order does not specify the plan to be carried, the plan administrator must
69.23 notify the parents and the public authority if the public authority provides support
69.24 enforcement services. When there is more than one option available under the plan, the
69.25 public authority, in consultation with the parent with whom the joint child resides, must
69.26 promptly select from available plan options.

69.27 (c) The plan administrator must provide the parents and public authority, if the public
69.28 authority provides support enforcement services, with a notice of the joint child's enrollment,
69.29 description of the health care coverage, and any documents necessary to effectuate coverage.

69.30 (d) The health plan must send copies of all correspondence regarding the private health
69.31 care coverage to the parents.

70.1 (e) An insured joint child's parent's signature is a valid authorization to a health plan for
70.2 purposes of processing an insurance reimbursement payment to the medical services provider
70.3 or to the parent, if medical services have been prepaid by that parent.

70.4 Subd. 9. **Employer or union liability.** (a) An employer or union that willfully fails to
70.5 comply with the order or notice is liable for any uninsured ~~medical~~ health-related expenses
70.6 incurred by the dependents while the dependents were eligible to be enrolled in the health
70.7 plan and for any other premium costs incurred because the employer or union willfully
70.8 failed to comply with the order or notice.

70.9 (b) An employer or union that fails to comply with the order or notice is subject to a
70.10 contempt finding, a \$250 civil penalty under section 518A.73, and is subject to a civil penalty
70.11 of \$500 to be paid to the party entitled to reimbursement or the public authority. Penalties
70.12 paid to the public authority are designated for child support enforcement services.

70.13 Subd. 10. **Contesting enrollment.** (a) A party may contest a joint child's enrollment in
70.14 a health plan on the limited grounds that the enrollment is improper due to mistake of fact
70.15 or that the enrollment meets the requirements of section 518.145.

70.16 (b) If the party chooses to contest the enrollment, the party must do so no later than 15
70.17 days after the employer notifies the party of the enrollment by doing the following:

70.18 (1) filing a motion in district court or according to section 484.702 and the expedited
70.19 child support process rules if the public authority provides support enforcement services;

70.20 (2) serving the motion on the other party and public authority if the public authority
70.21 provides support enforcement services; and

70.22 (3) securing a date for the matter to be heard no later than 45 days after the notice of
70.23 enrollment.

70.24 (c) The enrollment must remain in place while the party contests the enrollment.

70.25 Subd. 11. **Disenrollment; continuation of coverage; coverage options.** (a) Unless a
70.26 court order provides otherwise, a child for whom a party is required to provide private health
70.27 care coverage under this section must be covered as a dependent of the party until the child
70.28 is emancipated, until further order of the court, or as consistent with the terms of the health
70.29 care coverage.

70.30 (b) The health carrier, employer, or union may not disenroll or eliminate health care
70.31 coverage for the child unless:

71.1 (1) the health carrier, employer, or union is provided satisfactory written evidence that
71.2 the court order is no longer in effect;

71.3 (2) the joint child is or will be enrolled in comparable private health care coverage
71.4 through another health plan that will take effect no later than the effective date of the
71.5 disenrollment;

71.6 (3) the employee is no longer eligible for dependent health care coverage; or

71.7 (4) the required premium has not been paid by or on behalf of the joint child.

71.8 (c) The health plan must provide 30 days' written notice to the joint child's parents, and
71.9 the public authority if the public authority provides support enforcement services, before
71.10 the health plan disenrolls or eliminates the joint child's health care coverage.

71.11 (d) A joint child enrolled in private health care coverage under a qualified medical child
71.12 support order, including a national medical support notice, under this section is a dependent
71.13 and a qualified beneficiary under the Consolidated Omnibus Budget and Reconciliation Act
71.14 of 1985 (COBRA), Public Law 99-272. Upon expiration of the order, the joint child is
71.15 entitled to the opportunity to elect continued health care coverage that is available under
71.16 the health plan. The employer or union must provide notice to the parties and the public
71.17 authority, if it provides support services, within ten days of the termination date.

71.18 (e) If the public authority provides support enforcement services and a plan administrator
71.19 reports to the public authority that there is more than one coverage option available under
71.20 the health plan, the public authority, in consultation with the parent with whom the joint
71.21 child resides, must promptly select health care coverage from the available options.

71.22 Subd. 12. **Spousal or former spousal coverage.** The court must require the parent with
71.23 whom the joint child does not reside to provide dependent private health care coverage for
71.24 the benefit of the parent with whom the joint child resides if the parent with whom the child
71.25 does not reside is ordered to provide dependent private health care coverage for the parties'
71.26 joint child and adding the other parent to the health care coverage results in no additional
71.27 premium cost.

71.28 Subd. 13. **Disclosure of information.** (a) If the public authority provides support
71.29 enforcement services, the parties must provide the public authority with the following
71.30 information:

71.31 (1) information relating to dependent health care coverage ~~or public coverage~~ available
71.32 for the benefit of the joint child for whom support is sought, including all information
71.33 required to be included in a medical support order under this section;

72.1 (2) verification that application for court-ordered health care coverage was made within
72.2 30 days of the court's order; and

72.3 (3) the reason that a joint child is not enrolled in court-ordered health care coverage, if
72.4 a joint child is not enrolled in health care coverage or subsequently loses health care coverage.

72.5 (b) Upon request from the public authority under section 256.978, an employer, union,
72.6 or plan administrator, including an employer subject to the federal Employee Retirement
72.7 Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), must
72.8 provide the public authority the following information:

72.9 (1) information relating to dependent private health care coverage available to a party
72.10 for the benefit of the joint child for whom support is sought, including all information
72.11 required to be included in a medical support order under this section; and

72.12 (2) information that will enable the public authority to determine whether a health plan
72.13 is appropriate for a joint child, including, but not limited to, all available plan options, any
72.14 geographic service restrictions, and the location of service providers.

72.15 (c) The employer, union, or plan administrator must not release information regarding
72.16 one party to the other party. The employer, union, or plan administrator must provide both
72.17 parties with insurance identification cards and all necessary written information to enable
72.18 the parties to utilize the insurance benefits for the covered dependent.

72.19 (d) The public authority is authorized to release to a party's employer, union, or health
72.20 plan information necessary to verify availability of dependent private health care coverage,
72.21 or to establish, modify, or enforce medical support.

72.22 (e) An employee must disclose to an employer if medical support is required to be
72.23 withheld under this section and the employer must begin withholding according to the terms
72.24 of the order and under section 518A.53. If an employee discloses an obligation to obtain
72.25 private health care coverage and health care coverage is available through the employer,
72.26 the employer must make all application processes known to the individual and enroll the
72.27 employee and dependent in the plan.

72.28 Subd. 14. **Child support enforcement services.** The public authority must take necessary
72.29 steps to establish, enforce, and modify an order for medical support if the joint child receives
72.30 public assistance or a party completes an application for services from the public authority
72.31 under section 518A.51.

72.32 Subd. 15. **Enforcement.** (a) Remedies available for collecting and enforcing child
72.33 support apply to medical support.

73.1 (b) For the purpose of enforcement, the following are additional support:

73.2 (1) the costs of individual or group health or hospitalization coverage;

73.3 (2) dental coverage;

73.4 (3) medical costs ordered by the court to be paid by either party, including health care
73.5 coverage premiums paid by the obligee because of the obligor's failure to obtain health care
73.6 coverage as ordered; and

73.7 (4) liabilities established under this subdivision.

73.8 (c) A party who fails to carry court-ordered dependent private health care coverage is
73.9 liable for the joint child's uninsured ~~medical~~ health-related expenses unless a court order
73.10 provides otherwise. A party's failure to carry court-ordered health care coverage, or to
73.11 provide other medical support as ordered, is a basis for modification of medical support
73.12 under section 518A.39, subdivision 8, unless it meets the presumption in section 518A.39,
73.13 subdivision 2.

73.14 (d) Payments by the health carrier or employer for services rendered to the dependents
73.15 that are directed to a party not owed reimbursement must be endorsed over to and forwarded
73.16 to the vendor or appropriate party or the public authority. A party retaining insurance
73.17 reimbursement not owed to the party is liable for the amount of the reimbursement.

73.18 Subd. 16. **Offset.** (a) If a party is the parent with primary physical custody as defined
73.19 in section 518A.26, subdivision 17, and is an obligor ordered to contribute to the other
73.20 party's cost for carrying health care coverage for the joint child, the other party's child
73.21 support and spousal maintenance obligations are subject to an offset under subdivision 5.

73.22 (b) The public authority, if the public authority provides child support enforcement
73.23 services, may remove the offset to a party's child support obligation when:

73.24 (1) the party's court-ordered private health care coverage for the joint child terminates;

73.25 (2) the party does not enroll the joint child in other private health care coverage; and

73.26 (3) a modification motion is not pending.

73.27 The public authority must provide notice to the parties of the action. If neither party requests
73.28 a hearing, the public authority must remove the offset effective the first day of the month
73.29 following termination of the joint child's private health care coverage.

73.30 (c) The public authority, if the public authority provides child support enforcement
73.31 services, may resume the offset when the party ordered to provide private health care
73.32 coverage for the joint child has resumed the court-ordered private health care coverage or

74.1 enrolled the joint child in other private health care coverage. The public authority must
74.2 provide notice to the parties of the action. If neither party requests a hearing, the public
74.3 authority must resume the offset effective the first day of the month following certification
74.4 that private health care coverage is in place for the joint child.

74.5 (d) A party may contest the public authority's action to remove or resume the offset to
74.6 the child support obligation if the party makes a written request for a hearing within 30 days
74.7 after receiving written notice. If a party makes a timely request for a hearing, the public
74.8 authority must schedule a hearing and send written notice of the hearing to the parties by
74.9 mail to the parties' last known addresses at least 14 days before the hearing. The hearing
74.10 must be conducted in district court or in the expedited child support process if section
74.11 484.702 applies. The district court or child support magistrate must determine whether
74.12 removing or resuming the offset is appropriate and, if appropriate, the effective date for the
74.13 removal or resumption.

74.14 **Subd. 16a. Suspension or reinstatement of medical support contribution.** (a) If a
74.15 party is the parent with primary physical custody, as defined in section 518A.26, subdivision
74.16 17, and is ordered to carry private health care coverage for the joint child but fails to carry
74.17 the court-ordered private health care coverage, the public authority may suspend the medical
74.18 support obligation of the other party if that party has been court-ordered to contribute to the
74.19 cost of the private health care coverage carried by the parent with primary physical custody
74.20 of the joint child.

74.21 (b) If the public authority provides child support enforcement services, the public
74.22 authority may suspend the other party's medical support contribution toward private health
74.23 care coverage when:

74.24 (1) the party's court-ordered private health care coverage for the joint child terminates;

74.25 (2) the party does not enroll the joint child in other private health care coverage; and

74.26 (3) a modification motion is not pending.

74.27 The public authority must provide notice to the parties of the action. If neither party requests
74.28 a hearing, the public authority must remove the medical support contribution effective the
74.29 first day of the month following the termination of the joint child's private health care
74.30 coverage.

74.31 (c) If the public authority provides child support enforcement services, the public authority
74.32 may reinstate the medical support contribution when the party ordered to provide private
74.33 health care coverage for the joint child has resumed the joint child's court-ordered private

75.1 health care coverage or has enrolled the joint child in other private health care coverage.

75.2 The public authority must provide notice to the parties of the action. If neither party requests
75.3 a hearing, the public authority must resume the medical support contribution effective the
75.4 first day of the month following certification that the joint child is enrolled in private health
75.5 care coverage.

75.6 (d) A party may contest the public authority's action to suspend or reinstate the medical
75.7 support contribution if the party makes a written request for a hearing within 30 days after
75.8 receiving written notice. If a party makes a timely request for a hearing, the public authority
75.9 must schedule a hearing and send written notice of the hearing to the parties by mail to the
75.10 parties' last known addresses at least 14 days before the hearing. The hearing must be
75.11 conducted in district court or in the expedited child support process if section 484.702
75.12 applies. The district court or child support magistrate must determine whether suspending
75.13 or reinstating the medical support contribution is appropriate and, if appropriate, the effective
75.14 date of the removal or reinstatement of the medical support contribution.

75.15 **Subd. 17. Collecting unreimbursed or uninsured ~~medical~~ health-related expenses.** (a)
75.16 This subdivision and subdivision 18 apply when a court order has determined and ordered
75.17 the parties' proportionate share and responsibility to contribute to unreimbursed or uninsured
75.18 ~~medical~~ health-related expenses.

75.19 (b) A party requesting reimbursement of unreimbursed or uninsured ~~medical~~
75.20 health-related expenses must initiate a request to the other party within two years of the
75.21 date that the requesting party incurred the unreimbursed or uninsured ~~medical~~ health-related
75.22 expenses. If a court order has been signed ordering the contribution ~~towards~~ toward
75.23 unreimbursed or uninsured expenses, a two-year limitations provision must be applied to
75.24 any requests made on or after January 1, 2007. The provisions of this section apply
75.25 retroactively to court orders signed before January 1, 2007. Requests for unreimbursed or
75.26 uninsured expenses made on or after January 1, 2007, may include expenses incurred before
75.27 January 1, 2007, and on or after January 1, 2005.

75.28 (c) A requesting party must mail a written notice of intent to collect the unreimbursed
75.29 or uninsured ~~medical~~ health-related expenses and a copy of an affidavit of health care
75.30 expenses to the other party at the other party's last known address.

75.31 (d) The written notice must include a statement that the other party has 30 days from
75.32 the date the notice was mailed to (1) pay in full; (2) agree to a payment schedule; or (3) file
75.33 a motion requesting a hearing to contest the amount due or to set a court-ordered monthly
75.34 payment amount. If the public authority provides services, the written notice also must

76.1 include a statement that, if the other party does not respond within the 30 days, the requesting
76.2 party may submit the amount due to the public authority for collection.

76.3 (e) The affidavit of health care expenses must itemize and document the joint child's
76.4 unreimbursed or uninsured ~~medical~~ health-related expenses and include copies of all bills,
76.5 receipts, and insurance company explanations of benefits.

76.6 (f) If the other party does not respond to the request for reimbursement within 30 days,
76.7 the requesting party may commence enforcement against the other party under subdivision
76.8 18; file a motion for a court-ordered monthly payment amount under paragraph (i); or notify
76.9 the public authority, if the public authority provides services, that the other party has not
76.10 responded.

76.11 (g) The notice to the public authority must include: a copy of the written notice, a copy
76.12 of the affidavit of health care expenses, and copies of all bills, receipts, and insurance
76.13 company explanations of benefits.

76.14 (h) If noticed under paragraph (f), the public authority must serve the other party with
76.15 a notice of intent to enforce unreimbursed and uninsured ~~medical~~ health-related expenses
76.16 and file an affidavit of service by mail with the district court administrator. The notice must
76.17 state that the other party has 14 days to (1) pay in full; or (2) file a motion to contest the
76.18 amount due or to set a court-ordered monthly payment amount. The notice must also state
76.19 that if there is no response within 14 days, the public authority will commence enforcement
76.20 of the expenses as arrears under subdivision 18.

76.21 (i) To contest the amount due or set a court-ordered monthly payment amount, a party
76.22 must file a timely motion and schedule a hearing in district court or in the expedited child
76.23 support process if section 484.702 applies. The moving party must provide the other party
76.24 and the public authority, if the public authority provides services, with written notice at
76.25 least 14 days before the hearing by mailing notice of the hearing to the public authority and
76.26 to the requesting party at the requesting party's last known address. The moving party must
76.27 file the affidavit of health care expenses with the court at least five days before the hearing.
76.28 The district court or child support magistrate must determine liability for the expenses and
76.29 order that the liable party is subject to enforcement of the expenses as arrears under
76.30 subdivision 18 or set a court-ordered monthly payment amount.

76.31 Subd. 18. **Enforcing unreimbursed or uninsured ~~medical~~ health-related expenses**
76.32 **as arrears.** (a) Unreimbursed or uninsured ~~medical~~ health-related expenses enforced under
76.33 this subdivision are collected as arrears.

77.1 (b) If the liable party is the parent with primary physical custody as defined in section
77.2 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
77.3 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
77.4 or uninsured expenses remain after the deduction, the expenses must be collected as follows:

77.5 (1) If the requesting party owes a current child support obligation to the liable party, 20
77.6 percent of each payment received from the requesting party must be returned to the requesting
77.7 party. The total amount returned to the requesting party each month must not exceed 20
77.8 percent of the current monthly support obligation.

77.9 (2) If the requesting party does not owe current child support or arrears, a payment
77.10 agreement under section 518A.69 is required. If the liable party fails to enter into or comply
77.11 with a payment agreement, the requesting party or the public authority, if the public authority
77.12 provides services, may schedule a hearing to set a court-ordered payment. The requesting
77.13 party or the public authority must provide the liable party with written notice of the hearing
77.14 at least 14 days before the hearing.

77.15 (c) If the liable party is not the parent with primary physical custody as defined in section
77.16 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
77.17 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
77.18 or uninsured expenses remain after the deduction, the expenses must be added and collected
77.19 as arrears owed by the liable party.

77.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

77.21 Sec. 6. Minnesota Statutes 2022, section 518A.42, subdivision 1, is amended to read:

77.22 Subdivision 1. **Ability to pay.** (a) It is a rebuttable presumption that a child support
77.23 order should not exceed the obligor's ability to pay. To determine the amount of child support
77.24 the obligor has the ability to pay, the court shall follow the procedure set out in this section.

77.25 (b) The court shall calculate the obligor's income available for support by subtracting a
77.26 monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one
77.27 person from the obligor's parental income for determining child support (PICS). If benefits
77.28 under section 518A.31 are received by the obligee as a representative payee for a joint child
77.29 or are received by the child attending school, based on the other parent's eligibility, the court
77.30 shall subtract the amount of benefits from the obligor's PICS before subtracting the
77.31 self-support reserve. If the obligor's income available for support calculated under this
77.32 paragraph is equal to or greater than the obligor's support obligation calculated under section
77.33 518A.34, the court shall order child support under section 518A.34.

78.1 (c) If the obligor's income available for support calculated under paragraph (b) is more
78.2 than the minimum support amount under subdivision 2, but less than the guideline amount
78.3 under section 518A.34, then the court shall apply a reduction to the child support obligation
78.4 in the following order, until the support order is equal to the obligor's income available for
78.5 support:

78.6 (1) medical support obligation;

78.7 (2) child care support obligation; and

78.8 (3) basic support obligation.

78.9 (d) If the obligor's income available for support calculated under paragraph (b) is equal
78.10 to or less than the minimum support amount under subdivision 2 or if the obligor's gross
78.11 income is less than 120 percent of the federal poverty guidelines for one person, the minimum
78.12 support amount under subdivision 2 applies.

78.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

78.14 Sec. 7. Minnesota Statutes 2022, section 518A.42, subdivision 3, is amended to read:

78.15 Subd. 3. **Exception.** (a) This section does not apply to an obligor who is incarcerated
78.16 or is a recipient of a general assistance grant, Supplemental Security Income, temporary
78.17 assistance for needy families (TANF) grant or comparable state-funded Minnesota family
78.18 investment program (MFIP) benefits.

78.19 (b) If the court finds the obligor receives no income and completely lacks the ability to
78.20 earn income, the minimum basic support amount under this subdivision does not apply.

78.21 (c) If the obligor's basic support amount is reduced below the minimum basic support
78.22 amount due to the application of the parenting expense adjustment, the minimum basic
78.23 support amount under this subdivision does not apply and the lesser amount is the guideline
78.24 basic support.

78.25 **EFFECTIVE DATE.** This section is effective January 1, 2025.

78.26 Sec. 8. Minnesota Statutes 2022, section 518A.43, subdivision 1b, is amended to read:

78.27 Subd. 1b. **Increase in income of custodial parent.** In a modification of support under
78.28 section 518A.39, the court may deviate from the presumptive child support obligation under
78.29 section 518A.34 when the only change in circumstances is an increase to the custodial
78.30 parent's income and:

78.31 (1) the basic support increases;

79.1 ~~(2) the parties' combined gross income is \$6,000 or less; or~~

79.2 ~~(3) the obligor's income is \$2,000 or less.~~

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

79.4 Sec. 9. Minnesota Statutes 2022, section 518A.65, is amended to read:

79.5 **518A.65 DRIVER'S LICENSE SUSPENSION.**

79.6 (a) This paragraph is effective July 1, 2023. Upon motion of an obligee, which has been
79.7 properly served on the obligor and upon which there has been an opportunity for hearing,
79.8 if a court finds that the obligor has been or may be issued a driver's license by the
79.9 commissioner of public safety and the obligor is in arrears in court-ordered child support
79.10 or maintenance payments, or both, in an amount equal to or greater than three times the
79.11 obligor's total monthly support and maintenance payments and is not in compliance with a
79.12 written payment agreement pursuant to section 518A.69 that is approved by the court, a
79.13 child support magistrate, or the public authority, the court ~~shall~~ may order the commissioner
79.14 of public safety to suspend the obligor's driver's license. The court may consider the
79.15 circumstances in paragraph (i) to determine whether driver's license suspension is an
79.16 appropriate remedy that is likely to induce the payment of child support. The court may
79.17 consider whether driver's license suspension would have a direct harmful effect on the
79.18 obligor or joint children that would make driver's license suspension an inappropriate remedy.
79.19 The public authority may not administratively reinstate a driver's license suspended by the
79.20 court unless specifically authorized to do so in the court order. This paragraph expires
79.21 December 31, 2025.

79.22 (b) This paragraph is effective January 1, 2026. Upon motion of an obligee, which has
79.23 been properly served on the obligor and upon which there has been an opportunity for
79.24 hearing, if a court finds that the obligor has a valid driver's license issued by the commissioner
79.25 of public safety and the obligor is in arrears in court-ordered child support or maintenance
79.26 payments, or both, in an amount equal to or greater than three times the obligor's total
79.27 monthly support and maintenance payments and is not in compliance with a written payment
79.28 agreement pursuant to section 518A.69 that is approved by the court, a child support
79.29 magistrate, or the public authority, the court may order the commissioner of public safety
79.30 to suspend the obligor's driver's license. The court may consider the circumstances in
79.31 paragraph (i) to determine whether driver's license suspension is an appropriate remedy that
79.32 is likely to induce the payment of child support. The court may consider whether driver's
79.33 license suspension would have a direct harmful effect on the obligor or joint children that
79.34 would make driver's license suspension an inappropriate remedy. The public authority may

80.1 not administratively reinstate a driver's license suspended by the court unless specifically
80.2 authorized to do so in the court order.

80.3 (c) The court's order must be stayed for 90 days in order to allow the obligor to execute
80.4 a written payment agreement pursuant to section 518A.69. The payment agreement must
80.5 be approved by either the court or the public authority responsible for child support
80.6 enforcement. If the obligor has not executed or is not in compliance with a written payment
80.7 agreement pursuant to section 518A.69 after the 90 days expires, the court's order becomes
80.8 effective and the commissioner of public safety shall suspend the obligor's driver's license.
80.9 The remedy under this section is in addition to any other enforcement remedy available to
80.10 the court. An obligee may not bring a motion under this paragraph within 12 months of a
80.11 denial of a previous motion under this paragraph.

80.12 ~~(b)~~ (d) This paragraph is effective July 1, 2023. If a public authority responsible for child
80.13 support enforcement determines that the obligor has been or may be issued a driver's license
80.14 by the commissioner of public safety ~~and~~; the obligor is in arrears in court-ordered child
80.15 support or maintenance payments or both in an amount equal to or greater than three times
80.16 the obligor's total monthly support and maintenance payments and not in compliance with
80.17 a written payment agreement pursuant to section 518A.69 that is approved by the court, a
80.18 child support magistrate, or the public authority, the public authority shall direct the
80.19 commissioner of public safety to suspend the obligor's driver's license unless exercising
80.20 administrative discretion under paragraph (i). The remedy under this section is in addition
80.21 to any other enforcement remedy available to the public authority. This paragraph expires
80.22 December 31, 2025.

80.23 (e) This paragraph is effective January 1, 2026. If a public authority responsible for child
80.24 support enforcement determines that:

80.25 (1) the obligor has a valid driver's license issued by the commissioner of public safety;

80.26 (2) the obligor is in arrears in court-ordered child support or maintenance payments or
80.27 both in an amount equal to or greater than three times the obligor's total monthly support
80.28 and maintenance payments;

80.29 (3) the obligor is not in compliance with a written payment agreement pursuant to section
80.30 518A.69 that is approved by the court, a child support magistrate, or the public authority;
80.31 and

80.32 (4) the obligor's mailing address is known to the public authority;

81.1 then the public authority shall direct the commissioner of public safety to suspend the
81.2 obligor's driver's license unless exercising administrative discretion under paragraph (i).
81.3 The remedy under this section is in addition to any other enforcement remedy available to
81.4 the public authority.

81.5 ~~(e)~~ (f) At least 90 days prior to notifying the commissioner of public safety according
81.6 to paragraph ~~(b)~~ (d), the public authority must mail a written notice to the obligor at the
81.7 obligor's last known address, that it intends to seek suspension of the obligor's driver's
81.8 license and that the obligor must request a hearing within 30 days in order to contest the
81.9 suspension. If the obligor makes a written request for a hearing within 30 days of the date
81.10 of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the
81.11 obligor must be served with 14 days' notice in writing specifying the time and place of the
81.12 hearing and the allegations against the obligor. The notice must include information that
81.13 apprises the obligor of the requirement to develop a written payment agreement that is
81.14 approved by a court, a child support magistrate, or the public authority responsible for child
81.15 support enforcement regarding child support, maintenance, and any arrearages in order to
81.16 avoid license suspension. The notice may be served personally or by mail. If the public
81.17 authority does not receive a request for a hearing within 30 days of the date of the notice,
81.18 and the obligor does not execute a written payment agreement pursuant to section 518A.69
81.19 that is approved by the public authority within 90 days of the date of the notice, the public
81.20 authority shall direct the commissioner of public safety to suspend the obligor's driver's
81.21 license under paragraph ~~(b)~~ (d).

81.22 ~~(d)~~ (g) At a hearing requested by the obligor under paragraph ~~(e)~~ (f), and on finding that
81.23 the obligor is in arrears in court-ordered child support or maintenance payments or both in
81.24 an amount equal to or greater than three times the obligor's total monthly support and
81.25 maintenance payments, the district court or child support magistrate shall order the
81.26 commissioner of public safety to suspend the obligor's driver's license or operating privileges
81.27 unless:

81.28 (1) the court or child support magistrate determines that the obligor has executed and is
81.29 in compliance with a written payment agreement pursuant to section 518A.69 that is approved
81.30 by the court, a child support magistrate, or the public authority; or

81.31 (2) the court, in its discretion, determines that driver's license suspension is unlikely to
81.32 induce payment of child support or would have direct harmful effects on the obligor or joint
81.33 child that makes driver's license suspension an inappropriate remedy. The court may consider
81.34 the circumstances in paragraph (f) in exercising the court's discretion.

82.1 ~~(e)~~ (h) An obligor whose driver's license or operating privileges are suspended may:

82.2 (1) provide proof to the public authority responsible for child support enforcement that
82.3 the obligor is in compliance with all written payment agreements pursuant to section 518A.69;

82.4 (2) bring a motion for reinstatement of the driver's license. At the hearing, if the court
82.5 or child support magistrate orders reinstatement of the driver's license, the court or child
82.6 support magistrate must establish a written payment agreement pursuant to section 518A.69;
82.7 or

82.8 (3) seek a limited license under section 171.30. A limited license issued to an obligor
82.9 under section 171.30 expires 90 days after the date it is issued.

82.10 Within 15 days of the receipt of that proof or a court order, the public authority shall
82.11 inform the commissioner of public safety that the obligor's driver's license or operating
82.12 privileges should no longer be suspended.

82.13 (i) Prior to notifying the commissioner of public safety that an obligor's driver's license
82.14 should be suspended or after an obligor's driving privileges have been suspended, the public
82.15 authority responsible for child support enforcement may use administrative authority to end
82.16 the suspension process or inform the commissioner of public safety that the obligor's driving
82.17 privileges should no longer be suspended under any of the following circumstances:

82.18 (1) the full amount of court-ordered payments have been received for at least one month;

82.19 (2) an income withholding notice has been sent to an employer or payor of funds;

82.20 (3) payments less than the full court-ordered amount have been received and the
82.21 circumstances of the obligor demonstrate the obligor's substantial intent to comply with the
82.22 order;

82.23 (4) the obligor receives public assistance;

82.24 (5) the case is being reviewed by the public authority for downward modification due
82.25 to changes in the obligor's financial circumstances or a party has filed a motion to modify
82.26 the child support order;

82.27 (6) the obligor no longer lives in the state and the child support case is in the process of
82.28 interstate enforcement;

82.29 (7) the obligor is currently incarcerated for one week or more or is receiving in-patient
82.30 treatment for physical health, mental health, chemical dependency, or other treatment. This
82.31 clause applies for six months after the obligor is no longer incarcerated or receiving in-patient
82.32 treatment;

83.1 (8) the obligor is temporarily or permanently disabled and unable to pay child support;
83.2 (9) the obligor has presented evidence to the public authority that the obligor needs
83.3 driving privileges to maintain or obtain the obligor's employment;
83.4 (10) the obligor has not had a meaningful opportunity to pay toward arrears; and
83.5 (11) other circumstances of the obligor indicate that a temporary condition exists for
83.6 which suspension of a driver's license for the nonpayment of child support is not appropriate.
83.7 When considering whether driver's license suspension is appropriate, the public authority
83.8 must assess: (i) whether suspension of the driver's license is likely to induce payment of
83.9 child support; and (ii) whether suspension of the driver's license would have direct harmful
83.10 effects on the obligor or joint children that make driver's license suspension an inappropriate
83.11 remedy.
83.12 The presence of circumstances in this paragraph does not prevent the public authority from
83.13 proceeding with a suspension of a driver's license.

83.14 ~~(f)~~ (j) In addition to the criteria established under this section for the suspension of an
83.15 obligor's driver's license, a court, a child support magistrate, or the public authority may
83.16 direct the commissioner of public safety to suspend the license of a party who has failed,
83.17 after receiving notice, to comply with a subpoena relating to a paternity or child support
83.18 proceeding. Notice to an obligor of intent to suspend must be served by first class mail at
83.19 the obligor's last known address. The notice must inform the obligor of the right to request
83.20 a hearing. If the obligor makes a written request within ten days of the date of the hearing,
83.21 a hearing must be held. At the hearing, the only issues to be considered are mistake of fact
83.22 and whether the obligor received the subpoena.

83.23 ~~(g)~~ (k) The license of an obligor who fails to remain in compliance with an approved
83.24 written payment agreement may be suspended. Prior to suspending a license for
83.25 noncompliance with an approved written payment agreement, the public authority must
83.26 mail to the obligor's last known address a written notice that (1) the public authority intends
83.27 to seek suspension of the obligor's driver's license under this paragraph, and (2) the obligor
83.28 must request a hearing, within 30 days of the date of the notice, to contest the suspension.
83.29 If, within 30 days of the date of the notice, the public authority does not receive a written
83.30 request for a hearing and the obligor does not comply with an approved written payment
83.31 agreement, the public authority must direct the Department of Public Safety to suspend the
83.32 obligor's license under paragraph ~~(b)~~ (d). If the obligor makes a written request for a hearing
83.33 within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any
83.34 law to the contrary, the obligor must be served with 14 days' notice in writing specifying

84.1 the time and place of the hearing and the allegations against the obligor. The notice may be
 84.2 served personally or by mail at the obligor's last known address. If the obligor appears at
 84.3 the hearing and the court determines that the obligor has failed to comply with an approved
 84.4 written payment agreement, the court or public authority shall notify the Department of
 84.5 Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor fails
 84.6 to appear at the hearing, the court or public authority must notify the Department of Public
 84.7 Safety to suspend the obligor's license under paragraph ~~(b)~~ (d).

84.8 **EFFECTIVE DATE.** This section is effective July 1, 2023, unless otherwise specified.

84.9 Sec. 10. Minnesota Statutes 2022, section 518A.77, is amended to read:

84.10 **518A.77 GUIDELINES REVIEW.**

84.11 ~~(a)~~ No later than 2006 and every four years after that, the Department of Human Services
 84.12 must conduct a review of the child support guidelines as required under Code of Federal
 84.13 Regulations, title 45, section 302.56(h).

84.14 ~~(b) This section expires January 1, 2032.~~

84.15 Sec. 11. **REPEALER.**

84.16 Minnesota Statutes 2022, section 518A.59, is repealed.

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

84.18 **ARTICLE 4**

84.19 **LICENSING**

84.20 Section 1. Minnesota Statutes 2022, section 245.095, is amended to read:

84.21 **245.095 LIMITS ON RECEIVING PUBLIC FUNDS.**

84.22 Subdivision 1. **Prohibition.** (a) If a provider, vendor, or individual enrolled, licensed,
 84.23 receiving funds under a grant contract, or registered in any program administered by the
 84.24 commissioner, including under the commissioner's powers and authorities in section 256.01,
 84.25 is excluded from that program, the commissioner shall:

84.26 (1) prohibit the excluded provider, vendor, or individual from enrolling, becoming
 84.27 licensed, receiving grant funds, or registering in any other program administered by the
 84.28 commissioner; and

84.29 (2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider,
 84.30 vendor, or individual in any other program administered by the commissioner.

85.1 (b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant
 85.2 contract, or registered in any program administered by the commissioner, including under
 85.3 the commissioner's powers and authorities in section 256.01, is excluded from that program,
 85.4 the commissioner may:

85.5 (1) prohibit any associated entities or associated individuals from enrolling, becoming
 85.6 licensed, receiving grant funds, or registering in any other program administered by the
 85.7 commissioner; and

85.8 (2) disenroll, revoke or suspend a license of, disqualify, or debar any associated entities
 85.9 or associated individuals in any other program administered by the commissioner.

85.10 (c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds
 85.11 under any contract or registered in any program administered by a Minnesota state or federal
 85.12 agency is excluded from that program, the commissioner of human services may:

85.13 (1) prohibit the excluded provider, vendor, individual, or any associated entities or
 85.14 associated individuals from enrolling, becoming licensed, receiving grant funds, or registering
 85.15 in any program administered by the commissioner; and

85.16 (2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider,
 85.17 vendor, individual, or any associated entities or associated individuals in any program
 85.18 administered by the commissioner.

85.19 ~~(b)~~ (d) The duration of this a prohibition, disenrollment, revocation, suspension,
 85.20 disqualification, or debarment under paragraph (a) must last for the longest applicable
 85.21 sanction or disqualifying period in effect for the provider, vendor, or individual permitted
 85.22 by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension,
 85.23 disqualification, or debarment under paragraphs (b) and (c) may last until up to the longest
 85.24 applicable sanction or disqualifying period in effect for the provider, vendor, individual,
 85.25 associated entity, or associated individual as permitted by state or federal law.

85.26 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions have the
 85.27 meanings given ~~them~~.

85.28 (b) "Associated entity" means a provider or vendor owned or controlled by an excluded
 85.29 individual.

85.30 (c) "Associated individual" means an individual who owns or is an executive officer or
 85.31 board member of an excluded provider or vendor.

85.32 ~~(b)~~ (d) "Excluded" means disenrolled, disqualified, having a license that has been revoked
 85.33 or suspended under chapter 245A, or debarred or suspended under Minnesota Rules, part

86.1 ~~1230.1150, or excluded pursuant to section 256B.064, subdivision 3~~ removed under other
86.2 authorities from a program administered by a Minnesota state or federal agency, including
86.3 a final determination to stop payments.

86.4 ~~(e)~~ (e) "Individual" means a natural person providing products or services as a provider
86.5 or vendor.

86.6 ~~(d)~~ (f) "Provider" ~~includes any entity or individual receiving payment from a program~~
86.7 ~~administered by the Department of Human Services, and an owner, controlling individual,~~
86.8 ~~license holder, director, or managerial official of an entity receiving payment from a program~~
86.9 ~~administered by the Department of Human Services~~ means any entity, individual, owner,
86.10 controlling individual, license holder, director, or managerial official of an entity receiving
86.11 payment from a program administered by a Minnesota state or federal agency.

86.12 Subd. 3. **Notice.** Within five days of taking an action under subdivision (1), paragraph
86.13 (a), (b), or (c), against a provider, vendor, individual, associated individual, or associated
86.14 entity, the commissioner must send notice of the action to the provider, vendor, individual,
86.15 associated individual, or associated entity. The notice must state:

86.16 (1) the basis for the action;

86.17 (2) the effective date of the action;

86.18 (3) the right to appeal the action; and

86.19 (4) the requirements and procedures for reinstatement.

86.20 Subd. 4. **Appeal.** Upon receipt of a notice under subdivision 3, a provider, vendor,
86.21 individual, associated individual, or associated entity may request a contested case hearing,
86.22 as defined in section 14.02, subdivision 3, by filing with the commissioner a written request
86.23 of appeal. The scope of any contested case hearing is solely limited to action taken under
86.24 this section. The commissioner must receive the appeal request no later than 30 days after
86.25 the date the notice was mailed to the provider, vendor, individual, associated individual, or
86.26 associated entity. The appeal request must specify:

86.27 (1) each disputed item and the reason for the dispute;

86.28 (2) the authority in statute or rule upon which the provider, vendor, individual, associated
86.29 individual, or associated entity relies for each disputed item;

86.30 (3) the name and address of the person or entity with whom contacts may be made
86.31 regarding the appeal; and

86.32 (4) any other information required by the commissioner.

87.1 Subd. 5. Withholding of payments. (a) Except as otherwise provided by state or federal
87.2 law, the commissioner may withhold payments to a provider, vendor, individual, associated
87.3 individual, or associated entity in any program administered by the commissioner, if the
87.4 commissioner determines there is a credible allegation of fraud for which an investigation
87.5 is pending for a program administered by a Minnesota state or federal agency.

87.6 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation
87.7 that has been verified by the commissioner from any source, including but not limited to:

87.8 (1) fraud hotline complaints;

87.9 (2) claims data mining;

87.10 (3) patterns identified through provider audits, civil false claims cases, and law
87.11 enforcement investigations; and

87.12 (4) court filings and other legal documents, including but not limited to police reports,
87.13 complaints, indictments, informations, affidavits, declarations, and search warrants.

87.14 (c) The commissioner must send notice of the withholding of payments within five days
87.15 of taking such action. The notice must:

87.16 (1) state that payments are being withheld according to this subdivision;

87.17 (2) set forth the general allegations related to the withholding action, except the notice
87.18 need not disclose specific information concerning an ongoing investigation;

87.19 (3) state that the withholding is for a temporary period and cite the circumstances under
87.20 which the withholding will be terminated; and

87.21 (4) inform the provider, vendor, individual, associated individual, or associated entity
87.22 of the right to submit written evidence to contest the withholding action for consideration
87.23 by the commissioner.

87.24 (d) The commissioner shall stop withholding payments if the commissioner determines
87.25 there is insufficient evidence of fraud by the provider, vendor, individual, associated
87.26 individual, or associated entity or when legal proceedings relating to the alleged fraud are
87.27 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
87.28 vendor, individual, associated individual, or associated entity.

87.29 (e) The withholding of payments is a temporary action and is not subject to appeal under
87.30 section 256.045 or chapter 14.

88.1 Sec. 2. Minnesota Statutes 2022, section 245A.02, subdivision 2c, is amended to read:

88.2 Subd. 2c. **Annual or annually; family child care training requirements.** For the
88.3 purposes of sections 245A.50 to 245A.53, "annual" or "annually" means ~~the 12-month~~
88.4 ~~period beginning on the license effective date or the annual anniversary of the effective date~~
88.5 ~~and ending on the day prior to the annual anniversary of the license effective date~~ each
88.6 calendar year.

88.7 Sec. 3. Minnesota Statutes 2022, section 245A.02, is amended by adding a subdivision to
88.8 read:

88.9 Subd. 6a. **Cradleboard.** "Cradleboard" means a board or frame on which an infant is
88.10 secured using blankets or other material, such as fabric or leather sides, and laces and often
88.11 has a frame extending to protect the infant's head. The infant is always placed with the
88.12 infant's head facing outward, and the infant remains supervised in the cradleboard while
88.13 sleeping or being carried.

88.14 **EFFECTIVE DATE.** This section is effective January 1, 2024.

88.15 Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 6b, is amended to read:

88.16 Subd. 6b. **Experience.** For purposes of child care centers, "experience" ~~includes~~ is paid
88.17 or unpaid employment serving children as a teacher, assistant teacher, aide, or a student
88.18 intern in a licensed child care center, in a public or nonpublic school, or in a program licensed
88.19 as a family day care or group family day care provider.:

88.20 (1) caring for children as a teacher, assistant teacher, aide, or student intern:

88.21 (i) in a licensed child care center, a licensed family day care or group family day care,
88.22 or a Tribally licensed child care program in any United States state or territory; or

88.23 (ii) in a public or nonpublic school;

88.24 (2) caring for children as a staff person or unsupervised volunteer in a certified,
88.25 license-exempt child care center under chapter 245H; or

88.26 (3) providing direct contact services in a home or residential facility serving children
88.27 with disabilities that requires a background study under section 245C.03.

88.28 **EFFECTIVE DATE.** This section is effective October 1, 2023.

88.29 Sec. 5. Minnesota Statutes 2022, section 245A.03, subdivision 2, is amended to read:

88.30 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

89.1 (1) residential or nonresidential programs that are provided to a person by an individual
89.2 who is related unless the residential program is a child foster care placement made by a
89.3 local social services agency or a licensed child-placing agency, except as provided in
89.4 subdivision 2a;

89.5 (2) nonresidential programs that are provided by an unrelated individual to persons from
89.6 a single related family;

89.7 (3) residential or nonresidential programs that are provided to adults who do not misuse
89.8 substances or have a substance use disorder, a mental illness, a developmental disability, a
89.9 functional impairment, or a physical disability;

89.10 (4) sheltered workshops or work activity programs that are certified by the commissioner
89.11 of employment and economic development;

89.12 (5) programs operated by a public school for children 33 months or older;

89.13 (6) nonresidential programs primarily for children that provide care or supervision for
89.14 periods of less than three hours a day while the child's parent or legal guardian is in the
89.15 same building as the nonresidential program or present within another building that is
89.16 directly contiguous to the building in which the nonresidential program is located;

89.17 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
89.18 under section 245A.02;

89.19 (8) board and lodge facilities licensed by the commissioner of health that do not provide
89.20 children's residential services under Minnesota Rules, chapter 2960, mental health or
89.21 substance use disorder treatment;

89.22 (9) homes providing programs for persons placed by a county or a licensed agency for
89.23 legal adoption, unless the adoption is not completed within two years;

89.24 (10) programs licensed by the commissioner of corrections;

89.25 (11) recreation programs for children or adults that are operated or approved by a park
89.26 and recreation board whose primary purpose is to provide social and recreational activities;

89.27 (12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA
89.28 as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in
89.29 section 315.51, whose primary purpose is to provide child care or services to school-age
89.30 children;

89.31 (13) Head Start nonresidential programs which operate for less than 45 days in each
89.32 calendar year;

90.1 (14) noncertified boarding care homes unless they provide services for five or more
90.2 persons whose primary diagnosis is mental illness or a developmental disability;

90.3 (15) programs for children such as scouting, boys clubs, girls clubs, and sports and art
90.4 programs, and nonresidential programs for children provided for a cumulative total of less
90.5 than 30 days in any 12-month period;

90.6 (16) residential programs for persons with mental illness, that are located in hospitals;

90.7 (17) the religious instruction of school-age children; Sabbath or Sunday schools; or the
90.8 congregate care of children by a church, congregation, or religious society during the period
90.9 used by the church, congregation, or religious society for its regular worship;

90.10 (18) camps licensed by the commissioner of health under Minnesota Rules, chapter
90.11 4630;

90.12 (19) mental health outpatient services for adults with mental illness or children with
90.13 emotional disturbance;

90.14 (20) residential programs serving school-age children whose sole purpose is cultural or
90.15 educational exchange, until the commissioner adopts appropriate rules;

90.16 (21) community support services programs as defined in section 245.462, subdivision
90.17 6, and family community support services as defined in section 245.4871, subdivision 17;

90.18 (22) the placement of a child by a birth parent or legal guardian in a preadoptive home
90.19 for purposes of adoption as authorized by section 259.47;

90.20 (23) settings registered under chapter 144D which provide home care services licensed
90.21 by the commissioner of health to fewer than seven adults;

90.22 (24) substance use disorder treatment activities of licensed professionals in private
90.23 practice as defined in section 245G.01, subdivision 17;

90.24 (25) consumer-directed community support service funded under the Medicaid waiver
90.25 for persons with developmental disabilities when the individual who provided the service
90.26 is:

90.27 (i) the same individual who is the direct payee of these specific waiver funds or paid by
90.28 a fiscal agent, fiscal intermediary, or employer of record; and

90.29 (ii) not otherwise under the control of a residential or nonresidential program that is
90.30 required to be licensed under this chapter when providing the service;

91.1 (26) a program serving only children who are age 33 months or older, that is operated
91.2 by a nonpublic school, for no more than four hours per day per child, with no more than 20
91.3 children at any one time, and that is accredited by:

91.4 (i) an accrediting agency that is formally recognized by the commissioner of education
91.5 as a nonpublic school accrediting organization; or

91.6 (ii) an accrediting agency that requires background studies and that receives and
91.7 investigates complaints about the services provided.

91.8 A program that asserts its exemption from licensure under item (ii) shall, upon request
91.9 from the commissioner, provide the commissioner with documentation from the accrediting
91.10 agency that verifies: that the accreditation is current; that the accrediting agency investigates
91.11 complaints about services; and that the accrediting agency's standards require background
91.12 studies on all people providing direct contact services;

91.13 (27) a program operated by a nonprofit organization incorporated in Minnesota or another
91.14 state that serves youth in kindergarten through grade 12; provides structured, supervised
91.15 youth development activities; and has learning opportunities take place before or after
91.16 school, on weekends, or during the summer or other seasonal breaks in the school calendar.
91.17 A program exempt under this clause is not eligible for child care assistance under chapter
91.18 119B. A program exempt under this clause must:

91.19 (i) have a director or supervisor on site who is responsible for overseeing written policies
91.20 relating to the management and control of the daily activities of the program, ensuring the
91.21 health and safety of program participants, and supervising staff and volunteers;

91.22 (ii) have obtained written consent from a parent or legal guardian for each youth
91.23 participating in activities at the site; and

91.24 (iii) have provided written notice to a parent or legal guardian for each youth at the site
91.25 that the program is not licensed or supervised by the state of Minnesota and is not eligible
91.26 to receive child care assistance payments;

91.27 (28) a county that is an eligible vendor under section 254B.05 to provide care coordination
91.28 and comprehensive assessment services; ~~or~~

91.29 (29) a recovery community organization that is an eligible vendor under section 254B.05
91.30 to provide peer recovery support services; or

91.31 (30) Head Start programs that serve only children who are at least three years old but
91.32 not yet six years old.

92.1 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
92.2 building in which a nonresidential program is located if it shares a common wall with the
92.3 building in which the nonresidential program is located or is attached to that building by
92.4 skyway, tunnel, atrium, or common roof.

92.5 (c) Except for the home and community-based services identified in section 245D.03,
92.6 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
92.7 provided and funded according to an approved federal waiver plan where licensure is
92.8 specifically identified as not being a condition for the services and funding.

92.9 **EFFECTIVE DATE.** This section is effective January 1, 2024.

92.10 Sec. 6. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:

92.11 Subd. 4. **Inspections; waiver.** (a) Before issuing a license under this chapter, the
92.12 commissioner shall conduct an inspection of the program. The inspection must include but
92.13 is not limited to:

92.14 (1) an inspection of the physical plant;

92.15 (2) an inspection of records and documents;

92.16 (3) observation of the program in operation; and

92.17 (4) an inspection for the health, safety, and fire standards in licensing requirements for
92.18 a child care license holder.

92.19 (b) The observation in paragraph (a), clause (3), is not required prior to issuing a license
92.20 under subdivision 7. If the commissioner issues a license under this chapter, these
92.21 requirements must be completed within one year after the issuance of the license.

92.22 (c) Before completing a licensing inspection in a family child care program or child care
92.23 center, the licensing agency must offer the license holder an exit interview to discuss
92.24 violations or potential violations of law or rule observed during the inspection and offer
92.25 technical assistance on how to comply with applicable laws and rules. The commissioner
92.26 shall not issue a correction order or negative licensing action for violations of law or rule
92.27 not discussed in an exit interview, unless a license holder chooses not to participate in an
92.28 exit interview or not to complete the exit interview. If the license holder is unable to complete
92.29 the exit interview, the licensing agency must offer an alternate time for the license holder
92.30 to complete the exit interview.

92.31 (d) If a family child care license holder disputes a county licenser's interpretation of a
92.32 licensing requirement during a licensing inspection or exit interview, the license holder

93.1 may, within five business days after the exit interview or licensing inspection, request
93.2 clarification from the commissioner, in writing, in a manner prescribed by the commissioner.
93.3 The license holder's request must describe the county licensor's interpretation of the licensing
93.4 requirement at issue, and explain why the license holder believes the county licensor's
93.5 interpretation is inaccurate. The commissioner and the county must include the license
93.6 holder in all correspondence regarding the disputed interpretation, and must provide an
93.7 opportunity for the license holder to contribute relevant information that may impact the
93.8 commissioner's decision. The county licensor must not issue a correction order related to
93.9 the disputed licensing requirement until the commissioner has provided clarification to the
93.10 license holder about the licensing requirement.

93.11 (e) The commissioner or the county shall inspect at least ~~annually~~ once each calendar
93.12 year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502
93.13 or 9503, for compliance with applicable licensing standards.

93.14 (f) No later than November 19, 2017, the commissioner shall make publicly available
93.15 on the department's website the results of inspection reports of all child care providers
93.16 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the
93.17 number of deaths, serious injuries, and instances of substantiated child maltreatment that
93.18 occurred in licensed child care settings each year.

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

93.20 Sec. 7. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

93.21 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
93.22 the program complies with all applicable rules and laws, the commissioner shall issue a
93.23 license consistent with this section or, if applicable, a temporary change of ownership license
93.24 under section 245A.043. At minimum, the license shall state:

93.25 (1) the name of the license holder;

93.26 (2) the address of the program;

93.27 (3) the effective date and expiration date of the license;

93.28 (4) the type of license;

93.29 (5) the maximum number and ages of persons that may receive services from the program;

93.30 and

93.31 (6) any special conditions of licensure.

93.32 (b) The commissioner may issue a license for a period not to exceed two years if:

94.1 (1) the commissioner is unable to conduct the evaluation or observation required by
 94.2 subdivision 4, paragraph (a), clause (4), because the program is not yet operational;

94.3 (2) certain records and documents are not available because persons are not yet receiving
 94.4 services from the program; and

94.5 (3) the applicant complies with applicable laws and rules in all other respects.

94.6 (c) A decision by the commissioner to issue a license does not guarantee that any person
 94.7 or persons will be placed or cared for in the licensed program.

94.8 (d) Except as provided in paragraphs ~~(f) and (g)~~ (i) and (j), the commissioner shall not
 94.9 issue ~~or reissue~~ a license if the applicant, license holder, or an affiliated controlling individual
 94.10 has:

94.11 (1) been disqualified and the disqualification was not set aside and no variance has been
 94.12 granted;

94.13 (2) been denied a license under this chapter, within the past two years;

94.14 (3) had a license issued under this chapter revoked within the past five years; or

94.15 ~~(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement~~
 94.16 ~~for which payment is delinquent; or~~

94.17 ~~(5)~~ (4) failed to submit the information required of an applicant under subdivision 1,
 94.18 paragraph (f) or (g), after being requested by the commissioner.

94.19 When a license issued under this chapter is revoked ~~under clause (1) or (3)~~, the license
 94.20 holder and each affiliated controlling individual with a revoked license may not hold any
 94.21 license under chapter 245A for five years following the revocation, and other licenses held
 94.22 by the applicant; or license holder; or licenses affiliated with each controlling individual
 94.23 shall also be revoked.

94.24 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
 94.25 affiliated with a license holder or controlling individual that had a license revoked within
 94.26 the past five years if the commissioner determines that (1) the license holder or controlling
 94.27 individual is operating the program in substantial compliance with applicable laws and rules,
 94.28 and (2) the program's continued operation is in the best interests of the community being
 94.29 served.

94.30 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
 94.31 to an application that is affiliated with an applicant, license holder, or controlling individual
 94.32 that had an application denied within the past two years or a license revoked within the past

95.1 five years if the commissioner determines that (1) the applicant or controlling individual
95.2 has operated one or more programs in substantial compliance with applicable laws and
95.3 rules, and (2) the program's operation would be in the best interests of the community to be
95.4 served.

95.5 (g) In determining whether a program's operation would be in the best interests of the
95.6 community to be served, the commissioner shall consider factors such as the number of
95.7 persons served, the availability of alternative services available in the surrounding
95.8 community, the management structure of the program, whether the program provides
95.9 culturally specific services, and other relevant factors.

95.10 ~~(e)~~ (h) The commissioner shall not issue or reissue a license under this chapter if an
95.11 individual living in the household where the services will be provided as specified under
95.12 section 245C.03, subdivision 1, has been disqualified and the disqualification has not been
95.13 set aside and no variance has been granted.

95.14 ~~(f)~~ (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
95.15 under this chapter has been suspended or revoked and the suspension or revocation is under
95.16 appeal, the program may continue to operate pending a final order from the commissioner.
95.17 If the license under suspension or revocation will expire before a final order is issued, a
95.18 temporary provisional license may be issued provided any applicable license fee is paid
95.19 before the temporary provisional license is issued.

95.20 ~~(g)~~ (j) Notwithstanding paragraph ~~(f)~~ (i), when a revocation is based on the
95.21 disqualification of a controlling individual or license holder, and the controlling individual
95.22 or license holder is ordered under section 245C.17 to be immediately removed from direct
95.23 contact with persons receiving services or is ordered to be under continuous, direct
95.24 supervision when providing direct contact services, the program may continue to operate
95.25 only if the program complies with the order and submits documentation demonstrating
95.26 compliance with the order. If the disqualified individual fails to submit a timely request for
95.27 reconsideration, or if the disqualification is not set aside and no variance is granted, the
95.28 order to immediately remove the individual from direct contact or to be under continuous,
95.29 direct supervision remains in effect pending the outcome of a hearing and final order from
95.30 the commissioner.

95.31 ~~(h)~~ (k) For purposes of reimbursement for meals only, under the Child and Adult Care
95.32 Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A,
95.33 part 226, relocation within the same county by a licensed family day care provider, shall
95.34 be considered an extension of the license for a period of no more than 30 calendar days or

96.1 until the new license is issued, whichever occurs first, provided the county agency has
96.2 determined the family day care provider meets licensure requirements at the new location.

96.3 ~~(j)~~ (l) Unless otherwise specified by statute, all licenses issued under this chapter expire
96.4 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
96.5 apply for and be granted a new license to operate the program or the program must not be
96.6 operated after the expiration date.

96.7 ~~(j)~~ (m) The commissioner shall not issue or reissue a license under this chapter if it has
96.8 been determined that a tribal licensing authority has established jurisdiction to license the
96.9 program or service.

96.10 Sec. 8. Minnesota Statutes 2022, section 245A.05, is amended to read:

96.11 **245A.05 DENIAL OF APPLICATION.**

96.12 (a) The commissioner may deny a license if an applicant or controlling individual:

96.13 (1) fails to submit a substantially complete application after receiving notice from the
96.14 commissioner under section 245A.04, subdivision 1;

96.15 (2) fails to comply with applicable laws or rules;

96.16 (3) knowingly withholds relevant information from or gives false or misleading
96.17 information to the commissioner in connection with an application for a license or during
96.18 an investigation;

96.19 (4) has a disqualification that has not been set aside under section 245C.22 and no
96.20 variance has been granted;

96.21 (5) has an individual living in the household who received a background study under
96.22 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
96.23 has not been set aside under section 245C.22, and no variance has been granted;

96.24 (6) is associated with an individual who received a background study under section
96.25 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
96.26 children or vulnerable adults, and who has a disqualification that has not been set aside
96.27 under section 245C.22, and no variance has been granted;

96.28 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

96.29 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
96.30 6;

97.1 (9) has a history of noncompliance as a license holder or controlling individual with
97.2 applicable laws or rules, including but not limited to this chapter and chapters 119B and
97.3 245C;

97.4 (10) is prohibited from holding a license according to section 245.095; or

97.5 (11) for a family foster setting, has or has an individual who is living in the household
97.6 where the licensed services are provided or is otherwise subject to a background study who
97.7 has nondisqualifying background study information, as described in section 245C.05,
97.8 subdivision 4, that reflects on the individual's applicant's ability to safely provide care to
97.9 foster children.

97.10 (b) An applicant whose application has been denied by the commissioner must be given
97.11 notice of the denial, which must state the reasons for the denial in plain language. Notice
97.12 must be given by certified mail or personal service. The notice must state the reasons the
97.13 application was denied and must inform the applicant of the right to a contested case hearing
97.14 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may
97.15 appeal the denial by notifying the commissioner in writing by certified mail or personal
97.16 service. If mailed, the appeal must be postmarked and sent to the commissioner within 20
97.17 calendar days after the applicant received the notice of denial. If an appeal request is made
97.18 by personal service, it must be received by the commissioner within 20 calendar days after
97.19 the applicant received the notice of denial. Section 245A.08 applies to hearings held to
97.20 appeal the commissioner's denial of an application.

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

97.22 Sec. 9. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

97.23 Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the
97.24 commissioner finds that the applicant or license holder has failed to comply with an
97.25 applicable law or rule and this failure does not imminently endanger the health, safety, or
97.26 rights of the persons served by the program, the commissioner may issue a correction order
97.27 and an order of conditional license to the applicant or license holder. When issuing a
97.28 conditional license, the commissioner shall consider the nature, chronicity, or severity of
97.29 the violation of law or rule and the effect of the violation on the health, safety, or rights of
97.30 persons served by the program. The correction order or conditional license must state the
97.31 following in plain language:

97.32 (1) the specific factual conditions observable or reviewable by the licensor that constitute
97.33 a violation of the law or rule;

98.1 (2) the specific law or rule violated;

98.2 (3) the time allowed to correct each violation; and

98.3 (4) if a license is made conditional, the length and terms of the conditional license, and
98.4 the reasons for making the license conditional.

98.5 (b) Nothing in this section prohibits the commissioner from proposing a sanction as
98.6 specified in section 245A.07, prior to issuing a correction order or conditional license.

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

98.8 Sec. 10. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

98.9 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
98.10 under section 245A.06, the commissioner may suspend or revoke the license, impose a fine,
98.11 or secure an injunction against the continuing operation of the program of a license holder
98.12 who:

98.13 (1) does not comply with applicable law or rule, ~~or who;~~

98.14 (2) has nondisqualifying background study information, as described in section 245C.05,
98.15 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
98.16 children; or

98.17 (3) has an individual living in the household where the licensed services are provided
98.18 or is otherwise subject to a background study and the individual has nondisqualifying
98.19 background study information, as described in section 245C.05, subdivision 4, that reflects
98.20 on the license holder's ability to safely provide care to foster children.

98.21 When applying sanctions authorized under this section, the commissioner shall consider
98.22 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
98.23 on the health, safety, or rights of persons served by the program.

98.24 (b) If a license holder appeals the suspension or revocation of a license and the license
98.25 holder continues to operate the program pending a final order on the appeal, the commissioner
98.26 shall issue the license holder a temporary provisional license. Unless otherwise specified
98.27 by the commissioner, variances in effect on the date of the license sanction under appeal
98.28 continue under the temporary provisional license. If a license holder fails to comply with
98.29 applicable law or rule while operating under a temporary provisional license, the
98.30 commissioner may impose additional sanctions under this section and section 245A.06, and
98.31 may terminate any prior variance. If a temporary provisional license is set to expire, a new
98.32 temporary provisional license shall be issued to the license holder upon payment of any fee

99.1 required under section 245A.10. The temporary provisional license shall expire on the date
 99.2 the final order is issued. If the license holder prevails on the appeal, a new nonprovisional
 99.3 license shall be issued for the remainder of the current license period.

99.4 (c) If a license holder is under investigation and the license issued under this chapter is
 99.5 due to expire before completion of the investigation, the program shall be issued a new
 99.6 license upon completion of the reapplication requirements and payment of any applicable
 99.7 license fee. Upon completion of the investigation, a licensing sanction may be imposed
 99.8 against the new license under this section, section 245A.06, or 245A.08.

99.9 (d) Failure to reapply or closure of a license issued under this chapter by the license
 99.10 holder prior to the completion of any investigation shall not preclude the commissioner
 99.11 from issuing a licensing sanction under this section or section 245A.06 at the conclusion
 99.12 of the investigation.

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

99.14 Sec. 11. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

99.15 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
 99.16 or revoke a license, or impose a fine if:

99.17 (1) a license holder fails to comply fully with applicable laws or rules including but not
 99.18 limited to the requirements of this chapter and chapter 245C;

99.19 (2) a license holder, a controlling individual, or an individual living in the household
 99.20 where the licensed services are provided or is otherwise subject to a background study has
 99.21 been disqualified and the disqualification was not set aside and no variance has been granted;

99.22 (3) a license holder knowingly withholds relevant information from or gives false or
 99.23 misleading information to the commissioner in connection with an application for a license,
 99.24 in connection with the background study status of an individual, during an investigation,
 99.25 or regarding compliance with applicable laws or rules;

99.26 (4) a license holder is excluded from any program administered by the commissioner
 99.27 under section 245.095; ~~or~~

99.28 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

99.29 (6) for a family foster setting, a license holder, or an individual living in the household
 99.30 where the licensed services are provided or who is otherwise subject to a background study
 99.31 has nondisqualifying background study information, as described in section 245C.05,

100.1 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
100.2 children.

100.3 A license holder who has had a license issued under this chapter suspended, revoked,
100.4 or has been ordered to pay a fine must be given notice of the action by certified mail or
100.5 personal service. If mailed, the notice must be mailed to the address shown on the application
100.6 or the last known address of the license holder. The notice must state in plain language the
100.7 reasons the license was suspended or revoked, or a fine was ordered.

100.8 (b) If the license was suspended or revoked, the notice must inform the license holder
100.9 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
100.10 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
100.11 a license. The appeal of an order suspending or revoking a license must be made in writing
100.12 by certified mail or personal service. If mailed, the appeal must be postmarked and sent to
100.13 the commissioner within ten calendar days after the license holder receives notice that the
100.14 license has been suspended or revoked. If a request is made by personal service, it must be
100.15 received by the commissioner within ten calendar days after the license holder received the
100.16 order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
100.17 timely appeal of an order suspending or revoking a license, the license holder may continue
100.18 to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and
100.19 (g), until the commissioner issues a final order on the suspension or revocation.

100.20 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
100.21 holder of the responsibility for payment of fines and the right to a contested case hearing
100.22 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
100.23 order to pay a fine must be made in writing by certified mail or personal service. If mailed,
100.24 the appeal must be postmarked and sent to the commissioner within ten calendar days after
100.25 the license holder receives notice that the fine has been ordered. If a request is made by
100.26 personal service, it must be received by the commissioner within ten calendar days after
100.27 the license holder received the order.

100.28 (2) The license holder shall pay the fines assessed on or before the payment date specified.
100.29 If the license holder fails to fully comply with the order, the commissioner may issue a
100.30 second fine or suspend the license until the license holder complies. If the license holder
100.31 receives state funds, the state, county, or municipal agencies or departments responsible for
100.32 administering the funds shall withhold payments and recover any payments made while the
100.33 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
100.34 until the commissioner issues a final order.

101.1 (3) A license holder shall promptly notify the commissioner of human services, in writing,
101.2 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
101.3 commissioner determines that a violation has not been corrected as indicated by the order
101.4 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
101.5 the license holder by certified mail or personal service that a second fine has been assessed.
101.6 The license holder may appeal the second fine as provided under this subdivision.

101.7 (4) Fines shall be assessed as follows:

101.8 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
101.9 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
101.10 for which the license holder is determined responsible for the maltreatment under section
101.11 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

101.12 (ii) if the commissioner determines that a determination of maltreatment for which the
101.13 license holder is responsible is the result of maltreatment that meets the definition of serious
101.14 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
101.15 \$5,000;

101.16 (iii) for a program that operates out of the license holder's home and a program licensed
101.17 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
101.18 holder shall not exceed \$1,000 for each determination of maltreatment;

101.19 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
101.20 governing matters of health, safety, or supervision, including but not limited to the provision
101.21 of adequate staff-to-child or adult ratios, and failure to comply with background study
101.22 requirements under chapter 245C; and

101.23 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
101.24 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

101.25 For purposes of this section, "occurrence" means each violation identified in the
101.26 commissioner's fine order. Fines assessed against a license holder that holds a license to
101.27 provide home and community-based services, as identified in section 245D.03, subdivision
101.28 1, and a community residential setting or day services facility license under chapter 245D
101.29 where the services are provided, may be assessed against both licenses for the same
101.30 occurrence, but the combined amount of the fines shall not exceed the amount specified in
101.31 this clause for that occurrence.

101.32 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
101.33 selling, or otherwise transferring the licensed program to a third party. In such an event, the

102.1 license holder will be personally liable for payment. In the case of a corporation, each
102.2 controlling individual is personally and jointly liable for payment.

102.3 (d) Except for background study violations involving the failure to comply with an order
102.4 to immediately remove an individual or an order to provide continuous, direct supervision,
102.5 the commissioner shall not issue a fine under paragraph (c) relating to a background study
102.6 violation to a license holder who self-corrects a background study violation before the
102.7 commissioner discovers the violation. A license holder who has previously exercised the
102.8 provisions of this paragraph to avoid a fine for a background study violation may not avoid
102.9 a fine for a subsequent background study violation unless at least 365 days have passed
102.10 since the license holder self-corrected the earlier background study violation.

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

102.12 Sec. 12. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision
102.13 to read:

102.14 **Subd. 12. License holder qualifications for child foster care.** (a) Child foster care
102.15 license holders must maintain the ability to care for a foster child and ensure a safe home
102.16 environment for children placed in their care. License holders must immediately notify the
102.17 licensing agency of:

102.18 (1) any changes to the license holder or household member's physical or behavioral
102.19 health that may affect the license holder's ability to care for a foster child or pose a risk to
102.20 a foster child's health; or

102.21 (2) changes related to the care of a child or vulnerable adult for whom the license holder
102.22 is a parent or legally responsible, including living out of the home for treatment for physical
102.23 or behavioral health, modified parenting time arrangements, legal custody, or placement in
102.24 foster care.

102.25 (b) The licensing agency may request a license holder or household member to undergo
102.26 an evaluation by a specialist in areas such as physical or behavioral health to evaluate the
102.27 license holder's ability to provide a safe environment for a foster child. Prior to assigning
102.28 a specialist to evaluate, the licensing agency must tell the license holder or household
102.29 member why the licensing agency has requested a specialist evaluation and request a release
102.30 of information from the license holder or household member.

102.31 **EFFECTIVE DATE.** This section is effective January 1, 2024.

103.1 Sec. 13. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

103.2 Subd. 4. **Special family child care homes.** (a) Nonresidential child care programs
103.3 serving 14 or fewer children that are conducted at a location other than the license holder's
103.4 own residence shall be licensed under this section and the rules governing family child care
103.5 or group family child care if:

103.6 ~~(a)~~ (1) the license holder is the primary provider of care and the nonresidential child
103.7 care program is conducted in a dwelling that is located on a residential lot;

103.8 ~~(b)~~ (2) the license holder is an employer who may or may not be the primary provider
103.9 of care, and the purpose for the child care program is to provide child care services to
103.10 children of the license holder's employees;

103.11 ~~(c)~~ (3) the license holder is a church or religious organization;

103.12 ~~(d)~~ (4) the license holder is a community collaborative child care provider. For purposes
103.13 of this subdivision, a community collaborative child care provider is a provider participating
103.14 in a cooperative agreement with a community action agency as defined in section 256E.31;

103.15 ~~(e)~~ (5) the license holder is a not-for-profit agency that provides child care in a dwelling
103.16 located on a residential lot and the license holder maintains two or more contracts with
103.17 community employers or other community organizations to provide child care services.
103.18 The county licensing agency may grant a capacity variance to a license holder licensed
103.19 under this ~~paragraph~~ clause to exceed the licensed capacity of 14 children by no more than
103.20 five children during transition periods related to the work schedules of parents, if the license
103.21 holder meets the following requirements:

103.22 ~~(1)~~ (i) the program does not exceed a capacity of 14 children more than a cumulative
103.23 total of four hours per day;

103.24 ~~(2)~~ (ii) the program meets a one to seven staff-to-child ratio during the variance period;

103.25 ~~(3)~~ (iii) all employees receive at least an extra four hours of training per year than required
103.26 in the rules governing family child care each year;

103.27 ~~(4)~~ (iv) the facility has square footage required per child under Minnesota Rules, part
103.28 9502.0425;

103.29 ~~(5)~~ (v) the program is in compliance with local zoning regulations;

103.30 ~~(6)~~ (vi) the program is in compliance with the applicable fire code as follows:

103.31 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but
103.32 no more than five children 2-1/2 years of age or less, the applicable fire code is educational

104.1 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~
104.2 2020, Section 202; or

104.3 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the
104.4 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided in the Minnesota
104.5 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years
104.6 of age or younger are cared for are located on a level of exit discharge and each of these
104.7 child care rooms has an exit door directly to the exterior, then the applicable fire code is
104.8 Group E ~~occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020,
104.9 Section 202; and

104.10 ~~(7)~~ (vii) any age and capacity limitations required by the fire code inspection and square
104.11 footage determinations shall be printed on the license; or

104.12 ~~(6)~~ (6) the license holder is the primary provider of care and has located the licensed
104.13 child care program in a commercial space, if the license holder meets the following
104.14 requirements:

104.15 ~~(1)~~ (i) the program is in compliance with local zoning regulations;

104.16 ~~(2)~~ (ii) the program is in compliance with the applicable fire code as follows:

104.17 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but
104.18 no more than five children 2-1/2 years of age or less, the applicable fire code is educational
104.19 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~
104.20 2020, Section 202; or

104.21 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the
104.22 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided under the Minnesota
104.23 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years
104.24 of age or younger are cared for are located on a level of exit discharge and each of these
104.25 child care rooms has an exit door directly to the exterior, then the applicable fire code is
104.26 Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

104.27 ~~(3)~~ (iii) any age and capacity limitations required by the fire code inspection and square
104.28 footage determinations are printed on the license; and

104.29 ~~(4)~~ (iv) the license holder prominently displays the license issued by the commissioner
104.30 which contains the statement "This special family child care provider is not licensed as a
104.31 child care center."

104.32 ~~(g)~~ (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner
104.33 may issue up to four licenses to an organization licensed under paragraph ~~(b)~~, ~~(e)~~, ~~or~~ ~~(e)~~ (a),

105.1 clause (2), (3), or (5). Each license must have its own primary provider of care as required
105.2 under paragraph ~~(h)~~ (d). Each license must operate as a distinct and separate program in
105.3 compliance with all applicable laws and regulations.

105.4 ~~(h)~~ (c) For licenses issued under paragraph ~~(b), (c), (d), (e), or (f)~~ (a), clause (2), (3),
105.5 (4), (5), or (6), the commissioner may approve up to four licenses at the same location or
105.6 under one contiguous roof if each license holder is able to demonstrate compliance with all
105.7 applicable rules and laws. Each licensed program must operate as a distinct program and
105.8 within the capacity, age, and ratio distributions of each license.

105.9 ~~(h)~~ (d) For a license issued under paragraph ~~(b), (c), or (e)~~ (a), clause (2), (3), or (5), the
105.10 license holder must designate a person to be the primary provider of care at the licensed
105.11 location on a form and in a manner prescribed by the commissioner. The license holder
105.12 shall notify the commissioner in writing before there is a change of the person designated
105.13 to be the primary provider of care. The primary provider of care:

105.14 (1) must be the person who will be the provider of care at the program and present during
105.15 the hours of operation;

105.16 (2) must operate the program in compliance with applicable laws and regulations under
105.17 chapter 245A and Minnesota Rules, chapter 9502;

105.18 (3) is considered a child care background study subject as defined in section 245C.02,
105.19 subdivision 6a, and must comply with background study requirements in chapter 245C;

105.20 (4) must complete the training that is required of license holders in section 245A.50;
105.21 and

105.22 (5) is authorized to communicate with the county licensing agency and the department
105.23 on matters related to licensing.

105.24 ~~(h)~~ (e) For any license issued under this subdivision, the license holder must ensure that
105.25 any other caregiver, substitute, or helper who assists in the care of children meets the training
105.26 requirements in section 245A.50 and background study requirements under chapter 245C.

105.27 Sec. 14. Minnesota Statutes 2022, section 245A.1435, is amended to read:

105.28 **245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH**
105.29 **IN LICENSED PROGRAMS.**

105.30 (a) When a license holder is placing an infant to sleep, the license holder must place the
105.31 infant on the infant's back, unless the license holder has documentation from the infant's
105.32 physician, advanced practice registered nurse, or physician assistant directing an alternative

106.1 sleeping position for the infant. The physician, advanced practice registered nurse, or
106.2 physician assistant directive must be on a form ~~approved~~ developed by the commissioner
106.3 and must remain on file at the licensed location. An infant who independently rolls onto its
106.4 stomach after being placed to sleep on its back may be allowed to remain sleeping on its
106.5 stomach if the infant is at least six months of age or the license holder has a signed statement
106.6 from the parent indicating that the infant regularly rolls over at home.

106.7 (b) The license holder must place the infant in a crib directly on a firm mattress with a
106.8 fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and
106.9 overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of
106.10 the sheet with reasonable effort. The license holder must not place anything in the crib with
106.11 the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title
106.12 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of
106.13 this section apply to license holders serving infants younger than one year of age. Licensed
106.14 child care providers must meet the crib requirements under section 245A.146. A correction
106.15 order shall not be issued under this paragraph unless there is evidence that a violation
106.16 occurred when an infant was present in the license holder's care.

106.17 (c) If an infant falls asleep before being placed in a crib, the license holder must move
106.18 the infant to a crib as soon as practicable, and must keep the infant within sight of the license
106.19 holder until the infant is placed in a crib. When an infant falls asleep while being held, the
106.20 license holder must consider the supervision needs of other children in care when determining
106.21 how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant
106.22 must not be in a position where the airway may be blocked or with anything covering the
106.23 infant's face.

106.24 (d) When a license holder places an infant under one year of age down to sleep, the
106.25 infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

106.26 (e) A license holder may place an infant under one year of age down to sleep wearing
106.27 a helmet if the license holder has signed documentation by a physician, advanced practice
106.28 registered nurse, physician assistant, licensed occupational therapist, or licensed physical
106.29 therapist on a form developed by the commissioner.

106.30 ~~(d)~~ (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended
106.31 for an infant of any age and is prohibited for any infant who has begun to roll over
106.32 independently. However, with the written consent of a parent or guardian according to this
106.33 paragraph, a license holder may place the infant who has not yet begun to roll over on its
106.34 own down to sleep in a ~~one-piece sleeper equipped with an attached system that fastens~~

107.1 ~~securely only across the upper torso, with no constriction of the hips or legs, to create a~~
107.2 ~~swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms,~~
107.3 ~~fastens securely only across the infant's upper torso, and does not constrict the infant's hips~~
107.4 ~~or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets~~
107.5 ~~the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to~~
107.6 ~~breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use~~
107.7 ~~of swaddling for sleep by a provider licensed under this chapter, the license holder must~~
107.8 ~~obtain informed written consent for the use of swaddling from the parent or guardian of the~~
107.9 ~~infant on a form ~~provided~~ developed by the commissioner and ~~prepared in partnership with~~~~
107.10 ~~the Minnesota Sudden Infant Death Center.~~

107.11 (g) A license holder may request a variance to this section to permit the use of a
107.12 cradleboard when requested by a parent or guardian for a cultural accommodation. A variance
107.13 for the use of a cradleboard may be issued only by the commissioner. The variance request
107.14 must be submitted on a form developed by the commissioner in partnership with Tribal
107.15 welfare agencies and the Department of Health.

107.16 **EFFECTIVE DATE.** This section is effective January 1, 2024.

107.17 Sec. 15. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

107.18 Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed
107.19 on the license, all license holders shall check all their cribs' brand names and model numbers
107.20 against the United States Consumer Product Safety Commission website listing of unsafe
107.21 cribs.

107.22 (b) The license holder shall maintain written documentation to be reviewed on site for
107.23 each crib showing that the review required in paragraph (a) has been completed, and which
107.24 of the following conditions applies:

107.25 (1) the crib was not identified as unsafe on the United States Consumer Product Safety
107.26 Commission website;

107.27 (2) the crib was identified as unsafe on the United States Consumer Product Safety
107.28 Commission website, but the license holder has taken the action directed by the United
107.29 States Consumer Product Safety Commission to make the crib safe; or

107.30 (3) the crib was identified as unsafe on the United States Consumer Product Safety
107.31 Commission website, and the license holder has removed the crib so that it is no longer
107.32 used by or accessible to children in care.

108.1 (c) Documentation of the review completed under this subdivision shall be maintained
108.2 by the license holder on site and made available to parents or guardians of children in care
108.3 and the commissioner.

108.4 (d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that
108.5 complies with this section may use a mesh-sided or fabric-sided play yard, pack and play,
108.6 or playpen or crib that has not been identified as unsafe on the United States Consumer
108.7 Product Safety Commission website for the care or sleeping of infants.

108.8 (e) On at least a monthly basis, the family child care license holder shall perform safety
108.9 inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used
108.10 by or that is accessible to any child in care, and must document the following:

108.11 (1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of
108.12 crib;

108.13 (2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

108.14 (3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

108.15 (4) no tears or holes to top rail of crib;

108.16 (5) the mattress floor board is not soft and does not exceed one inch thick;

108.17 (6) the mattress floor board has no rips or tears in covering;

108.18 (7) the mattress floor board in use is ~~a water-proof~~ an original mattress or replacement
108.19 mattress provided by the manufacturer of the crib;

108.20 (8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

108.21 (9) there are no knobs or wing nuts on outside crib legs;

108.22 (10) there are no missing, loose, or exposed staples; and

108.23 (11) the latches on top and side rails used to collapse crib are secure, they lock properly,
108.24 and are not loose.

108.25 (f) If a cradleboard is used in a licensed setting, the license holder must check the
108.26 cradleboard not less than monthly to ensure the cradleboard is structurally sound and there
108.27 are no loose or protruding parts. The license holder shall maintain written documentation
108.28 of this review.

108.29 **EFFECTIVE DATE.** This section is effective January 1, 2024.

109.1 Sec. 16. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

109.2 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
109.3 agencies that have been designated or licensed by the commissioner to perform licensing
109.4 functions and activities under section 245A.04 and background studies for family child care
109.5 under chapter 245C; to recommend denial of applicants under section 245A.05; to issue
109.6 correction orders, to issue variances, and recommend a conditional license under section
109.7 245A.06; or to recommend suspending or revoking a license or issuing a fine under section
109.8 245A.07, shall comply with rules and directives of the commissioner governing those
109.9 functions and with this section. The following variances are excluded from the delegation
109.10 of variance authority and may be issued only by the commissioner:

109.11 (1) dual licensure of family child care and child foster care, dual licensure of child and
109.12 adult foster care, and adult foster care and family child care;

109.13 (2) adult foster care maximum capacity;

109.14 (3) adult foster care minimum age requirement;

109.15 (4) child foster care maximum age requirement;

109.16 (5) variances regarding disqualified individuals except that, before the implementation
109.17 of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding
109.18 disqualified individuals when the county is responsible for conducting a consolidated
109.19 reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and
109.20 (b), of a county maltreatment determination and a disqualification based on serious or
109.21 recurring maltreatment;

109.22 (6) the required presence of a caregiver in the adult foster care residence during normal
109.23 sleeping hours;

109.24 (7) variances to requirements relating to chemical use problems of a license holder or a
109.25 household member of a license holder; ~~and~~

109.26 (8) variances to section 245A.53 for a time-limited period. If the commissioner grants
109.27 a variance under this clause, the license holder must provide notice of the variance to all
109.28 parents and guardians of the children in care; and

109.29 (9) variances to section 245A.1435 for the use of a cradleboard for a cultural
109.30 accommodation.

110.1 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must
110.2 not grant a license holder a variance to exceed the maximum allowable family child care
110.3 license capacity of 14 children.

110.4 (b) A county agency that has been designated by the commissioner to issue family child
110.5 care variances must:

110.6 (1) publish the county agency's policies and criteria for issuing variances on the county's
110.7 public website and update the policies as necessary; and

110.8 (2) annually distribute the county agency's policies and criteria for issuing variances to
110.9 all family child care license holders in the county.

110.10 (c) Before the implementation of NETStudy 2.0, county agencies must report information
110.11 about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision
110.12 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the
110.13 commissioner at least monthly in a format prescribed by the commissioner.

110.14 (d) For family child care programs, the commissioner shall require a county agency to
110.15 conduct one unannounced licensing review at least annually.

110.16 (e) For family adult day services programs, the commissioner may authorize licensing
110.17 reviews every two years after a licensee has had at least one annual review.

110.18 (f) A license issued under this section may be issued for up to two years.

110.19 (g) During implementation of chapter 245D, the commissioner shall consider:

110.20 (1) the role of counties in quality assurance;

110.21 (2) the duties of county licensing staff; and

110.22 (3) the possible use of joint powers agreements, according to section 471.59, with counties
110.23 through which some licensing duties under chapter 245D may be delegated by the
110.24 commissioner to the counties.

110.25 Any consideration related to this paragraph must meet all of the requirements of the corrective
110.26 action plan ordered by the federal Centers for Medicare and Medicaid Services.

110.27 (h) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
110.28 successor provisions; and section 245D.061 or successor provisions, for family child foster
110.29 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
110.30 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
110.31 private agencies.

111.1 (i) A county agency shall report to the commissioner, in a manner prescribed by the
111.2 commissioner, the following information for a licensed family child care program:

111.3 (1) the results of each licensing review completed, including the date of the review, and
111.4 any licensing correction order issued;

111.5 (2) any death, serious injury, or determination of substantiated maltreatment; and

111.6 (3) any fires that require the service of a fire department within 48 hours of the fire. The
111.7 information under this clause must also be reported to the state fire marshal within two
111.8 business days of receiving notice from a licensed family child care provider.

111.9 **EFFECTIVE DATE.** This section is effective January 1, 2024.

111.10 Sec. 17. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

111.11 Subd. 9. **Licensed family foster settings.** (a) Before recommending to grant a license,
111.12 deny a license under section 245A.05, or revoke a license under section 245A.07 for
111.13 nondisqualifying background study information received under section 245C.05, subdivision
111.14 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private
111.15 agency that has been designated or licensed by the commissioner must review the following
111.16 for the license holder, applicant, and an individual living in the household where the licensed
111.17 services are provided or who is otherwise subject to a background study:

111.18 (1) the type of offenses;

111.19 (2) the number of offenses;

111.20 (3) the nature of the offenses;

111.21 (4) the age of the individual at the time of the offenses;

111.22 (5) the length of time that has elapsed since the last offense;

111.23 (6) the relationship of the offenses and the capacity to care for a child;

111.24 (7) evidence of rehabilitation;

111.25 (8) information or knowledge from community members regarding the individual's
111.26 capacity to provide foster care;

111.27 (9) any available information regarding child maltreatment reports or child in need of
111.28 protection or services petitions, or related cases, in which the individual has been involved
111.29 or implicated, and documentation that the individual has remedied issues or conditions
111.30 identified in child protection or court records that are relevant to safely caring for a child;

- 112.1 (10) a statement from the study subject;
- 112.2 (11) a statement from the license holder; and
- 112.3 (12) other aggravating and mitigating factors.
- 112.4 (b) For purposes of this section, "evidence of rehabilitation" includes but is not limited
- 112.5 to the following:
- 112.6 (1) maintaining a safe and stable residence;
- 112.7 (2) continuous, regular, or stable employment;
- 112.8 (3) successful participation in an education or job training program;
- 112.9 (4) positive involvement with the community or extended family;
- 112.10 (5) compliance with the terms and conditions of probation or parole following the
- 112.11 individual's most recent conviction;
- 112.12 (6) if the individual has had a substance use disorder, successful completion of a substance
- 112.13 use disorder assessment, substance use disorder treatment, and recommended continuing
- 112.14 care, if applicable, demonstrated abstinence from controlled substances, as defined in section
- 112.15 152.01, subdivision 4, or the establishment of a sober network;
- 112.16 (7) if the individual has had a mental illness or documented mental health issues,
- 112.17 demonstrated completion of a mental health evaluation, participation in therapy or other
- 112.18 recommended mental health treatment, or appropriate medication management, if applicable;
- 112.19 (8) if the individual's offense or conduct involved domestic violence, demonstrated
- 112.20 completion of a domestic violence or anger management program, and the absence of any
- 112.21 orders for protection or harassment restraining orders against the individual since the previous
- 112.22 offense or conduct;
- 112.23 (9) written letters of support from individuals of good repute, including but not limited
- 112.24 to employers, members of the clergy, probation or parole officers, volunteer supervisors,
- 112.25 or social services workers;
- 112.26 (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior
- 112.27 changes; and
- 112.28 (11) absence of convictions or arrests since the previous offense or conduct, including
- 112.29 any convictions that were expunged or pardoned.
- 112.30 (c) An applicant for a family foster setting license must sign all releases of information
- 112.31 requested by the county or private licensing agency.

113.1 (d) When licensing a relative for a family foster setting, the commissioner shall also
113.2 consider the importance of maintaining the child's relationship with relatives as an additional
113.3 significant factor in determining whether an application will be denied.

113.4 (e) When recommending that the commissioner deny or revoke a license, the county or
113.5 private licensing agency must send a summary of the review completed according to
113.6 paragraph (a), on a form developed by the commissioner, to the commissioner and include
113.7 any recommendation for licensing action.

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

113.9 Sec. 18. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision
113.10 to read:

113.11 **Subd. 10. Electronic checklist use by family child care licensors.** County staff who
113.12 perform family child care licensing functions must use the commissioner's electronic licensing
113.13 checklist in the manner prescribed by the commissioner.

113.14 **EFFECTIVE DATE.** This section is effective July 1, 2023.

113.15 Sec. 19. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

113.16 Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs
113.17 licensed by the Department of Human Services under this chapter and Minnesota Rules,
113.18 chapter 2960, that serve a child or children under eight years of age must document training
113.19 that fulfills the requirements in this subdivision.

113.20 (b) Before a license holder, staff person, or caregiver transports a child or children under
113.21 age eight in a motor vehicle, the person transporting the child must satisfactorily complete
113.22 training on the proper use and installation of child restraint systems in motor vehicles.
113.23 Training completed under this section may be used to meet initial or ongoing training under
113.24 Minnesota Rules, part 2960.3070, subparts 1 and 2.

113.25 (c) Training required under this section must be completed at orientation or initial training
113.26 and repeated at least once every five years. At a minimum, the training must address the
113.27 proper use of child restraint systems based on the child's size, weight, and age, and the
113.28 proper installation of a car seat or booster seat in the motor vehicle used by the license
113.29 holder to transport the child or children.

113.30 (d) Training under paragraph (c) must be provided by individuals who are certified and
113.31 approved by the ~~Department of Public Safety~~, Office of Traffic Safety within the Department

114.1 of Public Safety. License holders may obtain a list of certified and approved trainers through
114.2 the Department of Public Safety website or by contacting the agency.

114.3 (e) Notwithstanding paragraph (a), for an emergency relative placement under section
114.4 245A.035, the commissioner may grant a variance to the training required by this subdivision
114.5 for a relative who completes a child seat safety check up. The child seat safety check up
114.6 trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and
114.7 must provide one-on-one instruction on placing a child of a specific age in the exact child
114.8 passenger restraint in the motor vehicle in which the child will be transported. Once granted
114.9 a variance, and if all other licensing requirements are met, the relative applicant may receive
114.10 a license and may transport a relative foster child younger than eight years of age. A child
114.11 seat safety check up must be completed each time a child requires a different size car seat
114.12 according to car seat and vehicle manufacturer guidelines. A relative license holder must
114.13 complete training that meets the other requirements of this subdivision prior to placement
114.14 of another foster child younger than eight years of age in the home or prior to the renewal
114.15 of the child foster care license.

114.16 Sec. 20. Minnesota Statutes 2022, section 245A.22, is amended by adding a subdivision
114.17 to read:

114.18 Subd. 8. **Maltreatment of minors training requirements.** The license holder must
114.19 train each mandatory reporter as described in section 260E.06, subdivision 1, on the
114.20 maltreatment of minors reporting requirements and definitions in chapter 260E before the
114.21 mandatory reporter has direct contact, as defined in section 245C.02, subdivision 11, with
114.22 a person served by the program. The license holder must train each mandatory reporter
114.23 annually thereafter.

114.24 **EFFECTIVE DATE.** This section is effective January 1, 2024.

114.25 Sec. 21. **[245A.42] CHILD CARE CENTER HIRING PRACTICES.**

114.26 As part of the employment assessment process, a child care center license holder or staff
114.27 person may observe how a prospective employee interacts with children in the licensed
114.28 facility. The prospective employee is not considered a child care background study subject
114.29 under section 245C.02, subdivision 6a, provided the prospective employee is under
114.30 continuous direct supervision by a staff person when the prospective employee has physical
114.31 access to a child served by the center. The observation period shall not be longer than two
114.32 hours, and a prospective employee must not be counted in staff-to-child ratios.

114.33 **EFFECTIVE DATE.** This section is effective October 1, 2023.

115.1 Sec. 22. Minnesota Statutes 2022, section 245A.50, subdivision 3, is amended to read:

115.2 Subd. 3. **First aid.** (a) Before initial licensure and before caring for a child, license
115.3 holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The
115.4 first aid training must have been provided by an individual approved to provide first aid
115.5 instruction. First aid training may be less than eight hours and persons qualified to provide
115.6 first aid training include individuals approved as first aid instructors. License holders, second
115.7 adult caregivers, and substitutes must repeat pediatric first aid training every two years.
115.8 ~~When the training expires, it must be retaken no later than the day before the anniversary~~
115.9 ~~of the license holder's license effective date.~~ License holders, second adult caregivers, and
115.10 substitutes must not let the training expire.

115.11 (b) Video training reviewed and approved by the county licensing agency satisfies the
115.12 training requirement of this subdivision.

115.13 Sec. 23. Minnesota Statutes 2022, section 245A.50, subdivision 4, is amended to read:

115.14 Subd. 4. **Cardiopulmonary resuscitation.** (a) Before initial licensure and before caring
115.15 for a child, license holders, second adult caregivers, and substitutes must be trained in
115.16 pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and
115.17 children, and in the treatment of obstructed airways. The CPR training must have been
115.18 provided by an individual approved to provide CPR instruction. License holders, second
115.19 adult caregivers, and substitutes must repeat pediatric CPR training at least once every two
115.20 years and must document the training in the license holder's records. ~~When the training~~
115.21 ~~expires, it must be retaken no later than the day before the anniversary of the license holder's~~
115.22 ~~license effective date.~~ License holders, second adult caregivers, and substitutes must not let
115.23 the training expire.

115.24 (b) Persons providing CPR training must use CPR training that has been developed:

115.25 (1) by the American Heart Association or the American Red Cross and incorporates
115.26 psychomotor skills to support the instruction; or

115.27 (2) using nationally recognized, evidence-based guidelines for CPR training and
115.28 incorporates psychomotor skills to support the instruction.

115.29 Sec. 24. Minnesota Statutes 2022, section 245A.50, subdivision 5, is amended to read:

115.30 Subd. 5. **Sudden unexpected infant death and abusive head trauma training.** (a)
115.31 License holders must ensure and document that before the license holder, second adult
115.32 caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the

116.1 standards in section 245A.1435 and receive training on reducing the risk of sudden
116.2 unexpected infant death. In addition, license holders must ensure and document that before
116.3 the license holder, second adult caregivers, substitutes, and helpers assist in the care of
116.4 infants and children under school age, they receive training on reducing the risk of abusive
116.5 head trauma from shaking infants and young children. The training in this subdivision may
116.6 be provided as initial training under subdivision 1 or ongoing annual training under
116.7 subdivision 7.

116.8 (b) Sudden unexpected infant death reduction training required under this subdivision
116.9 must, at a minimum, address the risk factors related to sudden unexpected infant death,
116.10 means of reducing the risk of sudden unexpected infant death in child care, and license
116.11 holder communication with parents regarding reducing the risk of sudden unexpected infant
116.12 death.

116.13 (c) Abusive head trauma training required under this subdivision must, at a minimum,
116.14 address the risk factors related to shaking infants and young children, means of reducing
116.15 the risk of abusive head trauma in child care, and license holder communication with parents
116.16 regarding reducing the risk of abusive head trauma.

116.17 (d) Training for family and group family child care providers must be developed by the
116.18 commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved
116.19 by the Minnesota Center for Professional Development. Sudden unexpected infant death
116.20 reduction training and abusive head trauma training may be provided in a single course of
116.21 no more than two hours in length.

116.22 (e) Sudden unexpected infant death reduction training and abusive head trauma training
116.23 required under this subdivision must be completed in person or as allowed under subdivision
116.24 10, clause (1) or (2), at least once every two years. ~~When the training expires, it must be~~
116.25 ~~retaken no later than the day before the anniversary of the license holder's license effective~~
116.26 ~~date.~~ On the years when the individual receiving training is not receiving training in person
116.27 or as allowed under subdivision 10, clause (1) or (2), the individual receiving training in
116.28 accordance with this subdivision must receive sudden unexpected infant death reduction
116.29 training and abusive head trauma training through a video of no more than one hour in
116.30 length. The video must be developed or approved by the commissioner.

116.31 (f) An individual who is related to the license holder as defined in section 245A.02,
116.32 subdivision 13, and who is involved only in the care of the license holder's own infant or
116.33 child under school age and who is not designated to be a second adult caregiver, helper, or

117.1 substitute for the licensed program, is exempt from the sudden unexpected infant death and
117.2 abusive head trauma training.

117.3 Sec. 25. Minnesota Statutes 2022, section 245A.50, subdivision 6, is amended to read:

117.4 Subd. 6. **Child passenger restraint systems; training requirement.** (a) A license
117.5 holder must comply with all seat belt and child passenger restraint system requirements
117.6 under section 169.685.

117.7 (b) Family and group family child care programs licensed by the Department of Human
117.8 Services that serve a child or children under eight years of age must document training that
117.9 fulfills the requirements in this subdivision.

117.10 (1) Before a license holder, second adult caregiver, substitute, or helper transports a
117.11 child or children under age eight in a motor vehicle, the person placing the child or children
117.12 in a passenger restraint must satisfactorily complete training on the proper use and installation
117.13 of child restraint systems in motor vehicles. Training completed under this subdivision may
117.14 be used to meet initial training under subdivision 1 or ongoing training under subdivision
117.15 7.

117.16 (2) Training required under this subdivision must be at least one hour in length, completed
117.17 at initial training, and repeated at least once every five years. ~~When the training expires, it~~
117.18 ~~must be retaken no later than the day before the anniversary of the license holder's license~~
117.19 ~~effective date.~~ At a minimum, the training must address the proper use of child restraint
117.20 systems based on the child's size, weight, and age, and the proper installation of a car seat
117.21 or booster seat in the motor vehicle used by the license holder to transport the child or
117.22 children.

117.23 (3) Training under this subdivision must be provided by individuals who are certified
117.24 and approved by the Department of Public Safety, Office of Traffic Safety. License holders
117.25 may obtain a list of certified and approved trainers through the Department of Public Safety
117.26 website or by contacting the agency.

117.27 (c) Child care providers that only transport school-age children as defined in section
117.28 245A.02, subdivision 19, paragraph (f), in child care buses as defined in section 169.448,
117.29 subdivision 1, paragraph (e), are exempt from this subdivision.

117.30 Sec. 26. Minnesota Statutes 2022, section 245A.50, subdivision 9, is amended to read:

117.31 Subd. 9. **Supervising for safety; training requirement.** (a) Courses required by this
117.32 subdivision must include the following health and safety topics:

118.1 (1) preventing and controlling infectious diseases;

118.2 (2) administering medication;

118.3 (3) preventing and responding to allergies;

118.4 (4) ensuring building and physical premises safety;

118.5 (5) handling and storing biological contaminants;

118.6 (6) preventing and reporting child abuse and maltreatment; and

118.7 (7) emergency preparedness.

118.8 (b) Before initial licensure and before caring for a child, all family child care license
118.9 holders and each second adult caregiver shall complete and document the completion of
118.10 the six-hour Supervising for Safety for Family Child Care course developed by the
118.11 commissioner.

118.12 (c) The license holder must ensure and document that, before caring for a child, all
118.13 substitutes have completed the four-hour Basics of Licensed Family Child Care for
118.14 Substitutes course developed by the commissioner, which must include health and safety
118.15 topics as well as child development and learning.

118.16 (d) The family child care license holder and each second adult caregiver shall complete
118.17 and document:

118.18 (1) the annual completion of either:

118.19 (i) a two-hour active supervision course developed by the commissioner; or

118.20 (ii) any courses in the ensuring safety competency area under the health, safety, and
118.21 nutrition standard of the Knowledge and Competency Framework that the commissioner
118.22 has identified as an active supervision training course; and

118.23 (2) the completion at least once every five years of the two-hour courses Health and
118.24 Safety I and Health and Safety II. ~~When the training is due for the first time or expires, it~~
118.25 ~~must be taken no later than the day before the anniversary of the license holder's license~~
118.26 ~~effective date.~~ A license holder's or second adult caregiver's completion of either training
118.27 in a given year meets the annual active supervision training requirement in clause (1).

118.28 (e) At least once every three years, license holders must ensure and document that
118.29 substitutes have completed the four-hour Basics of Licensed Family Child Care for
118.30 Substitutes course. ~~When the training expires, it must be retaken no later than the day before~~
118.31 ~~the anniversary of the license holder's license effective date.~~

119.1 Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:

119.2 Subdivision 1. **Means of escape.** (a)(1) At least one emergency escape route separate
119.3 from the main exit from the space must be available in each room used for sleeping by
119.4 anyone receiving licensed care, and (2) a basement used for child care. One means of escape
119.5 must be a stairway or door leading to the floor of exit discharge. The other must be a door
119.6 or window leading directly outside. A window used as an emergency escape route must be
119.7 openable without special knowledge.

119.8 (b) In homes with construction that began before ~~May 2, 2016~~ March 31, 2020, the
119.9 interior of the window leading directly outside must have a net clear opening area of not
119.10 less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions
119.11 of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result
119.12 of normal operation of the opening. The opening must be no higher than 48 inches from the
119.13 floor. The height to the window may be measured from a platform if a platform is located
119.14 below the window.

119.15 (c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, the
119.16 interior of the window leading directly outside must have minimum clear opening dimensions
119.17 of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result
119.18 of normal operation of the opening. The opening must be no higher than 44 inches from the
119.19 floor.

119.20 ~~(d)~~ Additional requirements are dependent on the distance of the openings from the ground
119.21 outside the window: (1) windows or other openings with a sill height not more than 44
119.22 inches above or below the finished ground level adjacent to the opening (grade-floor
119.23 emergency escape and rescue openings) must have a minimum opening of five square feet;
119.24 and (2) non-grade-floor emergency escape and rescue openings must have a minimum
119.25 opening of 5.7 square feet.

119.26 Sec. 28. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:

119.27 Subd. 3. **Heating and venting systems.** (a) Notwithstanding Minnesota Rules, part
119.28 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including
119.29 but not limited to plastic, fabric, and wood products must not be located within:

119.30 (1) 18 inches of a gas or fuel-oil heater or furnace; or

119.31 (2) 36 inches of a solid-fuel-burning appliance.

120.1 (b) If a license holder produces manufacturer instructions listing a smaller distance, then
120.2 the manufacturer instructions control the distance combustible items must be from gas,
120.3 fuel-oil, or solid-fuel burning heaters or furnaces.

120.4 Sec. 29. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:

120.5 Subd. 5. **Carbon monoxide and smoke alarms.** (a) All homes must have an approved
120.6 and operational carbon monoxide alarm installed within ten feet of each room used for
120.7 sleeping children in care.

120.8 (b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly
120.9 installed and maintained ~~on all levels including basements, but not including crawl spaces~~
120.10 ~~and uninhabitable attics, and in hallways outside rooms used for sleeping children in care.~~
120.11 in hallways outside of rooms used for sleeping children and on all levels, including basements
120.12 but not including crawl spaces and uninhabitable attics.

120.13 (c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020,
120.14 smoke alarms must be installed and maintained in each room used for sleeping children in
120.15 care.

120.16 Sec. 30. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision
120.17 to read:

120.18 Subd. 8. **Fire code variances.** When a variance is requested of the standards contained
120.19 in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from
120.20 the state fire marshal of the variance requested and the alternative measures identified to
120.21 ensure the safety of children in care.

120.22 Sec. 31. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision
120.23 to read:

120.24 Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training
120.25 required by the applicable licensing rules and statutes, children's residential facility and
120.26 private child-placing agency license holders must provide a training annually on the
120.27 maltreatment of minors reporting requirements and definitions in chapter 260E to each
120.28 mandatory reporter, as described in section 260E.06, subdivision 1.

120.29 (b) In addition to the orientation training required by the applicable licensing rules and
120.30 statutes, all family child foster care license holders and caregivers and foster residence
120.31 setting staff and volunteers that are mandatory reporters as described in section 260E.06,

121.1 subdivision 1, must complete training each year on the maltreatment of minors reporting
121.2 requirements and definitions in chapter 260E.

121.3 **EFFECTIVE DATE.** This section is effective January 1, 2024.

121.4 Sec. 32. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

121.5 Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member
121.6 has the training described in this subdivision.

121.7 (b) Each staff member must be trained every two years in:

121.8 (1) client confidentiality rules and regulations and client ethical boundaries; and

121.9 (2) emergency procedures and client rights as specified in sections 144.651, 148F.165,
121.10 and 253B.03.

121.11 (c) Annually each staff member with direct contact must be trained on mandatory
121.12 reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E,
121.13 including specific training covering the license holder's policies for obtaining a release of
121.14 client information.

121.15 (d) Upon employment and annually thereafter, each staff member with direct contact
121.16 must receive training on HIV minimum standards according to section 245A.19.

121.17 (e) The license holder must ensure that each mandatory reporter, as described in section
121.18 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements
121.19 and definitions in chapter 260E before the mandatory reporter has direct contact, as defined
121.20 in section 245C.02, subdivision 11, with a person served by the program.

121.21 ~~(e)~~ (f) A treatment director, supervisor, nurse, or counselor must have a minimum of 12
121.22 hours of training in co-occurring disorders that includes competencies related to philosophy,
121.23 trauma-informed care, screening, assessment, diagnosis and person-centered treatment
121.24 planning, documentation, programming, medication, collaboration, mental health
121.25 consultation, and discharge planning. A new staff member who has not obtained the training
121.26 must complete the training within six months of employment. A staff member may request,
121.27 and the license holder may grant, credit for relevant training obtained before employment,
121.28 which must be documented in the staff member's personnel file.

121.29 **EFFECTIVE DATE.** This section is effective January 1, 2024.

122.1 Sec. 33. Minnesota Statutes 2022, section 245H.01, subdivision 5, is amended to read:

122.2 Subd. 5. **Certified license-exempt child care center.** "Certified license-exempt child
122.3 care center" means the commissioner's written authorization for a child care center excluded
122.4 from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13),
122.5 (15), (18), ~~or (26)~~, or (30), to register to receive child care assistance payments under chapter
122.6 119B.

122.7 **EFFECTIVE DATE.** This section is effective January 1, 2024.

122.8 Sec. 34. Minnesota Statutes 2022, section 245H.02, is amended to read:

122.9 **245H.02 WHO MUST BE CERTIFIED.**

122.10 A program that is exempt from licensure under section 245A.03, subdivision 2, paragraph
122.11 (a), clause (5), (11) to (13), (15), (18), ~~or (26)~~, ~~and is authorized to receive child care~~
122.12 ~~assistance payments under chapter 119B~~, or (30), must be a certified license-exempt child
122.13 care center according to this section to receive child care assistance payments under chapter
122.14 119B.

122.15 **EFFECTIVE DATE.** This section is effective January 1, 2024.

122.16 Sec. 35. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision
122.17 to read:

122.18 Subd. 5. **Notification required.** (a) A certification holder must notify the commissioner,
122.19 in a manner prescribed by the commissioner, and obtain the commissioner's approval before
122.20 making any changes:

122.21 (1) to the certification holder as defined in section 245H.01, subdivision 4;

122.22 (2) to the certification holder information on file with the secretary of state or Department
122.23 of Revenue;

122.24 (3) in the location of the program certified under this chapter;

122.25 (4) to the ages of children served by the program; or

122.26 (5) to the certified center's schedule including its:

122.27 (i) yearly schedule;

122.28 (ii) hours of operation; or

122.29 (iii) days of the week it is open.

123.1 (b) When, for reasons beyond the certification holder's control, a certification holder
123.2 cannot provide the commissioner with prior notice of the changes in paragraph (a), the
123.3 certification holder must notify the commissioner by the tenth business day after the change
123.4 and must provide any additional information requested by the commissioner.

123.5 (c) When a certification holder notifies the commissioner of a change to the certification
123.6 holder information on file with the secretary of state, the certification holder must provide
123.7 documentation of the change.

123.8 (d) Upon implementation of the provider licensing and reporting hub, certification holders
123.9 must enter and update information in the hub in a manner prescribed by the commissioner.

123.10 **EFFECTIVE DATE.** This section is effective August 1, 2023.

123.11 Sec. 36. Minnesota Statutes 2022, section 245H.05, is amended to read:

123.12 **245H.05 MONITORING AND INSPECTIONS.**

123.13 (a) The commissioner must conduct an on-site inspection of a certified license-exempt
123.14 child care center at least ~~annually~~ once each calendar year to determine compliance with
123.15 the health, safety, and fire standards specific to a certified license-exempt child care center.

123.16 (b) No later than November 19, 2017, the commissioner shall make publicly available
123.17 on the department's website the results of inspection reports for all certified centers including
123.18 the number of deaths, serious injuries, and instances of substantiated child maltreatment
123.19 that occurred in certified centers each year.

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

123.21 Sec. 37. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

123.22 Subd. 4. **Maximum group size.** (a) For a child six weeks old through 16 months old,
123.23 the maximum group size shall be no more than eight children.

123.24 (b) For a child 16 months old through 33 months old, the maximum group size shall be
123.25 no more than 14 children.

123.26 (c) For a child 33 months old through prekindergarten, a maximum group size shall be
123.27 no more than 20 children.

123.28 (d) For a child in kindergarten through 13 years old, a maximum group size shall be no
123.29 more than 30 children.

124.1 (e) The maximum group size applies at all times except during group activity coordination
124.2 time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and
124.3 special activity including a film, guest speaker, indoor large muscle activity, or holiday
124.4 program.

124.5 (f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14
124.6 years of age or older if one of the following conditions is true:

124.7 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
124.8 1, paragraph (e); or

124.9 (2) the certified center serves only school-age children in a setting that has students
124.10 enrolled in no grade higher than 8th grade.

124.11 **EFFECTIVE DATE.** This section is effective August 1, 2023.

124.12 Sec. 38. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

124.13 Subd. 5. **Ratios.** (a) The minimally acceptable staff-to-child ratios are:

124.14 six weeks old through 16 months old 1:4

124.15 16 months old through 33 months old 1:7

124.16 33 months old through prekindergarten 1:10

124.17 kindergarten through 13 years old 1:15

124.18 (b) Kindergarten includes a child of sufficient age to have attended the first day of
124.19 kindergarten or who is eligible to enter kindergarten within the next four months.

124.20 (c) For mixed groups, the ratio for the age group of the youngest child applies.

124.21 (d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14
124.22 years of age or older if one of the following conditions is true:

124.23 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
124.24 1, paragraph (e); or

124.25 (2) the certified center serves only school-age children in a setting that has students
124.26 enrolled in no grade higher than 8th grade.

124.27 **EFFECTIVE DATE.** This section is effective August 1, 2023.

124.28 Sec. 39. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

124.29 Subd. 3. **Administration of medication.** (a) A certified center that chooses to administer
124.30 medicine must meet the requirements in this subdivision.

125.1 (b) The certified center must obtain written permission from the child's parent or legal
125.2 guardian before administering prescription medicine, nonprescription medicine, diapering
125.3 product, sunscreen lotion, and insect repellent.

125.4 (c) The certified center must administer nonprescription medicine, diapering product,
125.5 sunscreen lotion, and insect repellent according to the manufacturer's instructions unless
125.6 provided written instructions by a licensed health professional to use a product differently.

125.7 (d) The certified center must obtain and follow written instructions from the prescribing
125.8 health professional before administering prescription medicine. Medicine with the child's
125.9 first and last name and current prescription information on the label is considered written
125.10 instructions.

125.11 (e) The certified center must ensure all prescription and nonprescription medicine is:

125.12 (1) kept in the medicine's original container with a legible label stating the child's first
125.13 and last name;

125.14 (2) given only to the child whose name is on the label;

125.15 (3) not given after an expiration date on the label; and

125.16 (4) returned to the child's parent or legal guardian or destroyed, if unused.

125.17 (f) The certified center must document in the child's record the administration of
125.18 prescription and nonprescription medication, including the child's first and last name; the
125.19 name of the medication or prescription number; the date, time, and dosage; and the name
125.20 and signature of the person who administered the medicine. This documentation must be
125.21 available to the child's parent or legal guardian.

125.22 (g) The certified center must store prescription and nonprescription medicines, insect
125.23 repellents, and diapering products according to directions on the original container.

125.24 **EFFECTIVE DATE.** This section is effective August 1, 2023.

125.25 Sec. 40. Minnesota Statutes 2022, section 245H.13, subdivision 7, is amended to read:

125.26 Subd. 7. **Risk reduction plan.** (a) The certified center must develop a risk reduction
125.27 plan that identifies risks to children served by the child care center. The assessment of risk
125.28 must include risks presented by (1) the physical plant where the certified services are
125.29 provided, including electrical hazards; and (2) the environment, including the proximity to
125.30 busy roads and bodies of water.

126.1 (b) The certification holder must establish policies and procedures to minimize identified
126.2 risks. After any change to the risk reduction plan, the certification holder must inform staff
126.3 of the change in the risk reduction plan and document that staff were informed of the change.

126.4 (c) If middle-school-age children are enrolled in the center and combined with elementary
126.5 children, the certification holder must establish policies and procedures to ensure adequate
126.6 supervision as defined in subdivision 10 when children are grouped together.

126.7 **EFFECTIVE DATE.** This section is effective August 1, 2023.

126.8 Sec. 41. **DIRECTION TO COMMISSIONER; AMENDING THE DEFINITION OF**
126.9 **EDUCATION.**

126.10 (a) The commissioner of human services must amend Minnesota Rules, part 9503.0030,
126.11 subpart 1, item B, to include accredited course work from an accredited postsecondary
126.12 institution that can be shown to be relevant to the primary skills necessary to meet the
126.13 qualifications of a teacher.

126.14 (b) For purposes of this section, the commissioner may use the good cause exemption
126.15 process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota
126.16 Statutes, section 14.386, does not apply.

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

126.18 Sec. 42. **DIRECTION TO COMMISSIONER; AMENDING STAFF**
126.19 **QUALIFICATION RULES FOR CHILD CARE CENTERS.**

126.20 (a) The commissioner of human services must amend Minnesota Rules, part 9503.0033,
126.21 to allow a child care center to hire an individual as an assistant teacher if the individual is
126.22 at least 18 years old, has been employed in a direct child-serving role at the center for a
126.23 minimum of 30 days, is enrolled in a child development associate credential program at the
126.24 time of hire or will be within 60 days of being hired, and completes the child development
126.25 associate credential from the Council for Professional Recognition within one year of the
126.26 individual's hiring date.

126.27 (b) For purposes of this section, the commissioner may use the good cause exemption
126.28 process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota
126.29 Statutes, section 14.386, does not apply.

127.1

ARTICLE 5

127.2

ECONOMIC ASSISTANCE

127.3 Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 3, is amended to read:

127.4 Subd. 3. **Application.** "Application" means the submission to a county agency, by or

127.5 on behalf of a family, of a completed, signed, and dated:

127.6 (1) child care assistance universal application form; or

127.7 (2) child care addendum form in combination with a combined application form for

127.8 MFIP, ~~DWP~~, or Supplemental Nutrition Assistance Program (SNAP) benefits.

127.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

127.10 Sec. 2. Minnesota Statutes 2022, section 119B.011, subdivision 15, is amended to read:

127.11 Subd. 15. **Income.** "Income" means earned income as defined under section 256P.01,

127.12 subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public

127.13 assistance cash benefits, including the Minnesota family investment program, ~~diversionary~~

127.14 ~~work program~~, work benefit, Minnesota supplemental aid, general assistance, refugee cash

127.15 assistance, at-home infant child care subsidy payments, and child support and maintenance

127.16 distributed to ~~the~~ a family under section 256.741, subdivision 2a-, and nonrecurring income

127.17 over \$60 per quarter unless the nonrecurring income is:

127.18 (1) from tax refunds, tax rebates, or tax credits;

127.19 (2) from a reimbursement, rebate, award, grant, or refund of personal or real property

127.20 or costs or losses incurred when these payments are made by a public agency, a court, a

127.21 solicitation through public appeal, the federal government, a state or local unit of government,

127.22 or a disaster assistance organization;

127.23 (3) provided as an in-kind benefit; or

127.24 (4) earmarked and used for the purpose for which it was intended.

127.25 The following are deducted from income: funds used to pay for health insurance

127.26 premiums for family members, and child or spousal support paid to or on behalf of a person

127.27 or persons who live outside of the household. Income sources not included in this subdivision

127.28 and section 256P.06, subdivision 3, are not counted as income.

127.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

128.1 Sec. 3. Minnesota Statutes 2022, section 119B.02, subdivision 4, is amended to read:

128.2 Subd. 4. **Universal application form.** The commissioner must develop and make
128.3 available to all counties a universal application form for child care assistance under this
128.4 chapter. The commissioner may develop and make available to all counties a child care
128.5 addendum form to be used to supplement the combined application form for MFIP,~~DWP~~,
128.6 or Supplemental Nutrition Assistance Program (SNAP) benefits or to supplement other
128.7 statewide application forms for public assistance programs for families applying for one of
128.8 these programs in addition to child care assistance. The application must provide notice of
128.9 eligibility requirements for assistance and penalties for wrongfully obtaining assistance.

128.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

128.11 Sec. 4. Minnesota Statutes 2022, section 119B.025, subdivision 4, is amended to read:

128.12 Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility
128.13 factors according to paragraphs (b) to (g).

128.14 (b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

128.15 (c) If a family reports a change or a change is known to the agency before the family's
128.16 regularly scheduled redetermination, the county must act on the change. The commissioner
128.17 shall establish standards for verifying a change.

128.18 (d) A change in income occurs on the day the participant received the first payment
128.19 reflecting the change in income.

128.20 (e) During a family's 12-month eligibility period, if the family's income increases and
128.21 remains at or below 85 percent of the state median income, adjusted for family size, there
128.22 is no change to the family's eligibility. The county shall not request verification of the
128.23 change. The co-payment fee shall not increase during the remaining portion of the family's
128.24 12-month eligibility period.

128.25 (f) During a family's 12-month eligibility period, if the family's income increases and
128.26 exceeds 85 percent of the state median income, adjusted for family size, the family is not
128.27 eligible for child care assistance. The family must be given 15 calendar days to provide
128.28 verification of the change. If the required verification is not returned or confirms ineligibility,
128.29 the family's eligibility ends following a subsequent 15-day adverse action notice.

128.30 (g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170,
128.31 subpart 1, if an applicant or participant reports that employment ended, the agency may

129.1 accept a signed statement from the applicant or participant as verification that employment
129.2 ended.

129.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

129.4 Sec. 5. Minnesota Statutes 2022, section 119B.03, subdivision 3, is amended to read:

129.5 Subd. 3. **Eligible participants.** Families that meet the eligibility requirements under
129.6 sections 119B.09 and 119B.10, except MFIP participants, ~~diversionary work program,~~ and
129.7 transition year families are eligible for child care assistance under the basic sliding fee
129.8 program. Families enrolled in the basic sliding fee program shall be continued until they
129.9 are no longer eligible. Child care assistance provided through the child care fund is considered
129.10 assistance to the parent.

129.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

129.12 Sec. 6. Minnesota Statutes 2022, section 119B.03, subdivision 4, is amended to read:

129.13 Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic
129.14 sliding fee program must be given to eligible non-MFIP families who do not have a high
129.15 school diploma or commissioner of education-selected high school equivalency certification
129.16 or who need remedial and basic skill courses in order to pursue employment or to pursue
129.17 education leading to employment and who need child care assistance to participate in the
129.18 education program. This includes student parents as defined under section 119B.011,
129.19 subdivision 19b. Within this priority, the following subpriorities must be used:

129.20 (1) child care needs of minor parents;

129.21 (2) child care needs of parents under 21 years of age; and

129.22 (3) child care needs of other parents within the priority group described in this paragraph.

129.23 (b) Second priority must be given to parents who have completed their MFIP ~~or DWP~~
129.24 transition year, ~~or parents who are no longer receiving or eligible for diversionary work~~
129.25 ~~program supports.~~

129.26 (c) Third priority must be given to families who are eligible for portable basic sliding
129.27 fee assistance through the portability pool under subdivision 9.

129.28 (d) Fourth priority must be given to families in which at least one parent is a veteran as
129.29 defined under section 197.447.

129.30 (e) Families under paragraph (b) must be added to the basic sliding fee waiting list on
129.31 the date they begin the transition year under section 119B.011, subdivision 20, and must

130.1 be moved into the basic sliding fee program as soon as possible after they complete their
130.2 transition year.

130.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

130.4 Sec. 7. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

130.5 Subd. 4a. **Temporary reprioritization.** (a) Notwithstanding subdivision 4, priority for
130.6 child care assistance under the basic sliding fee assistance program shall be determined
130.7 according to this subdivision beginning July 1, 2021, through May 31, 2024.

130.8 (b) First priority must be given to eligible non-MFIP families who do not have a high
130.9 school diploma or commissioner of education-selected high school equivalency certification
130.10 or who need remedial and basic skill courses in order to pursue employment or to pursue
130.11 education leading to employment and who need child care assistance to participate in the
130.12 education program. This includes student parents as defined under section 119B.011,
130.13 subdivision 19b. Within this priority, the following subpriorities must be used:

130.14 (1) child care needs of minor parents;

130.15 (2) child care needs of parents under 21 years of age; and

130.16 (3) child care needs of other parents within the priority group described in this paragraph.

130.17 (c) Second priority must be given to families in which at least one parent is a veteran,
130.18 as defined under section 197.447.

130.19 (d) Third priority must be given to eligible families who do not meet the specifications
130.20 of paragraph (b), (c), (e), or (f).

130.21 (e) Fourth priority must be given to families who are eligible for portable basic sliding
130.22 fee assistance through the portability pool under subdivision 9.

130.23 (f) Fifth priority must be given to eligible families receiving services under section
130.24 119B.011, subdivision 20a, if the parents have completed their MFIP ~~or DWP~~ transition
130.25 year, ~~or if the parents are no longer receiving or eligible for DWP supports.~~

130.26 (g) Families under paragraph (f) must be added to the basic sliding fee waiting list on
130.27 the date they complete their transition year under section 119B.011, subdivision 20.

130.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

131.1 Sec. 8. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

131.2 Subdivision 1. **Eligible participants.** Families eligible for child care assistance under
131.3 the MFIP child care program are:

131.4 (1) MFIP participants who are employed or in job search and meet the requirements of
131.5 section 119B.10;

131.6 (2) persons who are members of transition year families under section 119B.011,
131.7 subdivision 20, and meet the requirements of section 119B.10;

131.8 ~~(3) families who are participating in employment orientation or job search, or other~~
131.9 ~~employment or training activities that are included in an approved employability development~~
131.10 ~~plan under section 256J.95;~~

131.11 ~~(4)~~ (3) MFIP families who are participating in work job search, job support, employment,
131.12 or training activities as required in their employment plan, or in appeals, hearings,
131.13 assessments, or orientations according to chapter 256J;

131.14 ~~(5)~~ (4) MFIP families who are participating in social services activities under chapter
131.15 256J as required in their employment plan approved according to chapter 256J;

131.16 ~~(6)~~ (5) families who are participating in services or activities that are included in an
131.17 approved family stabilization plan under section 256J.575;

131.18 ~~(7)~~ (6) families who are participating in programs as required in tribal contracts under
131.19 section 119B.02, subdivision 2, or 256.01, subdivision 2;

131.20 ~~(8)~~ (7) families who are participating in the transition year extension under section
131.21 119B.011, subdivision 20a;

131.22 ~~(9)~~ (8) student parents as defined under section 119B.011, subdivision 19b; and

131.23 ~~(10)~~ (9) student parents who turn 21 years of age and who continue to meet the other
131.24 requirements under section 119B.011, subdivision 19b. A student parent continues to be
131.25 eligible until the student parent is approved for basic sliding fee child care assistance or
131.26 until the student parent's redetermination, whichever comes first. At the student parent's
131.27 redetermination, if the student parent was not approved for basic sliding fee child care
131.28 assistance, a student parent's eligibility ends following a 15-day adverse action notice.

131.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

132.1 Sec. 9. Minnesota Statutes 2022, section 119B.09, subdivision 7, is amended to read:

132.2 Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child care
132.3 assistance under this chapter is the later of the date the application was received by the
132.4 county; the beginning date of employment, education, or training; the date the infant is born
132.5 for applicants to the at-home infant care program; or the date a determination has been made
132.6 that the applicant is a participant in employment and training services under Minnesota
132.7 Rules, part 3400.0080, or chapter 256J.

132.8 (b) Payment ceases for a family under the at-home infant child care program when a
132.9 family has used a total of 12 months of assistance as specified under section 119B.035.
132.10 Payment of child care assistance for employed persons on MFIP is effective the date of
132.11 employment or the date of MFIP eligibility, whichever is later. Payment of child care
132.12 assistance for MFIP ~~or DWP~~ participants in employment and training services is effective
132.13 the date of commencement of the services or the date of MFIP ~~or DWP~~ eligibility, whichever
132.14 is later. Payment of child care assistance for transition year child care must be made
132.15 retroactive to the date of eligibility for transition year child care.

132.16 (c) Notwithstanding paragraph (b), payment of child care assistance for participants
132.17 eligible under section 119B.05 may only be made retroactive for a maximum of three months
132.18 from the date of application for child care assistance.

132.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

132.20 Sec. 10. Minnesota Statutes 2022, section 119B.095, subdivision 2, is amended to read:

132.21 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota
132.22 Rules, chapter 3400, the amount of child care authorized under section 119B.10 for
132.23 employment, education, or an MFIP ~~or DWP~~ employment plan shall continue at the same
132.24 number of hours or more hours until redetermination, including:

132.25 (1) when the other parent moves in and is employed or has an education plan under
132.26 section 119B.10, subdivision 3, or has an MFIP ~~or DWP~~ employment plan; or

132.27 (2) when the participant's work hours are reduced or a participant temporarily stops
132.28 working or attending an approved education program. Temporary changes include, but are
132.29 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
132.30 semesters.

132.31 (b) The county may increase the amount of child care authorized at any time if the
132.32 participant verifies the need for increased hours for authorized activities.

133.1 (c) The county may reduce the amount of child care authorized if a parent requests a
133.2 reduction or because of a change in:

133.3 (1) the child's school schedule;

133.4 (2) the custody schedule; or

133.5 (3) the provider's availability.

133.6 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
133.7 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
133.8 apply to a family subject to subdivision 1, paragraph (b).

133.9 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
133.10 age, the amount of child care authorized shall continue at the same number of hours or more
133.11 hours until redetermination.

133.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

133.13 Sec. 11. Minnesota Statutes 2022, section 119B.095, subdivision 3, is amended to read:

133.14 Subd. 3. **Assistance for persons who are homeless.** An applicant who is homeless and
133.15 eligible for child care assistance is exempt from the activity participation requirements under
133.16 this chapter for three months. The applicant under this subdivision is eligible for 60 hours
133.17 of child care assistance per service period for three months from the date the county receives
133.18 the application. Additional hours may be authorized as needed based on the applicant's
133.19 participation in employment, education, or MFIP ~~or DWP~~ employment plan. To continue
133.20 receiving child care assistance after the initial three months, the applicant must verify that
133.21 the applicant meets eligibility and activity requirements for child care assistance under this
133.22 chapter.

133.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

133.24 Sec. 12. Minnesota Statutes 2022, section 119B.10, subdivision 1, is amended to read:

133.25 Subdivision 1. **Assistance for persons seeking and retaining employment.** (a) Persons
133.26 who are seeking employment and who are eligible for assistance under this section are
133.27 eligible to receive up to 240 hours of child care assistance per calendar year.

133.28 (b) At application and redetermination, employed persons who work at least an average
133.29 of 20 hours and full-time students who work at least an average of ten hours a week and
133.30 receive at least a minimum wage for all hours worked are eligible for child care assistance
133.31 for employment. For purposes of this section, work-study programs must be counted as

134.1 employment. An employed person with an MFIP ~~or DWP~~ employment plan shall receive
134.2 child care assistance as specified in the person's employment plan. Child care assistance
134.3 during employment must be authorized as provided in paragraphs (c) and (d).

134.4 (c) When the person works for an hourly wage and the hourly wage is equal to or greater
134.5 than the applicable minimum wage, child care assistance shall be provided for the hours of
134.6 employment, break, and mealtime during the employment and travel time up to two hours
134.7 per day.

134.8 (d) When the person does not work for an hourly wage, child care assistance must be
134.9 provided for the lesser of:

134.10 (1) the amount of child care determined by dividing gross earned income by the applicable
134.11 minimum wage, up to one hour every eight hours for meals and break time, plus up to two
134.12 hours per day for travel time; or

134.13 (2) the amount of child care equal to the actual amount of child care used during
134.14 employment, including break and mealtime during employment, and travel time up to two
134.15 hours per day.

134.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

134.17 Sec. 13. Minnesota Statutes 2022, section 119B.10, subdivision 3, is amended to read:

134.18 Subd. 3. **Assistance for persons attending an approved education or training**
134.19 **program.** (a) Money for an eligible person according to sections 119B.03, subdivision 3,
134.20 and 119B.05, subdivision 1, shall be used to reduce child care costs for a student. The county
134.21 shall not limit the duration of child care subsidies for a person in an employment or
134.22 educational program unless the person is ineligible for child care funds. Any other limitation
134.23 must be based on county policies included in the approved child care fund plan.

134.24 (b) To be eligible, the student must be in good standing and be making satisfactory
134.25 progress toward the degree. The maximum length of time a student is eligible for child care
134.26 assistance under the child care fund for education and training is no more than the time
134.27 necessary to complete the credit requirements for an associate's or baccalaureate degree as
134.28 determined by the educational institution. Time limitations for child care assistance do not
134.29 apply to basic or remedial educational programs needed for postsecondary education or
134.30 employment. Basic or remedial educational programs include high school, commissioner
134.31 of education-selected high school equivalency, and English as a second language programs.
134.32 A program exempt from this time limit must not run concurrently with a postsecondary
134.33 program.

135.1 (c) If a student meets the conditions of paragraphs (a) and (b), child care assistance must
135.2 be authorized for all hours of class time and credit hours, including independent study and
135.3 internships, and up to two hours of travel time per day. A postsecondary student shall receive
135.4 four hours of child care assistance per credit hour for study time and academic appointments
135.5 per service period.

135.6 (d) For an MFIP ~~or DWP~~ participant, child care assistance must be authorized according
135.7 to the person's approved employment plan. If an MFIP ~~or DWP~~ participant receiving MFIP
135.8 ~~or DWP~~ child care assistance under this chapter moves to another county, continues to
135.9 participate in an authorized educational or training program, and remains eligible for MFIP
135.10 ~~or DWP~~ child care assistance, the participant must receive continued child care assistance
135.11 from the county responsible for the person's current employment plan under section 256G.07.

135.12 (e) If a person with an approved education program under section 119B.03, subdivision
135.13 3, or 119B.05, subdivision 1, begins receiving MFIP ~~or DWP~~ assistance, the person continues
135.14 to receive child care assistance for the approved education program until the person's
135.15 education is included in an approved MFIP ~~or DWP~~ employment plan or until
135.16 redetermination, whichever occurs first.

135.17 (f) If a person's MFIP ~~or DWP~~ assistance ends and the approved MFIP ~~or DWP~~
135.18 employment plan included education, the person continues to be eligible for child care
135.19 assistance for education under transition year child care assistance until the person's education
135.20 is included in an approved education plan or until redetermination.

135.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.

135.22 Sec. 14. Minnesota Statutes 2022, section 119B.105, subdivision 2, is amended to read:

135.23 Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three
135.24 months of extended eligibility and redetermination is not due, to continue receiving child
135.25 care assistance the participant must be employed or have an education plan that meets the
135.26 requirements of section 119B.10, subdivision 3, or have an MFIP ~~or DWP~~ employment
135.27 plan. If child care assistance continues, the amount of child care authorized shall continue
135.28 at the same number or more hours until redetermination, unless a condition in section
135.29 119B.095, subdivision 2, paragraph (c), applies. A family subject to section 119B.095,
135.30 subdivision 1, paragraph (b), shall have child care authorized based on a verified activity
135.31 schedule.

135.32 (b) If the family's redetermination occurs before the end of the three-month extended
135.33 eligibility period to continue receiving child care assistance, the participant must verify that

136.1 the participant meets eligibility and activity requirements for child care assistance under
136.2 this chapter. If child care assistance continues, the amount of child care authorized is based
136.3 on section 119B.10. A family subject to section 119B.095, subdivision 1, paragraph (b),
136.4 shall have child care authorized based on a verified activity schedule.

136.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

136.6 Sec. 15. Minnesota Statutes 2022, section 168B.07, subdivision 3, is amended to read:

136.7 Subd. 3. **Retrieval of contents.** (a) For purposes of this subdivision:

136.8 (1) "contents" does not include any permanently affixed mechanical or nonmechanical
136.9 automobile parts; automobile body parts; or automobile accessories, including audio or
136.10 video players; and

136.11 (2) "relief based on need" includes, but is not limited to, receipt of MFIP ~~and Diversionary~~
136.12 ~~Work Program~~, medical assistance, general assistance, emergency general assistance,
136.13 Minnesota supplemental aid, MSA-emergency assistance, MinnesotaCare, Supplemental
136.14 Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance
136.15 Program (SNAP) benefits, earned income tax credit, or Minnesota working family tax credit.

136.16 (b) A unit of government or impound lot operator shall establish reasonable procedures
136.17 for retrieval of vehicle contents, and may establish reasonable procedures to protect the
136.18 safety and security of the impound lot and its personnel.

136.19 (c) At any time before the expiration of the waiting periods provided in section 168B.051,
136.20 a registered owner who provides documentation from a government or nonprofit agency or
136.21 legal aid office that the registered owner is homeless, receives relief based on need, or is
136.22 eligible for legal aid services, has the unencumbered right to retrieve any and all contents
136.23 without charge and regardless of whether the registered owner pays incurred charges or
136.24 fees, transfers title, or reclaims the vehicle.

136.25 **EFFECTIVE DATE.** This section is effective July 1, 2024.

136.26 Sec. 16. Minnesota Statutes 2022, section 256.046, subdivision 1, is amended to read:

136.27 Subdivision 1. **Hearing authority.** A local agency must initiate an administrative fraud
136.28 disqualification hearing for individuals accused of wrongfully obtaining assistance or
136.29 intentional program violations, in lieu of a criminal action when it has not been pursued, in
136.30 the Minnesota family investment program and any affiliated program to include ~~the~~
136.31 ~~diversionary work program and the work participation cash benefit program~~, child care
136.32 assistance programs, general assistance, family general assistance program formerly codified

137.1 in section 256D.05, subdivision 1, clause (15), Minnesota supplemental aid, the Supplemental
137.2 Nutrition Assistance Program (SNAP), MinnesotaCare for adults without children, and
137.3 upon federal approval, all categories of medical assistance and remaining categories of
137.4 MinnesotaCare except for children through age 18. The Department of Human Services, in
137.5 lieu of a local agency, may initiate an administrative fraud disqualification hearing when
137.6 the state agency is directly responsible for administration or investigation of the program
137.7 for which benefits were wrongfully obtained. The hearing is subject to the requirements of
137.8 sections 256.045 and 256.0451 and the requirements in Code of Federal Regulations, title
137.9 7, section 273.16.

137.10 **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to acts of
137.11 wrongfully obtaining assistance and intentional program violations that occur on or after
137.12 that date.

137.13 Sec. 17. Minnesota Statutes 2022, section 256.98, subdivision 8, is amended to read:

137.14 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
137.15 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
137.16 determination, or waiver thereof, through a disqualification consent agreement, or as part
137.17 of any approved diversion plan under section 401.065, or any court-ordered stay which
137.18 carries with it any probationary or other conditions, in the Minnesota family investment
137.19 program and any affiliated program to include ~~the diversionary work program~~ and the work
137.20 participation cash benefit program, the Supplemental Nutrition Assistance Program (SNAP),
137.21 the general assistance program, housing support under chapter 256I, or the Minnesota
137.22 supplemental aid program shall be disqualified from that program. In addition, any person
137.23 disqualified from the Minnesota family investment program shall also be disqualified from
137.24 SNAP. The needs of that individual shall not be taken into consideration in determining the
137.25 grant level for that assistance unit:

137.26 (1) for one year after the first offense;

137.27 (2) for two years after the second offense; and

137.28 (3) permanently after the third or subsequent offense.

137.29 The period of program disqualification shall begin on the date stipulated on the advance
137.30 notice of disqualification without possibility of postponement for administrative stay or
137.31 administrative hearing and shall continue through completion unless and until the findings
137.32 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.
137.33 The period for which sanctions are imposed is not subject to review. The sanctions provided

138.1 under this subdivision are in addition to, and not in substitution for, any other sanctions that
138.2 may be provided for by law for the offense involved. A disqualification established through
138.3 hearing or waiver shall result in the disqualification period beginning immediately unless
138.4 the person has become otherwise ineligible for assistance. If the person is ineligible for
138.5 assistance, the disqualification period begins when the person again meets the eligibility
138.6 criteria of the program from which they were disqualified and makes application for that
138.7 program.

138.8 (b) A family receiving assistance through child care assistance programs under chapter
138.9 119B with a family member who is found to be guilty of wrongfully obtaining child care
138.10 assistance by a federal court, state court, or an administrative hearing determination or
138.11 waiver, through a disqualification consent agreement, as part of an approved diversion plan
138.12 under section 401.065, or a court-ordered stay with probationary or other conditions, is
138.13 disqualified from child care assistance programs. The disqualifications must be for periods
138.14 of one year and two years for the first and second offenses, respectively. Subsequent
138.15 violations must result in permanent disqualification. During the disqualification period,
138.16 disqualification from any child care program must extend to all child care programs and
138.17 must be immediately applied.

138.18 (c) A provider caring for children receiving assistance through child care assistance
138.19 programs under chapter 119B is disqualified from receiving payment for child care services
138.20 from the child care assistance program under chapter 119B when the provider is found to
138.21 have wrongfully obtained child care assistance by a federal court, state court, or an
138.22 administrative hearing determination or waiver under section 256.046, through a
138.23 disqualification consent agreement, as part of an approved diversion plan under section
138.24 401.065, or a court-ordered stay with probationary or other conditions. The disqualification
138.25 must be for a period of three years for the first offense. Any subsequent violation must result
138.26 in permanent disqualification. The disqualification period must be imposed immediately
138.27 after a determination is made under this paragraph. During the disqualification period, the
138.28 provider is disqualified from receiving payment from any child care program under chapter
138.29 119B.

138.30 (d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults
138.31 without children and upon federal approval, all categories of medical assistance and
138.32 remaining categories of MinnesotaCare, except for children through age 18, by a federal or
138.33 state court or by an administrative hearing determination, or waiver thereof, through a
138.34 disqualification consent agreement, or as part of any approved diversion plan under section
138.35 401.065, or any court-ordered stay which carries with it any probationary or other conditions,

139.1 is disqualified from that program. The period of disqualification is one year after the first
139.2 offense, two years after the second offense, and permanently after the third or subsequent
139.3 offense. The period of program disqualification shall begin on the date stipulated on the
139.4 advance notice of disqualification without possibility of postponement for administrative
139.5 stay or administrative hearing and shall continue through completion unless and until the
139.6 findings upon which the sanctions were imposed are reversed by a court of competent
139.7 jurisdiction. The period for which sanctions are imposed is not subject to review. The
139.8 sanctions provided under this subdivision are in addition to, and not in substitution for, any
139.9 other sanctions that may be provided for by law for the offense involved.

139.10 **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to acts of
139.11 wrongfully obtaining assistance that occur on or after that date.

139.12 Sec. 18. Minnesota Statutes 2022, section 256.987, subdivision 4, is amended to read:

139.13 **Subd. 4. Disqualification.** (a) Any person found to be guilty of purchasing tobacco
139.14 products or alcoholic beverages with their EBT debit card by a federal or state court or by
139.15 an administrative hearing determination, or waiver thereof, through a disqualification consent
139.16 agreement, or as part of any approved diversion plan under section 401.065, or any
139.17 court-ordered stay which carries with it any probationary or other conditions, in the: (1)
139.18 Minnesota family investment program and any affiliated program to include ~~the diversionary~~
139.19 ~~work program~~ and the work participation cash benefit program under chapter 256J; (2)
139.20 general assistance program under chapter 256D; or (3) Minnesota supplemental aid program
139.21 under chapter 256D, shall be disqualified from all of the listed programs.

139.22 (b) The needs of the disqualified individual shall not be taken into consideration in
139.23 determining the grant level for that assistance unit: (1) for one year after the first offense;
139.24 (2) for two years after the second offense; and (3) permanently after the third or subsequent
139.25 offense.

139.26 (c) The period of program disqualification shall begin on the date stipulated on the
139.27 advance notice of disqualification without possibility for postponement for administrative
139.28 stay or administrative hearing and shall continue through completion unless and until the
139.29 findings upon which the sanctions were imposed are reversed by a court of competent
139.30 jurisdiction. The period for which sanctions are imposed is not subject to review.

139.31 **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to purchases
139.32 made on or after that date.

140.1 Sec. 19. Minnesota Statutes 2022, section 256D.03, is amended by adding a subdivision
140.2 to read:

140.3 Subd. 2b. **Budgeting and reporting.** Every county agency shall determine eligibility
140.4 and calculate benefit amounts for general assistance according to chapter 256P.

140.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

140.6 Sec. 20. Minnesota Statutes 2022, section 256D.63, subdivision 2, is amended to read:

140.7 Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall
140.8 implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as
140.9 amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP
140.10 benefit recipient households required to report periodically shall not be required to report
140.11 more often than one time every six months. ~~This provision shall not apply to households~~
140.12 ~~receiving food benefits under the Minnesota family investment program waiver.~~

140.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

140.14 Sec. 21. Minnesota Statutes 2022, section 256E.34, subdivision 4, is amended to read:

140.15 Subd. 4. **Use of money.** At least 96 percent of the money distributed to Hunger Solutions
140.16 under this section must be distributed to food shelf programs to purchase, transport, and
140.17 coordinate the distribution of nutritious food to needy individuals and families. The money
140.18 distributed to food shelf programs may also be used to purchase personal hygiene products,
140.19 including but not limited to diapers and toilet paper. No more than four percent of the money
140.20 may be expended for other expenses, such as rent, salaries, and other administrative expenses
140.21 of Hunger Solutions.

140.22 Sec. 22. [256E.341] **AMERICAN INDIAN FOOD SOVEREIGNTY FUNDING**
140.23 **PROGRAM.**

140.24 Subdivision 1. **Establishment.** The American Indian food sovereignty funding program
140.25 is established to improve access and equity to food security programs within Tribal and
140.26 American Indian communities. The program shall assist Tribal Nations and American Indian
140.27 communities in achieving self-determination and improve collaboration and partnership
140.28 building between American Indian communities and the state. The commissioner of human
140.29 services shall administer the program and provide outreach, technical assistance, and program
140.30 development support to increase food security for American Indians.

141.1 Subd. 2. **Distribution of funding.** (a) The commissioner shall provide funding to support
141.2 food system changes and provide equitable access to existing and new methods of food
141.3 support for American Indian communities. The commissioner shall determine the timing
141.4 and form of the application for the program.

141.5 (b) Eligible recipients of funding under this section include:

141.6 (1) federally recognized American Indian Tribes or bands in Minnesota as defined in
141.7 section 10.65; or

141.8 (2) nonprofit organizations or fiscal sponsors with a majority American Indian board of
141.9 directors.

141.10 (c) Funding for American Indian Tribes or bands must be allocated by a formula
141.11 determined by the commissioner. Funding for nonprofit organizations or fiscal sponsors
141.12 must be awarded through a competitive grant process.

141.13 Subd. 3. **Allowable uses of funds.** Recipients shall use funds provided under this section
141.14 to promote food security for American Indian communities by:

141.15 (1) planning for sustainable food systems;

141.16 (2) implementing food security programs, including but not limited to technology to
141.17 facilitate no-contact or low-contact food distribution and outreach models;

141.18 (3) providing culturally relevant training for building food access;

141.19 (4) purchasing, producing, processing, transporting, storing, and coordinating the
141.20 distribution of food, including culturally relevant food; and

141.21 (5) purchasing seeds, plants, equipment, or materials to preserve, procure, or grow food.

141.22 Subd. 4. **Reporting.** (a) Recipients shall report on the use of American Indian food
141.23 sovereignty funding program money under this section to the commissioner.

141.24 (b) The commissioner shall determine the timing and form required for the reports.

141.25 Sec. 23. Minnesota Statutes 2022, section 256E.35, subdivision 1, is amended to read:

141.26 Subdivision 1. **Establishment.** The Minnesota family assets for independence initiative
141.27 is established to provide incentives for low-income families to accrue assets for education,
141.28 housing, vehicles, emergencies, and economic development purposes.

141.29 Sec. 24. Minnesota Statutes 2022, section 256E.35, subdivision 2, is amended to read:

141.30 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

142.1 (b) "Eligible educational institution" means the following:

142.2 (1) an institution of higher education described in section 101 or 102 of the Higher
142.3 Education Act of 1965; or

142.4 (2) an area vocational education school, as defined in subparagraph (C) or (D) of United
142.5 States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and
142.6 Applied Technology Education Act), which is located within any state, as defined in United
142.7 States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the
142.8 extent section 2302 is in effect on August 1, 2008.

142.9 (c) "Family asset account" means a savings account opened by a household participating
142.10 in the Minnesota family assets for independence initiative.

142.11 (d) "Fiduciary organization" means:

142.12 (1) a community action agency that has obtained recognition under section 256E.31;

142.13 (2) a federal community development credit union ~~servicing the seven-county metropolitan~~
142.14 ~~area; or~~

142.15 (3) a women-oriented economic development agency ~~servicing the seven-county~~
142.16 ~~metropolitan area;~~

142.17 (4) a federally recognized Tribal Nation; or

142.18 (5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue
142.19 Code.

142.20 (e) "Financial coach" means a person who:

142.21 (1) has completed an intensive financial literacy training workshop that includes
142.22 curriculum on budgeting to increase savings, debt reduction and asset building, building a
142.23 good credit rating, and consumer protection;

142.24 (2) participates in ongoing statewide family assets for independence in Minnesota (FAIM)
142.25 network training meetings under FAIM program supervision; and

142.26 (3) provides financial coaching to program participants under subdivision 4a.

142.27 (f) "Financial institution" means a bank, bank and trust, savings bank, savings association,
142.28 or credit union, the deposits of which are insured by the Federal Deposit Insurance
142.29 Corporation or the National Credit Union Administration.

142.30 (g) "Household" means all individuals who share use of a dwelling unit as primary
142.31 quarters for living and eating separate from other individuals.

143.1 (h) "Permissible use" means:

143.2 (1) postsecondary educational expenses at an eligible educational institution as defined
143.3 in paragraph (b), including books, supplies, and equipment required for courses of instruction;

143.4 (2) acquisition costs of acquiring, constructing, or reconstructing a residence, including
143.5 any usual or reasonable settlement, financing, or other closing costs;

143.6 (3) business capitalization expenses for expenditures on capital, plant, equipment, working
143.7 capital, and inventory expenses of a legitimate business pursuant to a business plan approved
143.8 by the fiduciary organization;

143.9 (4) acquisition costs of a principal residence within the meaning of section 1034 of the
143.10 Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase
143.11 price applicable to the residence determined according to section 143(e)(2) and (3) of the
143.12 Internal Revenue Code of 1986; ~~and~~

143.13 (5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

143.14 (6) contributions to an emergency savings account; and

143.15 (7) contributions to a Minnesota 529 savings plan.

143.16 Sec. 25. Minnesota Statutes 2022, section 256E.35, subdivision 3, is amended to read:

143.17 Subd. 3. **Grants awarded.** The commissioner shall allocate funds to participating
143.18 fiduciary organizations to provide family asset services. Grant awards must be based on a
143.19 plan submitted by a statewide organization representing fiduciary organizations. The
143.20 statewide organization must ensure that any interested unrepresented fiduciary organization
143.21 have input into the development of the plan. The plan must equitably distribute funds to
143.22 achieve geographic balance and document the capacity of participating fiduciary
143.23 organizations to manage the program. A portion of funds appropriated for this section may
143.24 be expended on evaluation of the Minnesota family assets for independence initiative.

143.25 Sec. 26. Minnesota Statutes 2022, section 256E.35, subdivision 4a, is amended to read:

143.26 Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program
143.27 participants:

143.28 (1) financial education relating to budgeting, debt reduction, asset-specific training,
143.29 credit building, and financial stability activities;

144.1 (2) asset-specific training related to buying a home or vehicle, acquiring postsecondary
144.2 education, ~~or~~ starting or expanding a small business, saving for emergencies, or saving for
144.3 a child's education; and

144.4 (3) financial stability education and training to improve and sustain financial security.

144.5 Sec. 27. Minnesota Statutes 2022, section 256E.35, subdivision 6, is amended to read:

144.6 Subd. 6. **Withdrawal; matching; permissible uses.** (a) To receive a match, a
144.7 participating household must transfer funds withdrawn from a family asset account to its
144.8 matching fund custodial account held by the fiscal agent, according to the family asset
144.9 agreement. The fiscal agent must determine if the match request is for a permissible use
144.10 consistent with the household's family asset agreement.

144.11 (b) The fiscal agent must ensure the household's custodial account contains the applicable
144.12 matching funds to match the balance in the household's account, including interest, on at
144.13 least a quarterly basis and at the time of an approved withdrawal. Matches must be a
144.14 contribution of \$3 from state grant or TANF funds for every \$1 of funds withdrawn from
144.15 the family asset account not to exceed a ~~\$6,000~~ \$12,000 lifetime limit.

144.16 (c) Notwithstanding paragraph (b), if funds are appropriated for the Federal Assets for
144.17 Independence Act of 1998, and a participating fiduciary organization is awarded a grant
144.18 under that act, participating households with that fiduciary organization must be provided
144.19 matches as follows:

144.20 (1) from state grant and TANF funds, a matching contribution of \$1.50 for every \$1 of
144.21 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit;
144.22 and

144.23 (2) from nonstate funds, a matching contribution of not less than \$1.50 for every \$1 of
144.24 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit.

144.25 (d) Upon receipt of transferred custodial account funds, the fiscal agent must make a
144.26 direct payment to the vendor of the goods or services for the permissible use.

144.27 Sec. 28. Minnesota Statutes 2022, section 256E.35, subdivision 7, is amended to read:

144.28 Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization
144.29 participating in a family assets for independence initiative must report quarterly to the
144.30 commissioner of human services identifying the participants with accounts; the number of
144.31 accounts; the amount of savings and matches for each participant's account; the uses of
144.32 the account, ~~and~~; the number of businesses, homes, vehicles, and educational services paid

145.1 for with money from the account; and the amount of contributions to Minnesota 529 savings
145.2 plans and emergency savings accounts, as well as other information that may be required
145.3 for the commissioner to administer the program and meet federal TANF reporting
145.4 requirements.

145.5 Sec. 29. Minnesota Statutes 2022, section 256I.03, subdivision 13, is amended to read:

145.6 Subd. 13. **Prospective budgeting.** "Prospective budgeting" ~~means estimating the amount~~
145.7 ~~of monthly income a person will have in the payment month~~ has the meaning given in
145.8 section 256P.01, subdivision 9.

145.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

145.10 Sec. 30. Minnesota Statutes 2022, section 256I.06, subdivision 6, is amended to read:

145.11 Subd. 6. **Reports.** Recipients must report changes in circumstances according to section
145.12 256P.07 ~~that affect eligibility or housing support payment amounts, other than changes in~~
145.13 ~~earned income, within ten days of the change.~~ Recipients with countable earned income
145.14 must complete a household report form ~~at least~~ once every six months according to section
145.15 256P.10. ~~If the report form is not received before the end of the month in which it is due,~~
145.16 ~~the county agency must terminate eligibility for housing support payments. The termination~~
145.17 ~~shall be effective on the first day of the month following the month in which the report was~~
145.18 ~~due. If a complete report is received within the month eligibility was terminated, the~~
145.19 ~~individual is considered to have continued an application for housing support payment~~
145.20 ~~effective the first day of the month the eligibility was terminated.~~

145.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.

145.22 Sec. 31. Minnesota Statutes 2022, section 256I.06, is amended by adding a subdivision
145.23 to read:

145.24 Subd. 6a. **When to terminate assistance.** An agency must terminate benefits when the
145.25 assistance unit fails to submit the household report form before the end of the month in
145.26 which it is due. The termination shall be effective on the first day of the month following
145.27 the month in which the report was due. If the assistance unit submits the household report
145.28 form within 30 days of the termination of benefits and remains eligible, benefits must be
145.29 reinstated and made available retroactively for the full benefit month.

145.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

146.1 Sec. 32. Minnesota Statutes 2022, section 256I.06, subdivision 8, is amended to read:

146.2 Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board
146.3 payment to be made on behalf of an eligible individual is determined by subtracting the
146.4 individual's countable income under section 256I.04, subdivision 1, for a whole calendar
146.5 month from the room and board rate for that same month. The housing support payment is
146.6 determined by multiplying the housing support rate times the period of time the individual
146.7 was a resident or temporarily absent under section 256I.05, subdivision 2a.

146.8 (b) For an individual with earned income under paragraph (a), prospective budgeting
146.9 according to section 256P.09 must be used to ~~determine the amount of the individual's~~
146.10 ~~payment for the following six-month period. An increase in income shall not affect an~~
146.11 ~~individual's eligibility or payment amount until the month following the reporting month.~~
146.12 ~~A decrease in income shall be effective the first day of the month after the month in which~~
146.13 ~~the decrease is reported.~~

146.14 (c) For an individual who receives housing support payments under section 256I.04,
146.15 subdivision 1, paragraph (c), the amount of the housing support payment is determined by
146.16 multiplying the housing support rate times the period of time the individual was a resident.

146.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

146.18 Sec. 33. Minnesota Statutes 2022, section 256J.01, subdivision 1, is amended to read:

146.19 Subdivision 1. **Implementation of Minnesota family investment program**
146.20 **(MFIP).** ~~Except for section 256J.95,~~ This chapter and chapter 256K may be cited as the
146.21 Minnesota family investment program (MFIP). MFIP is the statewide implementation of
146.22 components of the Minnesota family investment plan (MFIP) authorized and formerly
146.23 codified in section 256.031 and Minnesota family investment plan-Ramsey County (MFIP-R)
146.24 formerly codified in section 256.047.

146.25 **EFFECTIVE DATE.** This section is effective July 1, 2024.

146.26 Sec. 34. Minnesota Statutes 2022, section 256J.02, subdivision 2, is amended to read:

146.27 Subd. 2. **Use of money.** State money appropriated for purposes of this section and TANF
146.28 block grant money must be used for:

146.29 (1) financial assistance to or on behalf of any minor child who is a resident of this state
146.30 under section 256J.12;

147.1 (2) the health care and human services training and retention program under chapter
 147.2 116L, for costs associated with families with children with incomes below 200 percent of
 147.3 the federal poverty guidelines;

147.4 (3) the pathways program under section 116L.04, subdivision 1a;

147.5 (4) welfare to work transportation authorized under Public Law 105-178;

147.6 (5) reimbursements for the federal share of child support collections passed through to
 147.7 the custodial parent;

147.8 (6) program administration under this chapter;

147.9 ~~(7) the diversionary work program under section 256J.95;~~

147.10 ~~(8)~~ (7) the MFIP consolidated fund under section 256J.626; and

147.11 ~~(9)~~ (8) the Minnesota Department of Health consolidated fund under Laws 2001, First
 147.12 Special Session chapter 9, article 17, section 3, subdivision 2.

147.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

147.14 Sec. 35. Minnesota Statutes 2022, section 256J.08, subdivision 65, is amended to read:

147.15 Subd. 65. **Participant.** (a) "Participant" includes any of the following:

147.16 (1) a person who is currently receiving cash assistance or the food portion available
 147.17 through MFIP;

147.18 (2) a person who withdraws a cash or food assistance payment by electronic transfer or
 147.19 receives and cashes an MFIP assistance check or food coupons and is subsequently
 147.20 determined to be ineligible for assistance for that period of time is a participant, regardless
 147.21 whether that assistance is repaid;

147.22 (3) the caregiver relative and the minor child whose needs are included in the assistance
 147.23 payment;

147.24 (4) a person in an assistance unit who does not receive a cash and food assistance payment
 147.25 because the case has been suspended from MFIP; and

147.26 ~~(5) a person who receives cash payments under the diversionary work program under~~
 147.27 ~~section 256J.95 is a participant; and~~

147.28 ~~(6)~~ (5) a person who receives cash payments under family stabilization services under
 147.29 section 256J.575.

148.1 (b) "Participant" does not include a person who fails to withdraw or access electronically
148.2 any portion of the person's cash and food assistance payment by the end of the payment
148.3 month, who makes a written request for closure before the first of a payment month and
148.4 repays cash and food assistance electronically issued for that payment month within that
148.5 payment month, or who returns any uncashed assistance check and food coupons and
148.6 withdraws from the program.

148.7 **EFFECTIVE DATE.** This section is effective July 1, 2024.

148.8 Sec. 36. Minnesota Statutes 2022, section 256J.08, subdivision 71, is amended to read:

148.9 Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of~~
148.10 ~~determining the amount of the assistance payment in which the budget month and payment~~
148.11 ~~month are the same~~ has the meaning given in section 256P.01, subdivision 9.

148.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

148.13 Sec. 37. Minnesota Statutes 2022, section 256J.08, subdivision 79, is amended to read:

148.14 Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

148.15 (1) received periodically, and may be received irregularly when receipt can be anticipated
148.16 even though the date of receipt cannot be predicted; and

148.17 (2) from the same source or of the same type that is received and budgeted in a
148.18 prospective month ~~and is received in one or both of the first two retrospective months.~~

148.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

148.20 Sec. 38. Minnesota Statutes 2022, section 256J.09, subdivision 10, is amended to read:

148.21 Subd. 10. **Ineligibility for MFIP ~~or the diversionary work program.~~** When an applicant
148.22 is not eligible for MFIP ~~or the diversionary work program under section 256J.05~~ because
148.23 the applicant does not meet eligibility requirements, the county agency must determine
148.24 whether the applicant is eligible for SNAP, or health care programs. The county must also
148.25 inform applicants about resources available through the county or other agencies to meet
148.26 short-term emergency needs.

148.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

149.1 Sec. 39. Minnesota Statutes 2022, section 256J.11, subdivision 1, is amended to read:

149.2 Subdivision 1. **General citizenship requirements.** (a) To be eligible for MFIP, a member
149.3 of the assistance unit must be a citizen of the United States, a qualified noncitizen as defined
149.4 in section 256J.08, or a noncitizen who is otherwise residing lawfully in the United States.

149.5 (b) A qualified noncitizen who entered the United States on or after August 22, 1996,
149.6 is eligible for MFIP. However, TANF dollars cannot be used to fund the MFIP benefits for
149.7 an individual under this paragraph for a period of five years after the date of entry unless
149.8 the qualified noncitizen meets one of the following criteria:

149.9 (1) was admitted to the United States as a refugee under United States Code, title 8,
149.10 section 1157;

149.11 (2) was granted asylum under United States Code, title 8, section 1158;

149.12 (3) was granted withholding of deportation under the United States Code, title 8, section
149.13 1253(h);

149.14 (4) is a veteran of the United States armed forces with an honorable discharge for a
149.15 reason other than noncitizen status, or is a spouse or unmarried minor dependent child of
149.16 the same; or

149.17 (5) is an individual on active duty in the United States armed forces, other than for
149.18 training, or is a spouse or unmarried minor dependent child of the same.

149.19 (c) A person who is not a qualified noncitizen but who is otherwise residing lawfully in
149.20 the United States is eligible for MFIP. However, TANF dollars cannot be used to fund the
149.21 MFIP benefits for an individual under this paragraph.

149.22 (d) For purposes of this subdivision, a nonimmigrant in one or more of the classes listed
149.23 in United States Code, title 8, section 1101(a)(15)(A)-(S) and (V), or an undocumented
149.24 immigrant who resides in the United States without the approval or acquiescence of the
149.25 United States Citizenship and Immigration Services, is not eligible for MFIP.

149.26 Sec. 40. Minnesota Statutes 2022, section 256J.21, subdivision 3, is amended to read:

149.27 Subd. 3. **Initial income test.** (a) The agency shall determine initial eligibility by
149.28 considering all earned and unearned income as defined in section 256P.06. To be eligible
149.29 for MFIP, the assistance unit's countable income minus the earned income disregards in
149.30 paragraph (a) and section 256P.03 must be below the family wage level according to section
149.31 256J.24, subdivision 7, for that size assistance unit.

149.32 ~~(a)~~ (b) The initial eligibility determination must disregard the following items:

150.1 (1) the earned income disregard as determined in section 256P.03;

150.2 (2) dependent care costs must be deducted from gross earned income for the actual
150.3 amount paid for dependent care up to a maximum of \$200 per month for each child less
150.4 than two years of age, and \$175 per month for each child two years of age and older;

150.5 (3) all payments made according to a court order for spousal support or the support of
150.6 children not living in the assistance unit's household shall be disregarded from the income
150.7 of the person with the legal obligation to pay support; and

150.8 (4) an allocation for the unmet need of an ineligible spouse or an ineligible child under
150.9 the age of 21 for whom the caregiver is financially responsible and who lives with the
150.10 caregiver according to section 256J.36.

150.11 ~~(b) After initial eligibility is established,~~ (c) The income test is for a six-month period.
150.12 The assistance payment calculation is based on ~~the monthly income test~~ prospective budgeting
150.13 according to section 256P.09.

150.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

150.15 Sec. 41. Minnesota Statutes 2022, section 256J.21, subdivision 4, is amended to read:

150.16 Subd. 4. **Monthly Income test and determination of assistance payment.** ~~The county~~
150.17 ~~agency shall determine ongoing eligibility and the assistance payment amount according~~
150.18 ~~to the monthly income test.~~ To be eligible for MFIP, the result of the computations in
150.19 paragraphs (a) to (e) applied to prospective budgeting must be at least \$1.

150.20 (a) Apply an income disregard as defined in section 256P.03, to gross earnings and
150.21 subtract this amount from the family wage level. If the difference is equal to or greater than
150.22 the MFIP transitional standard, the assistance payment is equal to the MFIP transitional
150.23 standard. If the difference is less than the MFIP transitional standard, the assistance payment
150.24 is equal to the difference. The earned income disregard in this paragraph must be deducted
150.25 every month there is earned income.

150.26 (b) All payments made according to a court order for spousal support or the support of
150.27 children not living in the assistance unit's household must be disregarded from the income
150.28 of the person with the legal obligation to pay support.

150.29 (c) An allocation for the unmet need of an ineligible spouse or an ineligible child under
150.30 the age of 21 for whom the caregiver is financially responsible and who lives with the
150.31 caregiver must be made according to section 256J.36.

151.1 (d) Subtract unearned income dollar for dollar from the MFIP transitional standard to
151.2 determine the assistance payment amount.

151.3 (e) When income is both earned and unearned, the amount of the assistance payment
151.4 must be determined by first treating gross earned income as specified in paragraph (a). After
151.5 determining the amount of the assistance payment under paragraph (a), unearned income
151.6 must be subtracted from that amount dollar for dollar to determine the assistance payment
151.7 amount.

151.8 ~~(f) When the monthly income is greater than the MFIP transitional standard after~~
151.9 ~~deductions and the income will only exceed the standard for one month, the county agency~~
151.10 ~~must suspend the assistance payment for the payment month.~~

151.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

151.12 Sec. 42. Minnesota Statutes 2022, section 256J.33, subdivision 1, is amended to read:

151.13 Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP
151.14 eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ assessing income
151.15 and the county agency's best estimate of the circumstances that will exist in the payment
151.16 month.

151.17 ~~(b) Except as described in section 256J.34, subdivision 1, when prospective eligibility~~
151.18 ~~exists,~~ A county agency must calculate the amount of the assistance payment using
151.19 ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance
151.20 payment amount, a county agency must apply countable income, described in sections
151.21 256P.06 and 256J.37, subdivisions 3 to ~~10~~ 9, received by members of an assistance unit or
151.22 by other persons whose income is counted for the assistance unit, described under sections
151.23 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

151.24 (c) This income must be applied to the MFIP standard of need or family wage level
151.25 subject to this section and sections 256J.34 to 256J.36. Countable income as described in
151.26 section 256P.06, subdivision 3, received ~~in a calendar month~~ must be applied to the needs
151.27 of an assistance unit.

151.28 (d) An assistance unit is not eligible when the countable income equals or exceeds the
151.29 MFIP standard of need or the family wage level for the assistance unit.

151.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

152.1 Sec. 43. Minnesota Statutes 2022, section 256J.33, subdivision 2, is amended to read:

152.2 Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility
152.3 requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15
152.4 and 256P.02, will be met prospectively for the payment month period. ~~Except for the~~
152.5 ~~provisions in section 256J.34, subdivision 1,~~ The income test will be applied ~~retrospectively~~
152.6 prospectively.

152.7 **EFFECTIVE DATE.** This section is effective July 1, 2024.

152.8 Sec. 44. Minnesota Statutes 2022, section 256J.35, is amended to read:

152.9 **256J.35 AMOUNT OF ASSISTANCE PAYMENT.**

152.10 Except as provided in paragraphs (a) to ~~(d)~~ (e), the amount of an assistance payment is
152.11 equal to the difference between the MFIP standard of need or the Minnesota family wage
152.12 level in section 256J.24 and countable income.

152.13 (a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing
152.14 assistance grant of \$110 per month, unless:

152.15 (1) the housing assistance unit is currently receiving public and assisted rental subsidies
152.16 provided through the Department of Housing and Urban Development (HUD) and is subject
152.17 to section 256J.37, subdivision 3a; or

152.18 (2) the assistance unit is a child-only case under section 256J.88.

152.19 (b) On October 1 of each year, the commissioner shall adjust the MFIP housing assistance
152.20 grant in paragraph (a) for inflation based on the CPI-U for the prior calendar year.

152.21 ~~(b)~~ (c) When MFIP eligibility exists for the month of application, the amount of the
152.22 assistance payment for the month of application must be prorated from the date of application
152.23 or the date all other eligibility factors are met for that applicant, whichever is later. This
152.24 provision applies when an applicant loses at least one day of MFIP eligibility.

152.25 ~~(e)~~ (d) MFIP overpayments to an assistance unit must be recouped according to section
152.26 256P.08, subdivision 6.

152.27 ~~(d)~~ (e) An initial assistance payment must not be made to an applicant who is not eligible
152.28 on the date payment is made.

152.29 **EFFECTIVE DATE.** This section is effective October 1, 2024.

153.1 Sec. 45. Minnesota Statutes 2022, section 256J.37, subdivision 3, is amended to read:

153.2 Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency
153.3 must include gross earned income less any disregards in the initial ~~and monthly~~ income
153.4 test. Gross earned income received by persons employed on a contractual basis must be
153.5 prorated over the period covered by the contract even when payments are received over a
153.6 lesser period of time.

153.7 **EFFECTIVE DATE.** This section is effective July 1, 2024.

153.8 Sec. 46. Minnesota Statutes 2022, section 256J.37, subdivision 3a, is amended to read:

153.9 Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency
153.10 shall count \$50 of the value of public and assisted rental subsidies provided through the
153.11 Department of Housing and Urban Development (HUD) as unearned income to the cash
153.12 portion of the MFIP grant. The full amount of the subsidy must be counted as unearned
153.13 income when the subsidy is less than \$50. The income from this subsidy shall be budgeted
153.14 according to section ~~256J.34~~ 256P.09.

153.15 (b) The provisions of this subdivision shall not apply to an MFIP assistance unit which
153.16 includes a participant who is:

153.17 (1) age 60 or older;

153.18 (2) a caregiver who is suffering from an illness, injury, or incapacity that has been
153.19 certified by a qualified professional when the illness, injury, or incapacity is expected to
153.20 continue for more than 30 days and severely limits the person's ability to obtain or maintain
153.21 suitable employment; or

153.22 (3) a caregiver whose presence in the home is required due to the illness or incapacity
153.23 of another member in the assistance unit, a relative in the household, or a foster child in the
153.24 household when the illness or incapacity and the need for the participant's presence in the
153.25 home has been certified by a qualified professional and is expected to continue for more
153.26 than 30 days.

153.27 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit where
153.28 the parental caregiver is an SSI participant.

153.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

154.1 Sec. 47. Minnesota Statutes 2022, section 256J.40, is amended to read:

154.2 **256J.40 FAIR HEARINGS.**

154.3 Caregivers receiving a notice of intent to sanction or a notice of adverse action that
154.4 includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or
154.5 termination of benefits may request a fair hearing. A request for a fair hearing must be
154.6 submitted in writing to the county agency or to the commissioner and must be mailed within
154.7 30 days after a participant or former participant receives written notice of the agency's action
154.8 or within 90 days when a participant or former participant shows good cause for not
154.9 submitting the request within 30 days. A former participant who receives a notice of adverse
154.10 action due to an overpayment may appeal the adverse action according to the requirements
154.11 in this section. Issues that may be appealed are:

154.12 (1) the amount of the assistance payment;

154.13 (2) a suspension, reduction, denial, or termination of assistance;

154.14 (3) the basis for an overpayment, the calculated amount of an overpayment, and the level
154.15 of recoupment;

154.16 (4) the eligibility for an assistance payment; and

154.17 (5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses
154.18 (1) to (3).

154.19 ~~Except for benefits issued under section 256J.95,~~ A county agency must not reduce,
154.20 suspend, or terminate payment when an aggrieved participant requests a fair hearing prior
154.21 to the effective date of the adverse action or within ten days of the mailing of the notice of
154.22 adverse action, whichever is later, unless the participant requests in writing not to receive
154.23 continued assistance pending a hearing decision. ~~An appeal request cannot extend benefits~~
154.24 ~~for the diversionary work program under section 256J.95 beyond the four-month time limit.~~
154.25 Assistance issued pending a fair hearing is subject to recovery under section 256P.08 when
154.26 as a result of the fair hearing decision the participant is determined ineligible for assistance
154.27 or the amount of the assistance received. A county agency may increase or reduce an
154.28 assistance payment while an appeal is pending when the circumstances of the participant
154.29 change and are not related to the issue on appeal. The commissioner's order is binding on
154.30 a county agency. No additional notice is required to enforce the commissioner's order.

154.31 A county agency shall reimburse appellants for reasonable and necessary expenses of
154.32 attendance at the hearing, such as child care and transportation costs and for the transportation
154.33 expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable

155.1 and necessary expenses do not include legal fees. Fair hearings must be conducted at a
155.2 reasonable time and date by an impartial human services judge employed by the department.
155.3 The hearing may be conducted by telephone or at a site that is readily accessible to persons
155.4 with disabilities.

155.5 The appellant may introduce new or additional evidence relevant to the issues on appeal.
155.6 Recommendations of the human services judge and decisions of the commissioner must be
155.7 based on evidence in the hearing record and are not limited to a review of the county agency
155.8 action.

155.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

155.10 Sec. 48. Minnesota Statutes 2022, section 256J.42, subdivision 5, is amended to read:

155.11 Subd. 5. **Exemption for certain families.** (a) Any cash assistance received by an
155.12 assistance unit does not count toward the 60-month limit on assistance during a month in
155.13 which the caregiver is age 60 or older.

155.14 (b) From July 1, 1997, until the date MFIP is operative in the caregiver's county of
155.15 financial responsibility, any cash assistance received by a caregiver who is complying with
155.16 Minnesota Statutes 1996, section 256.73, subdivision 5a, and Minnesota Statutes 1998,
155.17 section 256.736, if applicable, does not count toward the 60-month limit on assistance.
155.18 Thereafter, any cash assistance received by a minor caregiver who is complying with the
155.19 requirements of sections 256J.14 and 256J.54, if applicable, does not count towards the
155.20 60-month limit on assistance.

155.21 (c) Any diversionary assistance or emergency assistance received prior to July 1, 2003,
155.22 does not count toward the 60-month limit.

155.23 (d) Any cash assistance received by an 18- or 19-year-old caregiver who is complying
155.24 with an employment plan that includes an education option under section 256J.54 does not
155.25 count toward the 60-month limit.

155.26 (e) Payments provided to meet short-term emergency needs under section 256J.626 ~~and~~
155.27 ~~diversionary work program benefits provided under section 256J.95~~ do not count toward
155.28 the 60-month time limit.

155.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

156.1 Sec. 49. Minnesota Statutes 2022, section 256J.425, subdivision 1, is amended to read:

156.2 Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant in
156.3 an assistance unit subject to the time limit under section 256J.42, subdivision 1, must be in
156.4 compliance in the participant's 60th counted month. ~~For purposes of determining eligibility~~
156.5 ~~for a hardship extension, a participant is in compliance in any month that the participant~~
156.6 ~~has not been sanctioned. In order to maintain eligibility for any of the hardship extension~~
156.7 ~~categories a participant shall~~ develop and comply with either an employment plan or a
156.8 family stabilization services plan, whichever is appropriate.

156.9 (b) If one participant in a two-parent assistance unit is determined to be ineligible for a
156.10 hardship extension, the county shall give the assistance unit the option of disqualifying the
156.11 ineligible participant from MFIP. In that case, the assistance unit shall be treated as a
156.12 one-parent assistance unit.

156.13 ~~(c) Prior to denying an extension, the county must review the sanction status and~~
156.14 ~~determine whether the sanction is appropriate or if good cause exists under section 256J.57.~~
156.15 ~~If the sanction was inappropriately applied or the participant is granted a good cause~~
156.16 ~~exception before the end of month 60, the participant shall be considered for an extension.~~

156.17 **EFFECTIVE DATE.** This section is effective January 1, 2025.

156.18 Sec. 50. Minnesota Statutes 2022, section 256J.425, subdivision 4, is amended to read:

156.19 Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit under
156.20 section 256J.42, subdivision 1, is eligible to receive assistance under a hardship extension
156.21 if the participant who reached the time limit belongs to:

156.22 (1) a one-parent assistance unit in which the participant is participating in work activities
156.23 for at least 30 hours per week, of which an average of at least 25 hours per week every
156.24 month are spent participating in employment;

156.25 (2) a two-parent assistance unit in which the participants are participating in work
156.26 activities for at least 55 hours per week, of which an average of at least 45 hours per week
156.27 every month are spent participating in employment; or

156.28 (3) an assistance unit in which a participant is participating in employment for fewer
156.29 hours than those specified in clause (1), and the participant submits verification from a
156.30 qualified professional, in a form acceptable to the commissioner, stating that the number
156.31 of hours the participant may work is limited due to illness or disability, as long as the
156.32 participant is participating in employment for at least the number of hours specified by the
156.33 qualified professional. The participant must be following the treatment recommendations

157.1 of the qualified professional providing the verification. The commissioner shall develop a
157.2 form to be completed and signed by the qualified professional, documenting the diagnosis
157.3 and any additional information necessary to document the functional limitations of the
157.4 participant that limit work hours. If the participant is part of a two-parent assistance unit,
157.5 the other parent must be treated as a one-parent assistance unit for purposes of meeting the
157.6 work requirements under this subdivision.

157.7 (b) For purposes of this section, employment means:

157.8 (1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

157.9 (2) subsidized employment under section 256J.49, subdivision 13, clause (2);

157.10 (3) on-the-job training under section 256J.49, subdivision 13, clause (2);

157.11 (4) an apprenticeship under section 256J.49, subdivision 13, clause (1);

157.12 (5) supported work under section 256J.49, subdivision 13, clause (2);

157.13 (6) a combination of clauses (1) to (5); or

157.14 (7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination
157.15 with paid employment.

157.16 (c) If a participant is complying with a child protection plan under chapter 260C, the
157.17 number of hours required under the child protection plan count toward the number of hours
157.18 required under this subdivision.

157.19 (d) The county shall provide the opportunity for subsidized employment to participants
157.20 needing that type of employment within available appropriations.

157.21 ~~(e) To be eligible for a hardship extension for employed participants under this~~
157.22 ~~subdivision, a participant must be in compliance for at least ten out of the 12 months the~~
157.23 ~~participant received MFIP immediately preceding the participant's 61st month on assistance.~~
157.24 ~~If ten or fewer months of eligibility for TANF assistance remain at the time the participant~~
157.25 ~~from another state applies for assistance, the participant must be in compliance every month.~~

157.26 ~~(f)~~ (e) The employment plan developed under section 256J.521, subdivision 2, for
157.27 participants under this subdivision must contain at least the minimum number of hours
157.28 specified in paragraph (a) for the purpose of meeting the requirements for an extension
157.29 under this subdivision. The job counselor and the participant must sign the employment
157.30 plan to indicate agreement between the job counselor and the participant on the contents of
157.31 the plan.

158.1 ~~(g)~~ (f) Participants who fail to meet the requirements in paragraph (a), without eligibility
158.2 for another hardship extension or good cause under section 256J.57, shall be ~~sanctioned~~
158.3 subject to sanction or permanently disqualified under subdivision 6. ~~Good cause may only~~
158.4 ~~be granted for that portion of the month for which the good cause reason applies~~ case closure.
158.5 Participants must meet all remaining requirements in the approved employment plan or be
158.6 subject to sanction or ~~permanent disqualification~~ case closure.

158.7 ~~(h)~~ (g) If the noncompliance with an employment plan is due to the involuntary loss of
158.8 employment, the participant is exempt from the hourly employment requirement under this
158.9 subdivision for one month. Participants must meet all remaining requirements in the approved
158.10 employment plan or be subject to sanction or ~~permanent disqualification~~ case closure if
158.11 ineligible for another hardship extension.

158.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

158.13 Sec. 51. Minnesota Statutes 2022, section 256J.425, subdivision 5, is amended to read:

158.14 **Subd. 5. Accrual of certain exempt months.** (a) Participants who are not eligible for
158.15 assistance under a hardship extension under this section shall be eligible for a hardship
158.16 extension for a period of time equal to the number of months that were counted toward the
158.17 60-month time limit while the participant was a caregiver with a child or an adult in the
158.18 household who meets the disability or medical criteria for home care services under section
158.19 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services
158.20 program under chapter 256B, or meets the criteria for severe emotional disturbance under
158.21 section 245.4871, subdivision 6, or for serious and persistent mental illness under section
158.22 245.462, subdivision 20, paragraph (c), and who was subject to the requirements in section
158.23 256J.561, subdivision 2.

158.24 (b) A participant who received MFIP assistance that counted toward the 60-month time
158.25 limit while the participant met the state time limit exemption criteria under section 256J.42,
158.26 subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time
158.27 equal to the number of months that were counted toward the 60-month time limit while the
158.28 participant met the state time limit exemption criteria under section 256J.42, subdivision 4
158.29 or 5.

158.30 (c) After the accrued months have been exhausted, the county agency must determine
158.31 if the assistance unit is eligible for an extension under another extension category in
158.32 subdivision 2, 3, or 4.

159.1 (d) At the time of the case review, a county agency must explain to the participant the
159.2 basis for receiving a hardship extension based on the accrual of exempt months. The
159.3 participant must provide documentation necessary to enable the county agency to determine
159.4 whether the participant is eligible to receive a hardship extension based on the accrual of
159.5 exempt months or authorize a county agency to verify the information.

159.6 ~~(e) While receiving extended MFIP assistance under this subdivision, a participant is~~
159.7 ~~subject to the MFIP policies that apply to participants during the first 60 months of MFIP,~~
159.8 ~~unless the participant is a member of a two-parent family in which one parent is extended~~
159.9 ~~under subdivision 3 or 4. For two-parent families in which one parent is extended under~~
159.10 ~~subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.~~

159.11 **EFFECTIVE DATE.** This section is effective January 1, 2025.

159.12 Sec. 52. Minnesota Statutes 2022, section 256J.425, subdivision 7, is amended to read:

159.13 Subd. 7. **Status of disqualified participants closed cases.** (a) An assistance unit that
159.14 ~~is disqualified~~ has its case closed under ~~subdivision 6, paragraph (a)~~ section 256J.46, may
159.15 be approved for MFIP if the participant complies with MFIP program requirements and
159.16 demonstrates compliance for up to one month. No assistance shall be paid during this period.

159.17 (b) An assistance unit that ~~is disqualified~~ has its case closed under ~~subdivision 6,~~
159.18 ~~paragraph (a)~~ section 256J.46, and that reapplies under paragraph (a) is subject to sanction
159.19 under section 256J.46, subdivision 1, paragraph (c), ~~clause (1), for a first occurrence of~~
159.20 ~~noncompliance. A subsequent occurrence of noncompliance results in a permanent~~
159.21 ~~disqualification.~~

159.22 ~~(c) If one participant in a two-parent assistance unit receiving assistance under a hardship~~
159.23 ~~extension under subdivision 3 or 4 is determined to be out of compliance with the~~
159.24 ~~employment and training services requirements under sections 256J.521 to 256J.57, the~~
159.25 ~~county shall give the assistance unit the option of disqualifying the noncompliant participant~~
159.26 ~~from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit~~
159.27 ~~for the purposes of meeting the work requirements under subdivision 4. An applicant who~~
159.28 ~~is disqualified from receiving assistance under this paragraph may reapply under paragraph~~
159.29 ~~(a). If a participant is disqualified from MFIP under this subdivision a second time, the~~
159.30 ~~participant is permanently disqualified from MFIP.~~

159.31 ~~(d)~~ (c) Prior to a disqualification case closure under this subdivision, a county agency
159.32 must review the participant's case to determine if the employment plan is still appropriate
159.33 and attempt to meet with the participant face-to-face. If a face-to-face meeting is not

160.1 conducted, the county agency must send the participant a notice of adverse action as provided
160.2 in section 256J.31. During the face-to-face meeting, the county agency must:

160.3 (1) determine whether the continued noncompliance can be explained and mitigated by
160.4 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
160.5 clause (9);

160.6 (2) determine whether the participant qualifies for a good cause exception under section
160.7 256J.57;

160.8 (3) inform the participant of the family violence waiver criteria and make appropriate
160.9 referrals if the waiver is requested;

160.10 (4) inform the participant of the participant's sanction status and explain the consequences
160.11 of continuing noncompliance;

160.12 (5) identify other resources that may be available to the participant to meet the needs of
160.13 the family; and

160.14 (6) inform the participant of the right to appeal under section 256J.40.

160.15 **EFFECTIVE DATE.** This section is effective January 1, 2025.

160.16 Sec. 53. Minnesota Statutes 2022, section 256J.46, subdivision 1, is amended to read:

160.17 Subdivision 1. **Participants not complying with program requirements.** (a) A
160.18 participant who fails without good cause under section 256J.57 to comply with the
160.19 requirements of ~~this chapter~~ for orientation under section 256J.45, or employment and
160.20 training services under sections 256J.515 to 256J.57, and who is not subject to a sanction
160.21 under subdivision 2, shall be subject to a sanction or case closure as provided in this
160.22 ~~subdivision~~ section. Good cause may only be granted for the month for which the good
160.23 cause reason applies. Prior to the imposition of a sanction, a county agency shall provide a
160.24 notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a
160.25 notice of adverse action as provided in section 256J.31, subdivision 5.

160.26 (b) A sanction under this subdivision becomes effective the month following the month
160.27 in which a required notice is given. A sanction must not be imposed when a participant
160.28 comes into compliance ~~with the requirements for orientation under section 256J.45~~ prior to
160.29 the effective date of the sanction. ~~A sanction must not be imposed when a participant comes~~
160.30 ~~into compliance with the requirements for employment and training services under sections~~
160.31 ~~256J.515 to 256J.57 ten days prior to the effective date of the sanction.~~ For purposes of this
160.32 subdivision, each month that a participant fails to comply with a requirement of this chapter

161.1 shall be considered a separate occurrence of noncompliance. If both participants in a
161.2 two-parent assistance unit are out of compliance at the same time, it is considered one
161.3 occurrence of noncompliance.

161.4 (c) Sanctions for noncompliance ~~shall be imposed as follows:~~

161.5 (1) ~~For the first occurrence of noncompliance by a participant in an assistance unit, the~~
161.6 ~~assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an~~
161.7 ~~assistance unit of the same size with the residual grant paid to the participant. The reduction~~
161.8 ~~in the grant amount must be in effect for a minimum of one month and shall be removed in~~
161.9 ~~the month following the month that the participant returns to compliance.~~

161.10 (2) for a the first, second, third, fourth, fifth, or sixth consecutive occurrence of
161.11 noncompliance by a participant in an assistance unit, ~~the assistance unit's shelter costs shall~~
161.12 ~~be vendor paid up to the amount of the cash portion of the MFIP grant for which the~~
161.13 ~~assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor~~
161.14 ~~paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment~~
161.15 ~~of the assistance unit's shelter costs. The residual amount of the grant after vendor payment,~~
161.16 ~~if any, must be reduced by an amount are equal to 30 a reduction of five percent of the cash~~
161.17 ~~portion of the MFIP standard of need for an grant received by the assistance unit of the~~
161.18 ~~same size before the residual grant is paid to the assistance unit. The reduction in the grant~~
161.19 ~~amount must be in effect for a minimum of one month and shall be removed in the month~~
161.20 ~~following the month that the participant in a one-parent assistance unit returns to compliance,~~
161.21 ~~unless the requirements in paragraph (h) are met. In a two-parent assistance unit, the grant~~
161.22 ~~reduction must be in effect for a minimum of one month and shall be removed in the month~~
161.23 ~~following the month both participants return to compliance, unless the requirements in~~
161.24 ~~paragraph (h) are met. The vendor payment of shelter costs and, if applicable, utilities shall~~
161.25 ~~be removed six months after the month in which the participant or participants return to~~
161.26 ~~compliance. When an assistance unit comes into compliance with the requirements in section~~
161.27 ~~256.741, or shows good cause under section 256.741, subdivision 10, or 256J.57, the sanction~~
161.28 ~~occurrences for that assistance unit shall be equal to zero sanctions. If an assistance unit is~~
161.29 ~~sanctioned under this clause, the participant's case file must be reviewed to determine if the~~
161.30 ~~employment plan is still appropriate.~~

161.31 (d) For a seventh consecutive occurrence of noncompliance by a participant in an
161.32 assistance unit, ~~or when the participants in a two-parent assistance unit have a total of seven~~
161.33 ~~occurrences of noncompliance~~, the county agency shall close the MFIP assistance unit's
161.34 financial assistance case, ~~both~~ including the cash and food portions, and redetermine the
161.35 family's ~~continued~~ eligibility for Supplemental Nutrition Assistance Program (SNAP)

162.1 payments. The MFIP case must remain closed for a minimum of one full month. Before the
162.2 case is closed, the county agency must review the participant's case to determine if the
162.3 employment plan is still appropriate and attempt to meet with the participant face-to-face.
162.4 The participant may bring an advocate to the face-to-face meeting. If a face-to-face meeting
162.5 is not conducted, the county agency must send the participant a written notice that includes
162.6 the information required under clause (1).

162.7 (1) During the face-to-face meeting, the county agency must:

162.8 (i) determine whether the continued noncompliance can be explained and mitigated by
162.9 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
162.10 clause (9);

162.11 (ii) determine whether the participant qualifies for a good cause exception under section
162.12 256J.57, or if the sanction is for noncooperation with child support requirements, determine
162.13 if the participant qualifies for a good cause exemption under section 256.741, subdivision
162.14 10;

162.15 (iii) determine whether the work activities in the employment plan are appropriate based
162.16 on the criteria in section 256J.521, subdivision 2 or 3;

162.17 (iv) determine whether the participant qualifies for the family violence waiver;

162.18 (v) inform the participant of the participant's sanction status and explain the consequences
162.19 of continuing noncompliance;

162.20 (vi) identify other resources that may be available to the participant to meet the needs
162.21 of the family; and

162.22 (vii) inform the participant of the right to appeal under section 256J.40.

162.23 (2) If the lack of an identified activity or service can explain the noncompliance, the
162.24 county must work with the participant to provide the identified activity.

162.25 (3) The grant must be restored to the full amount for which the assistance unit is eligible
162.26 retroactively to the first day of the month in which the participant was found to lack
162.27 preemployment activities or to qualify for a family violence waiver or for a good cause
162.28 exemption under section 256.741, subdivision 10, or 256J.57.

162.29 (e) For the purpose of applying sanctions under this section, only consecutive occurrences
162.30 of noncompliance that occur ~~after July 1, 2003~~ on or after January 1, 2025, shall be
162.31 considered when counting the number of sanction occurrences under this subdivision. Active
162.32 cases under sanction on January 1, 2025, shall be considered to have one sanction occurrence.

163.1 If the participant is in 30 percent sanction in the month this section takes effect, that month
163.2 counts as the first occurrence for purposes of applying the sanctions under this section, but
163.3 the sanction shall remain at 30 percent for that month comes into compliance, the assistance
163.4 unit is considered to have zero sanctions.

163.5 (f) An assistance unit whose case is closed under paragraph (d) or (g), may reapply for
163.6 MFIP using a form prescribed by the commissioner and shall be eligible if the participant
163.7 complies with MFIP program requirements and demonstrates compliance for up to one
163.8 month. No assistance shall be paid during this period. The county agency shall not start a
163.9 new certification period for a participant who has submitted the reapplication form within
163.10 30 calendar days of case closure. The county agency must process the form according to
163.11 section 256P.04, except that the county agency shall not require additional verification of
163.12 information in the case file unless the information is inaccurate, questionable, or no longer
163.13 current. When a participant does not reapply for MFIP within 30 calendar days of case
163.14 closure, a new application must be completed.

163.15 (g) An assistance unit whose case has been closed for noncompliance, that reapplies
163.16 under paragraph (f), is subject to sanction under paragraph (c), ~~clause (2), for a first~~
163.17 ~~occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result~~
163.18 ~~in~~ and case closure under paragraph (d).

163.19 (h) If an assistance unit is in compliance by the 15th of the month in which the assistance
163.20 unit has a sanction imposed, the reduction to the assistance unit's cash grant shall be restored
163.21 retroactively for the current month and the sanction occurrences shall be equal to zero.

163.22 **EFFECTIVE DATE.** This section is effective January 1, 2025.

163.23 Sec. 54. Minnesota Statutes 2022, section 256J.46, subdivision 2, is amended to read:

163.24 Subd. 2. **Sanctions for refusal to cooperate with support requirements.** The grant of
163.25 an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement
163.26 agency, with support requirements under section 256.741, shall be subject to sanction as
163.27 specified in this subdivision and subdivision 1. ~~For a first occurrence of noncooperation,~~
163.28 ~~the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard~~
163.29 ~~of need. Subsequent occurrences of noncooperation shall be subject to sanction under~~
163.30 ~~subdivision 1, paragraphs (c), clause (2), and (d), paragraphs (b) to (h), except the assistance~~
163.31 unit's cash portion of the grant must be reduced by 25 percent of the MFIP cash received
163.32 by the assistance unit. The residual amount of the grant, if any, must be paid to the caregiver.
163.33 A sanction under this subdivision becomes effective the first month following the month
163.34 in which a required notice is given. A sanction must not be imposed when a caregiver comes

164.1 into compliance with the requirements under section 256.741 prior to the effective date of
 164.2 the sanction. The sanction shall be removed in the month following the month that the
 164.3 caregiver cooperates with the support requirements, unless the requirements in subdivision
 164.4 1, paragraph (h), are met. Each month that an MFIP caregiver fails to comply with the
 164.5 requirements of section 256.741 must be considered a separate occurrence of noncompliance
 164.6 for the purpose of applying sanctions under subdivision 1, paragraphs (c), ~~clause (2)~~, and
 164.7 (d).

164.8 **EFFECTIVE DATE.** This section is effective January 1, 2025.

164.9 Sec. 55. Minnesota Statutes 2022, section 256J.46, subdivision 2a, is amended to read:

164.10 Subd. 2a. **Dual sanctions.** (a) Notwithstanding the provisions of subdivisions 1 and 2,
 164.11 for a participant subject to a sanction for refusal to comply with child support requirements
 164.12 under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other
 164.13 program requirements under subdivision 1, sanctions shall be imposed in the manner
 164.14 prescribed in this subdivision.

164.15 ~~Any vendor payment of shelter costs or utilities under this subdivision must remain in~~
 164.16 ~~effect for six months after the month in which the participant is no longer subject to sanction~~
 164.17 ~~under subdivision 1.~~

164.18 ~~(b) If the participant was subject to sanction for:~~

164.19 ~~(1) noncompliance under subdivision 1 before being subject to sanction for~~
 164.20 ~~noncooperation under subdivision 2; or~~

164.21 ~~(2) noncooperation under subdivision 2 before being subject to sanction for~~
 164.22 ~~noncompliance under subdivision 1, the participant is considered to have a second occurrence~~
 164.23 ~~of noncompliance and shall be sanctioned as provided in subdivision 1, paragraph (c), clause~~
 164.24 ~~(2). Each subsequent occurrence of noncompliance shall be considered one additional~~
 164.25 ~~occurrence and shall be subject to the applicable level of sanction under subdivision 1. The~~
 164.26 ~~requirement that the county conduct a review as specified in subdivision 1, paragraph (d),~~
 164.27 ~~remains in effect.~~

164.28 ~~(e)~~ (b) A participant who first becomes subject to sanction under both subdivisions 1
 164.29 and 2 in the same month is subject to sanction as follows:

164.30 (1) in the first month of noncompliance and noncooperation, the participant's cash portion
 164.31 of the grant must be reduced by ~~30~~ 25 percent of the ~~applicable~~ MFIP ~~standard of need~~ cash
 164.32 received by the assistance unit, with any residual amount paid to the participant;

165.1 (2) in the second and subsequent months of noncompliance and noncooperation, the
165.2 participant shall be subject to the applicable level of sanction under subdivision 1.

165.3 The requirement that the county conduct a review as specified in subdivision 1, paragraph
165.4 (d), remains in effect.

165.5 ~~(d)~~ (c) A participant remains subject to sanction under subdivision 2 if the participant:

165.6 (1) returns to compliance and is no longer subject to sanction for noncompliance with
165.7 section 256J.45 or sections 256J.515 to 256J.57; or

165.8 (2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to
165.9 256J.57 removed upon completion of the review under subdivision 1, paragraph (e).

165.10 A participant remains subject to the applicable level of sanction under subdivision 1 if
165.11 the participant cooperates and is no longer subject to sanction under subdivision 2.

165.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

165.13 Sec. 56. Minnesota Statutes 2022, section 256J.49, subdivision 9, is amended to read:

165.14 Subd. 9. **Participant.** "Participant" means a recipient of MFIP assistance who participates
165.15 or is required to participate in employment and training services under sections 256J.515
165.16 to 256J.57 ~~and 256J.95.~~

165.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

165.18 Sec. 57. Minnesota Statutes 2022, section 256J.50, subdivision 1, is amended to read:

165.19 Subdivision 1. **Employment and training services component of MFIP.** (a) Each
165.20 county must develop and provide an employment and training services component which
165.21 is designed to put participants on the most direct path to unsubsidized employment.
165.22 Participation in these services is mandatory for all MFIP caregivers.

165.23 (b) A county must provide employment and training services under sections 256J.515
165.24 to 256J.74 within 30 days after the caregiver is determined eligible for MFIP, ~~or within ten~~
165.25 ~~days when the caregiver participated in the diversionary work program under section 256J.95~~
165.26 ~~within the past 12 months.~~

165.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

165.28 Sec. 58. Minnesota Statutes 2022, section 256J.521, subdivision 1, is amended to read:

165.29 Subdivision 1. **Assessments.** (a) For purposes of MFIP employment services, assessment
165.30 is a continuing process of gathering information related to employability for the purpose of

166.1 identifying both participant's strengths and strategies for coping with issues that interfere
166.2 with employment. The job counselor must use information from the assessment process to
166.3 develop and update the employment plan under subdivision 2 or 3, as appropriate, to
166.4 determine whether the participant qualifies for a family violence waiver including an
166.5 employment plan under subdivision 3, and to determine whether the participant should be
166.6 referred to family stabilization services under section 256J.575.

166.7 (b) The scope of assessment must cover at least the following areas:

166.8 (1) basic information about the participant's ability to obtain and retain employment,
166.9 including: a review of the participant's education level; interests, skills, and abilities; prior
166.10 employment or work experience; transferable work skills; child care and transportation
166.11 needs;

166.12 (2) identification of personal and family circumstances that impact the participant's
166.13 ability to obtain and retain employment, including: any special needs of the children, the
166.14 level of English proficiency, family violence issues, and any involvement with social services
166.15 or the legal system;

166.16 (3) the results of a mental and chemical health screening tool designed by the
166.17 commissioner and results of the brief screening tool for special learning needs. Screening
166.18 tools for mental and chemical health and special learning needs must be approved by the
166.19 commissioner and may only be administered by job counselors or county staff trained in
166.20 using such screening tools. Participants must be told of the purpose of the screens and how
166.21 the information will be used to assist the participant in identifying and overcoming barriers
166.22 to employment. Screening for mental and chemical health and special learning needs must
166.23 be completed by participants three months after development of the initial employment plan
166.24 or earlier if there is a documented need. Failure to complete the screens will result in sanction
166.25 under section 256J.46; and

166.26 (4) a comprehensive review of participation and progress for participants who have
166.27 received MFIP assistance and have not worked in unsubsidized employment during the past
166.28 12 months. The purpose of the review is to determine the need for additional services and
166.29 supports, including placement in subsidized employment or unpaid work experience under
166.30 section 256J.49, subdivision 13, or referral to family stabilization services under section
166.31 256J.575.

166.32 ~~(c) Information gathered during a caregiver's participation in the diversionary work~~
166.33 ~~program under section 256J.95 must be incorporated into the assessment process.~~

167.1 ~~(d)~~ (c) The job counselor may require the participant to complete a professional chemical
167.2 use assessment to be performed according to the rules adopted under section 254A.03,
167.3 subdivision 3, including provisions in the administrative rules which recognize the cultural
167.4 background of the participant, or a professional psychological assessment as a component
167.5 of the assessment process, when the job counselor has a reasonable belief, based on objective
167.6 evidence, that a participant's ability to obtain and retain suitable employment is impaired
167.7 by a medical condition. The job counselor may assist the participant with arranging services,
167.8 including child care assistance and transportation, necessary to meet needs identified by the
167.9 assessment. Data gathered as part of a professional assessment must be classified and
167.10 disclosed according to the provisions in section 13.46.

167.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

167.12 Sec. 59. Minnesota Statutes 2022, section 256J.621, subdivision 1, is amended to read:

167.13 Subdivision 1. **Program characteristics.** (a) Within 30 days of exiting the Minnesota
167.14 family investment program with earnings, the county must assess eligibility for work
167.15 participation cash benefits of \$25 per month to assist in meeting the family's basic needs as
167.16 the participant continues to move toward self-sufficiency. Payment begins effective the first
167.17 of the month following exit or termination for MFIP ~~and DWP~~ participants.

167.18 (b) To be eligible for work participation cash benefits, the participant shall not receive
167.19 MFIP ~~or diversionary work program~~ assistance during the month and the participant or
167.20 participants must meet the following work requirements:

167.21 (1) if the participant is a single caregiver and has a child under six years of age, the
167.22 participant must be employed at least 87 hours per month;

167.23 (2) if the participant is a single caregiver and does not have a child under six years of
167.24 age, the participant must be employed at least 130 hours per month; or

167.25 (3) if the household is a two-parent family, at least one of the parents must be employed
167.26 130 hours per month.

167.27 Whenever a participant ~~exits the diversionary work program or~~ is terminated from MFIP
167.28 and meets the other criteria in this section, work participation cash benefits are available
167.29 for up to 24 consecutive months.

167.30 (c) Expenditures on the program are maintenance of effort state funds under a separate
167.31 state program for participants under paragraph (b), clauses (1) and (2). Expenditures for
167.32 participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in

168.1 which a participant receives work participation cash benefits under this section do not count
168.2 toward the participant's MFIP 60-month time limit.

168.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

168.4 Sec. 60. Minnesota Statutes 2022, section 256J.626, subdivision 2, is amended to read:

168.5 Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures
168.6 under the consolidated fund to benefits and services allowed under title IV-A of the federal
168.7 Social Security Act. Allowable expenditures under the consolidated fund may include, but
168.8 are not limited to:

168.9 (1) short-term, nonrecurring shelter and utility needs that are excluded from the definition
168.10 of assistance under Code of Federal Regulations, title 45, section 260.31, for families who
168.11 meet the residency requirement in section 256J.12, subdivisions 1 and 1a. Payments under
168.12 this subdivision are not considered TANF cash assistance and are not counted towards the
168.13 60-month time limit;

168.14 (2) transportation needed to obtain or retain employment or to participate in other
168.15 approved work activities or activities under a family stabilization plan;

168.16 (3) direct and administrative costs of staff to deliver employment services for MFIP, ~~the~~
168.17 ~~diversionary work program~~, or family stabilization services; to administer financial assistance;
168.18 and to provide specialized services intended to assist hard-to-employ participants to transition
168.19 to work or transition from family stabilization services to MFIP;

168.20 (4) costs of education and training including functional work literacy and English as a
168.21 second language;

168.22 (5) cost of work supports including tools, clothing, boots, telephone service, and other
168.23 work-related expenses;

168.24 (6) county administrative expenses as defined in Code of Federal Regulations, title 45,
168.25 section 260(b);

168.26 (7) services to parenting and pregnant teens;

168.27 (8) supported work;

168.28 (9) wage subsidies;

168.29 (10) child care needed for MFIP, ~~the diversionary work program~~, or family stabilization
168.30 services participants to participate in social services;

169.1 (11) child care to ensure that families leaving MFIP ~~or diversionary work program~~ will
169.2 continue to receive child care assistance from the time the family no longer qualifies for
169.3 transition year child care until an opening occurs under the basic sliding fee child care
169.4 program;

169.5 (12) services to help noncustodial parents who live in Minnesota and have minor children
169.6 receiving MFIP ~~or DWP~~ assistance, but do not live in the same household as the child,
169.7 obtain or retain employment; and

169.8 (13) services to help families participating in family stabilization services achieve the
169.9 greatest possible degree of self-sufficiency.

169.10 (b) Administrative costs that are not matched with county funds as provided in subdivision
169.11 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation under this
169.12 section. The commissioner shall define administrative costs for purposes of this subdivision.

169.13 (c) The commissioner may waive the cap on administrative costs for a county or tribe
169.14 that elects to provide an approved supported employment, unpaid work, or community work
169.15 experience program for a major segment of the county's or tribe's MFIP population. The
169.16 county or tribe must apply for the waiver on forms provided by the commissioner. In no
169.17 case shall total administrative costs exceed the TANF limits.

169.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

169.19 Sec. 61. Minnesota Statutes 2022, section 256J.626, subdivision 3, is amended to read:

169.20 Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman, or a
169.21 noncustodial parent of a minor child receiving assistance, with incomes below 200 percent
169.22 of the federal poverty guideline for a family of the applicable size, are eligible for services
169.23 funded under the consolidated fund. Counties and tribes must give priority to families
169.24 currently receiving MFIP, ~~the diversionary work program~~, or family stabilization services,
169.25 and families at risk of receiving MFIP ~~or diversionary work program~~. A county or tribe
169.26 shall not impose a residency requirement on families, except for the residency requirement
169.27 under section 256J.12.

169.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

169.29 Sec. 62. Minnesota Statutes 2022, section 256J.751, subdivision 2, is amended to read:

169.30 Subd. 2. **Quarterly comparison report.** (a) The commissioner shall report quarterly to
169.31 all counties on each county's performance on the following measures:

- 170.1 (1) percent of MFIP caseload working in paid employment;
- 170.2 (2) percent of MFIP caseload receiving only the food portion of assistance;
- 170.3 (3) number of MFIP cases that have left assistance;
- 170.4 (4) median placement wage rate;
- 170.5 (5) caseload by months of TANF assistance;
- 170.6 (6) percent of MFIP ~~and diversionary work program (DWP)~~ cases off cash assistance
- 170.7 or working 30 or more hours per week at one-year, two-year, and three-year follow-up
- 170.8 points from a baseline quarter. This measure is called the self-support index. The
- 170.9 commissioner shall report quarterly an expected range of performance for each county,
- 170.10 county grouping, and tribe on the self-support index. The expected range shall be derived
- 170.11 by a statistical methodology developed by the commissioner in consultation with the counties
- 170.12 and tribes. The statistical methodology shall control differences across counties in economic
- 170.13 conditions and demographics of the MFIP ~~and DWP~~ case load; and
- 170.14 (7) the TANF work participation rate, defined as the participation requirements specified
- 170.15 under Public Law 109-171, the Deficit Reduction Act of 2005.

170.16 (b) The commissioner shall not apply the limits on vocational educational training and

170.17 education activities under Code of Federal Regulations, title 45, section 261.33(c), when

170.18 determining TANF work participation rates for individual counties under this subdivision.

170.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

170.20 Sec. 63. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision

170.21 to read:

170.22 **Subd. 9. Prospective budgeting.** "Prospective budgeting" means estimating the amount

170.23 of monthly income that an assistance unit will have in the payment month.

170.24 **EFFECTIVE DATE.** This section is effective July 1, 2024.

170.25 Sec. 64. Minnesota Statutes 2022, section 256P.02, subdivision 2, is amended to read:

170.26 **Subd. 2. Personal property limitations.** The equity value of an assistance unit's personal

170.27 property listed in clauses (1) to (5) must not exceed \$10,000 for applicants and participants.

170.28 For purposes of this subdivision, personal property is limited to:

170.29 (1) cash;

170.30 (2) bank accounts not excluded under subdivision 4;

- 171.1 (3) liquid stocks and bonds that can be readily accessed without a financial penalty;
- 171.2 (4) vehicles not excluded under subdivision 3; and
- 171.3 (5) the full value of business accounts used to pay expenses not related to the business.

171.4 Sec. 65. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision
171.5 to read:

171.6 Subd. 4. **Account exception.** Family asset accounts under section 256E.35 and individual
171.7 development accounts authorized under the Assets for Independence Act, Title IV of the
171.8 Community Opportunities, Accountability, and Training and Educational Services Human
171.9 Services Reauthorization Act of 1998, Public Law 105-285, shall be excluded when
171.10 determining the equity value of personal property.

171.11 Sec. 66. Minnesota Statutes 2022, section 256P.04, subdivision 4, is amended to read:

171.12 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

- 171.13 (1) identity of adults;
- 171.14 (2) age, if necessary to determine eligibility;
- 171.15 (3) immigration status;
- 171.16 (4) income;
- 171.17 (5) spousal support and child support payments made to persons outside the household;
- 171.18 (6) vehicles;
- 171.19 (7) checking and savings accounts, including but not limited to any business accounts
171.20 used to pay expenses not related to the business;
- 171.21 (8) inconsistent information, if related to eligibility;
- 171.22 (9) residence; and
- 171.23 (10) Social Security number; and
- 171.24 ~~(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item~~
171.25 ~~(ix), for the intended purpose for which it was given and received.~~

171.26 (b) Applicants who are qualified noncitizens and victims of domestic violence as defined
171.27 under section 256J.08, subdivision 73, clauses (8) and (9), are not required to verify the
171.28 information in paragraph (a), clause (10). When a Social Security number is not provided
171.29 to the agency for verification, this requirement is satisfied when each member of the

172.1 assistance unit cooperates with the procedures for verification of Social Security numbers,
172.2 issuance of duplicate cards, and issuance of new numbers which have been established
172.3 jointly between the Social Security Administration and the commissioner.

172.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

172.5 Sec. 67. Minnesota Statutes 2022, section 256P.04, subdivision 8, is amended to read:

172.6 Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During
172.7 recertification and reporting under section 256P.10, the agency shall verify the following:

172.8 (1) income, unless excluded, including self-employment earnings;

172.9 (2) assets when the value is within \$200 of the asset limit; and

172.10 (3) inconsistent information, if related to eligibility.

172.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

172.12 Sec. 68. Minnesota Statutes 2022, section 256P.06, subdivision 3, is amended to read:

172.13 Subd. 3. **Income inclusions.** The following must be included in determining the income
172.14 of an assistance unit:

172.15 (1) earned income; and

172.16 (2) unearned income, which includes:

172.17 (i) interest and dividends from investments and savings;

172.18 (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

172.19 (iii) proceeds from rent and contract for deed payments in excess of the principal and
172.20 interest portion owed on property;

172.21 (iv) income from trusts, excluding special needs and supplemental needs trusts;

172.22 (v) interest income from loans made by the participant or household;

172.23 (vi) cash prizes and winnings;

172.24 (vii) unemployment insurance income that is received by an adult member of the
172.25 assistance unit unless the individual receiving unemployment insurance income is:

172.26 (A) 18 years of age and enrolled in a secondary school; or

172.27 (B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

173.1 (viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors,
 173.2 and disability insurance payments;

173.3 ~~(ix) nonrecurring income over \$60 per quarter unless the nonrecurring income is: (A)~~
 173.4 ~~from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or~~
 173.5 ~~refund of personal or real property or costs or losses incurred when these payments are~~
 173.6 ~~made by: a public agency; a court; solicitations through public appeal; a federal, state, or~~
 173.7 ~~local unit of government; or a disaster assistance organization; (C) provided as an in-kind~~
 173.8 ~~benefit; or (D) earmarked and used for the purpose for which it was intended, subject to~~
 173.9 ~~verification requirements under section 256P.04;~~

173.10 ~~(x)~~ (ix) retirement benefits;

173.11 ~~(xi)~~ (x) cash assistance benefits, as defined by each program in chapters 119B, 256D,
 173.12 256I, and 256J;

173.13 ~~(xii)~~ (xi) Tribal per capita payments unless excluded by federal and state law;

173.14 ~~(xiii)~~ (xii) income from members of the United States armed forces unless excluded
 173.15 from income taxes according to federal or state law;

173.16 ~~(xiv)~~ (xiii) for the purposes of programs under chapters 119B, 256D, and 256I, all child
 173.17 support payments for programs under chapters 119B, 256D, and 256I;

173.18 ~~(xv)~~ (xiv) for the purposes of programs under chapter 256J, the amount of child support
 173.19 received that exceeds \$100 for assistance units with one child and \$200 for assistance units
 173.20 with two or more children for programs under chapter 256J;

173.21 ~~(xvi)~~ (xv) spousal support; ~~and~~

173.22 ~~(xvii)~~ (xvi) workers' compensation; and

173.23 (xvii) for the purposes of programs under chapters 119B and 256J, the amount of
 173.24 retirement, survivors, and disability insurance payments that exceeds the applicable monthly
 173.25 federal maximum Supplemental Security Income payments.

173.26 **EFFECTIVE DATE.** This section is effective July 1, 2023, except the removal of item
 173.27 (ix) related to nonrecurring income is effective July 1, 2024.

173.28 Sec. 69. Minnesota Statutes 2022, section 256P.07, subdivision 1, is amended to read:

173.29 Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security
 173.30 Income and qualify for Minnesota supplemental aid under chapter 256D and or for housing

174.1 support under chapter 256I ~~on the basis of eligibility for Supplemental Security Income~~ are
174.2 exempt from ~~this section~~ reporting income under this chapter.

174.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

174.4 Sec. 70. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
174.5 to read:

174.6 Subd. 1a. **Child care assistance programs.** Participants who qualify for child care
174.7 assistance programs under chapter 119B are exempt from this section except the reporting
174.8 requirements in subdivision 6.

174.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

174.10 Sec. 71. Minnesota Statutes 2022, section 256P.07, subdivision 2, is amended to read:

174.11 Subd. 2. **Reporting requirements.** An applicant or participant must provide information
174.12 on an application and any subsequent reporting forms about the assistance unit's
174.13 circumstances that affect eligibility or benefits. An applicant or assistance unit must report
174.14 changes that affect eligibility or benefits as identified in subdivision subdivisions 3, 4, 5,
174.15 7, 8, and 9 during the application period or by the tenth of the month following the month
174.16 the assistance unit's circumstances changed. When information is not accurately reported,
174.17 both an overpayment and a referral for a fraud investigation may result. When information
174.18 or documentation is not provided, the receipt of any benefit may be delayed or denied,
174.19 depending on the type of information required and its effect on eligibility.

174.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

174.21 Sec. 72. Minnesota Statutes 2022, section 256P.07, subdivision 3, is amended to read:

174.22 Subd. 3. **Changes that must be reported.** ~~An assistance unit must report the changes~~
174.23 ~~or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur,~~
174.24 ~~at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or~~
174.25 ~~within eight calendar days of a reporting period, whichever occurs first. An assistance unit~~
174.26 ~~must report other changes at the time of recertification of eligibility under section 256P.04,~~
174.27 ~~subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency~~
174.28 ~~could have reduced or terminated assistance for one or more payment months if a delay in~~
174.29 ~~reporting a change specified under clauses (1) to (12) had not occurred, the agency must~~
174.30 ~~determine whether a timely notice could have been issued on the day that the change~~
174.31 ~~occurred. When a timely notice could have been issued, each month's overpayment~~
174.32 ~~subsequent to that notice must be considered a client error overpayment under section~~

- 175.1 ~~119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within~~
175.2 ~~ten days must also be reported for the reporting period in which those changes occurred.~~
175.3 ~~Within ten days, an assistance unit must report:~~
- 175.4 ~~(1) a change in earned income of \$100 per month or greater with the exception of a~~
175.5 ~~program under chapter 119B;~~
- 175.6 ~~(2) a change in unearned income of \$50 per month or greater with the exception of a~~
175.7 ~~program under chapter 119B;~~
- 175.8 ~~(3) a change in employment status and hours with the exception of a program under~~
175.9 ~~chapter 119B;~~
- 175.10 ~~(4) a change in address or residence;~~
- 175.11 ~~(5) a change in household composition with the exception of programs under chapter~~
175.12 ~~256I;~~
- 175.13 ~~(6) a receipt of a lump-sum payment with the exception of a program under chapter~~
175.14 ~~119B;~~
- 175.15 ~~(7) an increase in assets if over \$9,000 with the exception of programs under chapter~~
175.16 ~~119B;~~
- 175.17 ~~(8) a change in citizenship or immigration status;~~
- 175.18 ~~(9) a change in family status with the exception of programs under chapter 256I;~~
- 175.19 ~~(10) a change in disability status of a unit member, with the exception of programs under~~
175.20 ~~chapter 119B;~~
- 175.21 ~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program~~
175.22 ~~under chapter 119B; and~~
- 175.23 ~~(12) a sale, purchase, or transfer of real property with the exception of a program under~~
175.24 ~~chapter 119B.~~
- 175.25 (a) An assistance unit must report changes or anticipated changes as described in this
175.26 section.
- 175.27 (b) An assistance unit must report:
- 175.28 (1) a change in eligibility for Supplemental Security Income, Retirement Survivors
175.29 Disability Insurance, or another federal income support;
- 175.30 (2) a change in address or residence;

176.1 (3) a change in household composition with the exception of programs under chapter
 176.2 256I;

176.3 (4) cash prizes and winnings according to guidance provided for the Supplemental
 176.4 Nutrition Assistance Program;

176.5 (5) a change in citizenship or immigration status;

176.6 (6) a change in family status with the exception of programs under chapter 256I; and

176.7 (7) a change that makes the value of the unit's assets at or above the asset limit.

176.8 (c) When an agency could have reduced or terminated assistance for one or more payment
 176.9 months if a delay in reporting a change specified under paragraph (b) had not occurred, the
 176.10 agency must determine whether the agency could have issued a timely notice on the day
 176.11 that the change occurred. When a timely notice could have been issued, each month's
 176.12 overpayment subsequent to the notice must be considered a client error overpayment under
 176.13 section 256P.08.

176.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

176.15 Sec. 73. Minnesota Statutes 2022, section 256P.07, subdivision 4, is amended to read:

176.16 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under
 176.17 chapter 256J, ~~within ten days of the change,~~ must report:

176.18 (1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~

176.19 (2) a change in school attendance of a parent under 20 years of age ~~or of an employed~~
 176.20 ~~child;~~ and

176.21 (3) an individual in the household who is 18 or 19 years of age attending high school
 176.22 who graduates or drops out of school.

176.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

176.24 Sec. 74. Minnesota Statutes 2022, section 256P.07, subdivision 6, is amended to read:

176.25 Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to~~
 176.26 ~~subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must
 176.27 report:

176.28 (1) a change in a parentally responsible individual's custody schedule for any child
 176.29 receiving child care assistance program benefits;

176.30 (2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

177.1 (3) if the unit's family's annual included income exceeds 85 percent of the state median
177.2 income, adjusted for family size;

177.3 (4) a change in address or residence;

177.4 (5) a change in household composition;

177.5 (6) a change in citizenship or immigration status; and

177.6 (7) a change in family status.

177.7 (b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must
177.8 report a change in the unit's authorized activity status.

177.9 (c) An assistance unit must notify the county when the unit wants to reduce the number
177.10 of authorized hours for children in the unit.

177.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

177.12 Sec. 75. Minnesota Statutes 2022, section 256P.07, subdivision 7, is amended to read:

177.13 Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision
177.14 3, an assistance unit participating in the Minnesota supplemental aid program under ~~section~~
177.15 ~~256D.44, subdivision 5, paragraph (g), within ten days of the change, chapter 256D and not~~
177.16 receiving Supplemental Security Income must report shelter expenses.:

177.17 (1) a change in unearned income of \$50 per month or greater; and

177.18 (2) a change in earned income of \$100 per month or greater.

177.19 (b) An assistance unit receiving housing assistance under section 256D.44, subdivision
177.20 5, paragraph (g), including assistance units that also receive Supplemental Security Income,
177.21 must report:

177.22 (1) a change in shelter expenses; and

177.23 (2) a new rent subsidy or a change in rent subsidy.

177.24 **EFFECTIVE DATE.** This section is effective July 1, 2024.

177.25 Sec. 76. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
177.26 to read:

177.27 Subd. 8. **Housing support-specific reporting.** (a) In addition to subdivision 3, an
177.28 assistance unit participating in the housing support program under chapter 256I and not
177.29 receiving Supplemental Security Income must report:

178.1 (1) a change in unearned income of \$50 per month or greater; and

178.2 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
178.3 is already subject to six-month reporting requirements in section 256P.10.

178.4 (b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving
178.5 housing support under chapter 256I, including an assistance unit that receives Supplemental
178.6 Security Income, must report:

178.7 (1) a new rent subsidy or a change in rent subsidy;

178.8 (2) a change in the disability status of a unit member; and

178.9 (3) a change in household composition if the assistance unit is a participant in housing
178.10 support under section 256I.04, subdivision 3, paragraph (a), clause (3).

178.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

178.12 Sec. 77. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
178.13 to read:

178.14 Subd. 9. **General assistance-specific reporting.** In addition to subdivision 3, an
178.15 assistance unit participating in the general assistance program under chapter 256D must
178.16 report:

178.17 (1) a change in unearned income of \$50 per month or greater;

178.18 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
178.19 is already subject to six-month reporting requirements in section 256P.10; and

178.20 (3) changes in any condition that would result in the loss of basis for eligibility in section
178.21 256D.05, subdivision 1, paragraph (a).

178.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.

178.23 Sec. 78. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

178.24 Subdivision 1. **Exempted programs.** Assistance units that qualify for child care
178.25 assistance programs under chapter 119B and assistance units that receive housing support
178.26 under chapter 256I are not subject to reporting under section 256P.10, and assistance units
178.27 that qualify for Minnesota supplemental aid under chapter 256D are exempt from this
178.28 section.

178.29 Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use
178.30 prospective budgeting to calculate the assistance payment amount.

179.1 Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of
179.2 benefits, an agency must take into account the income already received by the assistance
179.3 unit during or anticipated to be received during the application period. Income anticipated
179.4 to be received only in the initial month of eligibility must only be counted in the initial
179.5 month.

179.6 Subd. 4. **Income determination.** An agency must use prospective budgeting to determine
179.7 the amount of the assistance unit's benefit for the eligibility period based on the best
179.8 information available at the time of approval. An agency shall only count anticipated income
179.9 when the participant and the agency are reasonably certain of the amount of the payment
179.10 and the month in which the payment will be received. If the exact amount of the income is
179.11 not known, the agency shall consider only the amounts that can be anticipated as income.

179.12 Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's
179.13 eligibility or benefit amount until the next review unless otherwise required to be reported
179.14 in section 256P.07. A decrease in income shall be effective on the date that the change
179.15 occurs if the change is reported by the tenth of the month following the month when the
179.16 change occurred. If the assistance unit does not report the change in income by the tenth of
179.17 the month following the month when the change occurred, the change in income shall be
179.18 effective on the date the change was reported.

179.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

179.20 Sec. 79. **[256P.10] SIX-MONTH REPORTING.**

179.21 Subdivision 1. **Exempted programs.** Assistance units that qualify for child care
179.22 assistance programs under chapter 119B, assistance units that qualify for Minnesota
179.23 supplemental aid under chapter 256D, and assistance units that qualify for housing support
179.24 under chapter 256I and also receive Supplemental Security Income are exempt from this
179.25 section.

179.26 Subd. 2. **Reporting.** (a) Every six months, an assistance unit that qualifies for the
179.27 Minnesota family investment program under chapter 256J, an assistance unit that qualifies
179.28 for general assistance under chapter 256D with an earned income of \$100 per month or
179.29 greater, or an assistance unit that qualifies for housing support under chapter 256I with an
179.30 earned income of \$100 per month or greater is subject to six-month reviews. The initial
179.31 reporting period may be shorter than six months in order to align with other programs'
179.32 reporting periods.

180.1 (b) An assistance unit that qualifies for the Minnesota family investment program or an
180.2 assistance unit that qualifies for general assistance with an earned income of \$100 per month
180.3 or greater must complete household report forms as required by the commissioner for
180.4 redetermination of benefits.

180.5 (c) An assistance unit that qualifies for housing support with an earned income of \$100
180.6 per month or greater must complete household report forms as prescribed by the
180.7 commissioner to provide information about earned income.

180.8 (d) An assistance unit that qualifies for housing support and also receives assistance
180.9 through the Minnesota family investment program shall be subject to requirements of this
180.10 section for purposes of the Minnesota family investment program but not for housing support.

180.11 (e) An assistance unit covered by this section must submit a household report form in
180.12 compliance with the provisions in section 256P.04, subdivision 11.

180.13 (f) An assistance unit covered by this section may choose to report changes under this
180.14 section at any time.

180.15 Subd. 3. **When to terminate assistance.** (a) An agency must terminate benefits when
180.16 the assistance unit fails to submit the household report form before the end of the six-month
180.17 review period. If the assistance unit submits the household report form within 30 days of
180.18 the termination of benefits and remains eligible, benefits must be reinstated and made
180.19 available retroactively for the full benefit month.

180.20 (b) When an assistance unit is determined to be ineligible for assistance according to
180.21 this section and chapter 256D, 256I, or 256J, the agency must terminate assistance.

180.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.

180.23 Sec. 80. Minnesota Statutes 2022, section 261.063, is amended to read:

180.24 **261.063 TAX LEVY FOR SOCIAL SERVICES; BOARD DUTY; PENALTY.**

180.25 (a) The board of county commissioners of each county shall annually levy taxes and fix
180.26 a rate sufficient to produce the full amount required for poor relief, general assistance,
180.27 Minnesota family investment program, ~~diversionary work program~~, county share of county
180.28 and state supplemental aid to Supplemental Security Income applicants or recipients, and
180.29 any other Social Security measures wherein there is now or may hereafter be county
180.30 participation, sufficient to produce the full amount necessary for each such item, including
180.31 administrative expenses, for the ensuing year, within the time fixed by law in addition to
180.32 all other tax levies and tax rates, however fixed or determined, and any commissioner who

181.1 shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately
181.2 removed from office by the governor. For the purposes of this paragraph, "poor relief"
181.3 means county services provided under sections 261.035 and 261.21 to 261.231.

181.4 (b) Nothing within the provisions of this section shall be construed as requiring a county
181.5 agency to provide income support or cash assistance to needy persons when they are no
181.6 longer eligible for assistance under general assistance, chapter 256J, or Minnesota
181.7 supplemental aid.

181.8 **EFFECTIVE DATE.** This section is effective July 1, 2024.

181.9 Sec. 81. Minnesota Statutes 2022, section 514.972, subdivision 5, is amended to read:

181.10 Subd. 5. **Access to certain items.** (a) Any occupant may remove from the self-storage
181.11 facility personal papers and health aids upon demand made to any of the persons listed in
181.12 section 514.976, subdivision 1.

181.13 (b) An occupant who provides documentation from a government or nonprofit agency
181.14 or legal aid office that the occupant is a recipient of relief based on need, is eligible for legal
181.15 aid services, or is a survivor of domestic violence or sexual assault may remove, in addition
181.16 to the items provided in paragraph (a), personal clothing of the occupant and the occupant's
181.17 dependents and tools of the trade that are necessary for the livelihood of the occupant that
181.18 has a market value not to exceed \$125 per item.

181.19 (c) The occupant shall present a list of the items and may remove the items during the
181.20 facility's ordinary business hours prior to the sale authorized by section 514.973. If the
181.21 owner unjustifiably denies the occupant access for the purpose of removing the items
181.22 specified in this subdivision, the occupant is entitled to request relief from the court for an
181.23 order allowing access to the storage space for removal of the specified items. The self-service
181.24 storage facility is liable to the occupant for the costs, disbursements, and attorney fees
181.25 expended by the occupant to obtain this order.

181.26 (d) For the purposes of this subdivision, "relief based on need" includes but is not limited
181.27 to receipt of a benefit from the Minnesota family investment program ~~and diversionary~~
181.28 ~~work program~~, medical assistance, general assistance, emergency general assistance,
181.29 Minnesota supplemental aid, Minnesota supplemental aid housing assistance, MinnesotaCare,
181.30 Supplemental Security Income, energy assistance, emergency assistance, Supplemental
181.31 Nutrition Assistance Program benefits, earned income tax credit, or Minnesota working
181.32 family tax credit. Relief based on need can also be proven by providing documentation from
181.33 a legal aid organization that the individual is receiving legal aid assistance, or by providing

182.1 documentation from a government agency, nonprofit, or housing assistance program that
182.2 the individual is receiving assistance due to domestic violence or sexual assault.

182.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

182.4 Sec. 82. **REVISOR INSTRUCTION.**

182.5 The revisor of statutes shall remove from Minnesota Statutes, sections 550.143,
182.6 subdivision 3c; 550.37, subdivision 14; 551.05, subdivision 1d; 571.72, subdivision 10;
182.7 571.912, subdivision 3; and 571.925, the terms "MFIP Diversionary Work Program" and
182.8 "MFIP diversionary work program." The revisor shall also make any necessary grammatical
182.9 changes related to the removal of terms.

182.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

182.11 Sec. 83. **REPEALER.**

182.12 (a) Minnesota Statutes 2022, sections 256.9864; 256J.08, subdivisions 10, 53, 61, 62,
182.13 81, and 83; 256J.30, subdivisions 5, 7, and 8; 256J.33, subdivisions 3, 4, and 5; 256J.34,
182.14 subdivisions 1, 2, 3, and 4; and 256J.37, subdivision 10, are repealed.

182.15 (b) Minnesota Statutes 2022, section 256J.425, subdivision 6, is repealed.

182.16 (c) Minnesota Statutes 2022, sections 119B.011, subdivision 10a; 256J.08, subdivision
182.17 24b; 256J.95, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19;
182.18 and 256P.07, subdivision 5, are repealed.

182.19 (d) Minnesota Statutes 2022, section 256D.63, subdivision 1, is repealed.

182.20 **EFFECTIVE DATE.** Paragraphs (a) and (c) are effective July 1, 2024. Paragraph (b)
182.21 is effective January 1, 2025. Paragraph (d) is effective the day following final enactment.

182.22 **ARTICLE 6**

182.23 **HOMELESSNESS**

182.24 Section 1. **EMERGENCY SHELTER FACILITIES.**

182.25 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
182.26 the meanings given.

182.27 (b) "Commissioner" means the commissioner of human services.

182.28 (c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal
182.29 government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue

183.1 Code, or housing and redevelopment authority established under Minnesota Statutes, section
183.2 469.003.

183.3 (d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,
183.4 accessible, and suitable emergency shelter for individuals and families experiencing
183.5 homelessness, regardless of whether the facility provides emergency shelter during the day,
183.6 overnight, or both.

183.7 Subd. 2. **Project criteria.** (a) The commissioner shall prioritize grants under this section
183.8 for projects that improve or expand emergency shelter facility options by:

183.9 (1) adding additional emergency shelter facilities by renovating existing facilities not
183.10 currently operating as emergency shelter facilities;

183.11 (2) adding additional emergency shelter facility beds by renovating existing emergency
183.12 shelter facilities, including major projects that address an accumulation of deferred
183.13 maintenance or repair or replacement of mechanical, electrical, and safety systems and
183.14 components in danger of failure;

183.15 (3) adding additional emergency shelter facility beds through acquisition and construction
183.16 of new emergency shelter facilities;

183.17 (4) improving the safety, sanitation, accessibility, and habitability of existing emergency
183.18 shelter facilities, including major projects that address an accumulation of deferred
183.19 maintenance or repair or replacement of mechanical, electrical, and safety systems and
183.20 components in danger of failure; and

183.21 (5) improving access to emergency shelter facilities that provide culturally appropriate
183.22 shelter and gender-inclusive shelter.

183.23 (b) A grant under this section may be used to pay for 100 percent of total project capital
183.24 expenditures or a specified project phase, up to \$10,000,000 per project. For eligible
183.25 applicants seeking funding under this section for the acquisition and construction of new
183.26 emergency shelter facilities under paragraph (a), clause (3), the commissioner must give
183.27 priority to projects in which the eligible applicant will provide at least ten percent of total
183.28 project funding.

183.29 (c) All projects funded with a grant under this section must meet all applicable state and
183.30 local building codes at the time of project completion.

183.31 (d) The commissioner must use a competitive request for proposal process to identify
183.32 potential projects and eligible applicants on a statewide basis. At least 40 percent of the
183.33 appropriation under this section must be awarded to projects located in greater Minnesota.

184.1 If the commissioner does not receive sufficient eligible funding requests from greater
184.2 Minnesota to award at least 40 percent of the appropriation under this section to projects in
184.3 greater Minnesota, the commissioner may award the remaining funds to other eligible
184.4 projects.

184.5 Sec. 2. Minnesota Statutes 2022, section 145.4716, subdivision 3, is amended to read:

184.6 Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger shall be eligible
184.7 for all services, support, and programs provided under this section and section 145.4717,
184.8 and all shelter, housing beds, and services provided by the commissioner of human services
184.9 to sexually exploited youth and youth at risk of sexual exploitation under section 256K.47.

184.10 Sec. 3. Minnesota Statutes 2022, section 256K.45, subdivision 3, is amended to read:

184.11 Subd. 3. **Street and community outreach and drop-in program.** Youth drop-in centers
184.12 must provide walk-in access to crisis intervention and ongoing supportive services including
184.13 one-to-one case management services on a self-referral basis. Street and community outreach
184.14 programs must locate, contact, and provide information, referrals, and services to homeless
184.15 youth, youth at risk of homelessness, and runaways. Information, referrals, and services
184.16 provided may include, but are not limited to:

184.17 (1) family reunification services;

184.18 (2) conflict resolution or mediation counseling;

184.19 (3) assistance in obtaining temporary emergency shelter;

184.20 (4) assistance in obtaining food, clothing, medical care, or mental health counseling;

184.21 (5) counseling regarding violence, sexual exploitation, substance abuse, sexually
184.22 transmitted diseases, and pregnancy;

184.23 (6) referrals to other agencies that provide support services to homeless youth, youth at
184.24 risk of homelessness, and runaways;

184.25 (7) assistance with education, employment, and independent living skills;

184.26 (8) aftercare services;

184.27 (9) specialized services for highly vulnerable runaways and homeless youth, including
184.28 ~~teen~~ but not limited to youth at risk of discrimination based on sexual orientation or gender
184.29 identity, young parents, emotionally disturbed and mentally ill youth, and sexually exploited
184.30 youth; and

185.1 (10) homelessness prevention.

185.2 Sec. 4. Minnesota Statutes 2022, section 256K.45, subdivision 7, is amended to read:

185.3 Subd. 7. **Provider repair or improvement grants.** (a) Providers that serve homeless
185.4 youth ~~under this section~~ may apply for a grant of up to ~~\$200,000~~ \$500,000 under this
185.5 subdivision to make minor or mechanical repairs or improvements to a facility providing
185.6 services to homeless youth or youth at risk of homelessness.

185.7 (b) Grant applications under this subdivision must include a description of the repairs
185.8 or improvements and the estimated cost of the repairs or improvements.

185.9 ~~(c) Grantees under this subdivision cannot receive grant funds under this subdivision~~
185.10 ~~for two consecutive years.~~

185.11 Sec. 5. Minnesota Statutes 2022, section 256K.45, is amended by adding a subdivision to
185.12 read:

185.13 Subd. 8. **Awarding of grants.** For grants awarded pursuant to a two-year grant contract,
185.14 the commissioner shall permit grant recipients to carry over any unexpended amount from
185.15 the first contract year to the second contract year.

185.16 Sec. 6. **[256K.47] SAFE HARBOR SHELTER AND HOUSING GRANT PROGRAM.**

185.17 Subdivision 1. **Grant program established.** The commissioner of human services shall
185.18 establish the safe harbor shelter and housing grant program and award grants to providers
185.19 who are committed to serving sexually exploited youth and youth at risk of sexual
185.20 exploitation. The grant program is to provide street and community outreach programs,
185.21 emergency shelter programs, and supportive housing programs, consistent with the program
185.22 descriptions in this section in order to address the specialized outreach, shelter, and housing
185.23 needs of sexually exploited youth and youth at risk of sexual exploitation.

185.24 Subd. 2. **Youth eligible for services.** Youth 24 years of age or younger shall be eligible
185.25 for all shelter, housing beds, and services provided under this section and all services,
185.26 support, and programs provided by the commissioner of health to sexually exploited youth
185.27 and youth at risk of sexual exploitation under sections 145.4716 and 145.4717.

185.28 Subd. 3. **Street and community outreach.** Street and community outreach programs
185.29 receiving grants under this section must locate, contact, and provide information, referrals,
185.30 and services to eligible youth. Information, referrals, and services provided by street and
185.31 community outreach programs may include but are not limited to:

- 186.1 (1) family reunification services;
- 186.2 (2) conflict resolution or mediation counseling;
- 186.3 (3) assistance in obtaining temporary emergency shelter;
- 186.4 (4) assistance in obtaining food, clothing, medical care, or mental health counseling;
- 186.5 (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
- 186.6 infections, and pregnancy;
- 186.7 (6) referrals to other agencies that provide support services to sexually exploited youth
- 186.8 and youth at risk of sexual exploitation;
- 186.9 (7) assistance with education, employment, and independent living skills;
- 186.10 (8) aftercare services;
- 186.11 (9) specialized services for sexually exploited youth and youth at risk of sexual
- 186.12 exploitation, including youth experiencing homelessness and youth with mental health
- 186.13 needs; and
- 186.14 (10) services to address the prevention of sexual exploitation and homelessness.

186.15 Subd. 4. **Emergency shelter program.** (a) Emergency shelter programs must provide

186.16 eligible youth with referral and walk-in access to emergency, short-term residential care.

186.17 The program shall provide eligible youth with safe, dignified shelter, including private

186.18 shower facilities, beds, and meals each day; and shall assist eligible youth with reunification

186.19 with the family or legal guardian when required or appropriate.

186.20 (b) The services provided at emergency shelters may include but are not limited to:

- 186.21 (1) specialized services to address the trauma of sexual exploitation;
- 186.22 (2) family reunification services;
- 186.23 (3) individual, family, and group counseling;
- 186.24 (4) assistance obtaining clothing;
- 186.25 (5) access to medical and dental care and mental health counseling;
- 186.26 (6) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
- 186.27 infections, and pregnancy;
- 186.28 (7) education and employment services;
- 186.29 (8) recreational activities;

187.1 (9) advocacy and referral services;

187.2 (10) independent living skills training;

187.3 (11) aftercare and follow-up services;

187.4 (12) transportation; and

187.5 (13) services to address the prevention of sexual exploitation and homelessness.

187.6 **Subd. 5. Supportive housing programs.** Supportive housing programs must help eligible
187.7 youth find and maintain safe, dignified housing and provide related supportive services and
187.8 referrals. The program may also provide rental assistance. Services provided in supportive
187.9 housing programs may include but are not limited to:

187.10 (1) specialized services to address the trauma of sexual exploitation;

187.11 (2) education and employment services;

187.12 (3) budgeting and money management;

187.13 (4) assistance in securing housing appropriate to needs and income;

187.14 (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
187.15 infections, and pregnancy;

187.16 (6) referral for medical services or chemical dependency treatment;

187.17 (7) parenting skills;

187.18 (8) self-sufficiency support services and independent living skills training;

187.19 (9) aftercare and follow-up services; and

187.20 (10) services to address the prevention of sexual exploitation and homelessness
187.21 prevention.

187.22 **Subd. 6. Funding.** Funds appropriated for this section may be expended on programs
187.23 described under subdivisions 3 to 5, technical assistance, and capacity building to meet the
187.24 greatest need on a statewide basis.

187.25 **Sec. 7. HOMELESS YOUTH CASH STIPEND PILOT PROJECT.**

187.26 **Subdivision 1. Pilot project established.** The commissioner of human services shall
187.27 establish a homeless youth cash stipend pilot project to provide a direct cash stipend to
187.28 homeless youth in St. Louis County. The pilot project must be designed to meet the needs
187.29 of underserved communities.

188.1 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
188.2 meanings given.

188.3 (b) "Commissioner" means the commissioner of human services.

188.4 (c) "Homeless youth" means a person 18 to 24 years of age who lacks a fixed, regular,
188.5 and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime
188.6 residences:

188.7 (1) a supervised publicly or privately operated shelter designed to provide temporary
188.8 living accommodations;

188.9 (2) an institution or a publicly or privately operated shelter designed to provide temporary
188.10 living accommodations;

188.11 (3) transitional housing;

188.12 (4) a temporary placement with a peer, friend, or family member that has not offered
188.13 permanent residence, a residential lease, or temporary lodging for more than 30 days; or

188.14 (5) a public or private place not designed for, nor ordinarily used as, a regular sleeping
188.15 accommodation for human beings.

188.16 Subd. 3. **Administration.** The commissioner, as authorized by Minnesota Statutes,
188.17 section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with Youthprise to:

188.18 (1) identify eligible homeless youth under this section;

188.19 (2) provide technical assistance to cash stipend recipients;

188.20 (3) engage with cash stipend recipients to develop youth-designed optional services;

188.21 (4) evaluate the efficacy and cost-effectiveness of the pilot program;

188.22 (5) collaborate with youth leaders of each county to identify and contract with the
188.23 appropriate service providers to offer financial coaching, housing navigation, employment,
188.24 education services, and trauma-informed mentoring and support; and

188.25 (6) submit annual updates and a final report to the commissioner.

188.26 Subd. 4. **Eligibility.** Homeless youth who are 18 to 24 years of age and who live in St.
188.27 Louis County at the time of initial enrollment are eligible to participate in the pilot project.

188.28 Subd. 5. **Cash stipend.** The commissioner, in consultation with Youthprise and St. Louis
188.29 County, shall establish a stipend amount for eligible homeless youth who participate in the
188.30 pilot project.

189.1 Subd. 6. Stipends not to be considered income. (a) Notwithstanding any law to the
 189.2 contrary, cash stipends under this section must not be considered income, assets, or personal
 189.3 property for purposes of determining eligibility or recertifying eligibility for:

189.4 (1) child care assistance programs under Minnesota Statutes, chapter 119B;

189.5 (2) general assistance, Minnesota supplemental aid, and food support under Minnesota
 189.6 Statutes, chapter 256D;

189.7 (3) housing support under Minnesota Statutes, chapter 256I;

189.8 (4) the Minnesota family investment program and diversionary work program under
 189.9 Minnesota Statutes, chapter 256J; and

189.10 (5) economic assistance programs under Minnesota Statutes, chapter 256P.

189.11 (b) The commissioner must not consider cash stipends under this section as income or
 189.12 assets for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a,
 189.13 paragraph (a); 3; or 3c.

189.14 (c) Postsecondary institutions as defined in Minnesota Statutes, section 136A.103, shall
 189.15 minimize any negative impact on student financial aid resulting from the receipt of cash
 189.16 stipends under this section.

189.17 Subd. 7. Report. The commissioner, in cooperation with Youthprise and St. Louis
 189.18 County, shall submit an annual report on Youthprise's findings regarding the efficacy and
 189.19 cost-effectiveness of the homeless youth cash stipend pilot project to the chairs and ranking
 189.20 minority members of the legislative committees with jurisdiction over homeless youth policy
 189.21 and finance by January 15, 2024, and each January 15 thereafter.

189.22 Subd. 8. Expiration. This section expires June 30, 2027.

189.23 **ARTICLE 7**

189.24 **MISCELLANEOUS**

189.25 Section 1. Minnesota Statutes 2022, section 4.045, is amended to read:

189.26 **4.045 CHILDREN'S CABINET.**

189.27 The Children's Cabinet shall consist of the commissioners of education; human services;
 189.28 employment and economic development; public safety; corrections; management and
 189.29 budget; health; administration; Housing Finance Agency, and; transportation; and the
 189.30 ~~director of the Office of Strategic and Long-Range Planning~~ children, youth, and families.

190.1 The governor shall designate one member to serve as cabinet chair. The chair is responsible
190.2 for ensuring that the duties of the Children's Cabinet are performed.

190.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

190.4 Sec. 2. Minnesota Statutes 2022, section 10.65, subdivision 2, is amended to read:

190.5 Subd. 2. **Definitions.** (a) As used in this section, the following terms have the meanings
190.6 given:

190.7 (1) "agency" means the Department of Administration; Department of Agriculture;
190.8 Department of Children, Youth, and Families; Department of Commerce; Department of
190.9 Corrections; Department of Education; Department of Employment and Economic
190.10 Development; Department of Health; Office of Higher Education; Housing Finance
190.11 Agency; Department of Human Rights; Department of Human Services; Department of
190.12 Information Technology Services; Department of Iron Range Resources and Rehabilitation;
190.13 Department of Labor and Industry; Minnesota Management and Budget; Bureau of
190.14 Mediation Services; Department of Military Affairs; Metropolitan Council; Department
190.15 of Natural Resources; Pollution Control Agency; Department of Public Safety; Department
190.16 of Revenue; Department of Transportation; Department of Veterans Affairs; Gambling
190.17 Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board;
190.18 and the Board of Water and Soil Resources;

190.19 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
190.20 governments in the development of policy on matters that have Tribal implications.
190.21 Consultation is the proactive, affirmative process of identifying and seeking input from
190.22 appropriate Tribal governments and considering their interest as a necessary and integral
190.23 part of the decision-making process. This definition adds to statutorily mandated notification
190.24 procedures. During a consultation, the burden is on the agency to show that it has made a
190.25 good faith effort to elicit feedback. Consultation is a formal engagement between agency
190.26 officials and the governing body or bodies of an individual Minnesota Tribal government
190.27 that the agency or an individual Tribal government may initiate. Formal meetings or
190.28 communication between top agency officials and the governing body of a Minnesota Tribal
190.29 government is a necessary element of consultation;

190.30 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
190.31 statements, or other actions that have substantial direct effects on one or more Minnesota
190.32 Tribal governments, or on the distribution of power and responsibilities between the state
190.33 and Minnesota Tribal governments;

191.1 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
191.2 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
191.3 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
191.4 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
191.5 and Upper Sioux Community; and

191.6 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
191.7 allows the result of consultation to be included in the agency's decision-making process for
191.8 a matter that has Tribal implications.

191.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

191.10 Sec. 3. Minnesota Statutes 2022, section 15.01, is amended to read:

191.11 **15.01 DEPARTMENTS OF THE STATE.**

191.12 The following agencies are designated as the departments of the state government: the
191.13 Department of Administration; the Department of Agriculture; the Department of Children,
191.14 Youth, and Families; the Department of Commerce; the Department of Corrections; the
191.15 Department of Education; the Department of Employment and Economic Development;
191.16 the Department of Health; the Department of Human Rights; the Department of Information
191.17 Technology Services; the Department of Iron Range Resources and Rehabilitation; the
191.18 Department of Labor and Industry; the Department of Management and Budget; the
191.19 Department of Military Affairs; the Department of Natural Resources; the Department of
191.20 Public Safety; the Department of Human Services; the Department of Revenue; the
191.21 Department of Transportation; the Department of Veterans Affairs; and their successor
191.22 departments.

191.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

191.24 Sec. 4. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

191.25 Subdivision 1. **Applicability.** This section applies to the following departments or
191.26 agencies: the Departments of Administration;₂ Agriculture;₂ Children, Youth, and Families;
191.27 Commerce;₂ Corrections;₂ Education;₂ Employment and Economic Development;₂ Health;₂
191.28 Human Rights;₂ Labor and Industry;₂ Management and Budget;₂ Natural Resources;₂ Public
191.29 Safety;₂ Human Services;₂ Revenue;₂ Transportation;₂ and Veterans Affairs; the Housing
191.30 Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range
191.31 Resources and Rehabilitation; the Department of Information Technology Services; the

192.1 Bureau of Mediation Services; and their successor departments and agencies. The heads of
192.2 the foregoing departments or agencies are "commissioners."

192.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

192.4 Sec. 5. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

192.5 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall
192.6 not exceed 133 percent of the salary of the governor. This limit must be adjusted annually
192.7 on January 1. The new limit must equal the limit for the prior year increased by the percentage
192.8 increase, if any, in the Consumer Price Index for all urban consumers from October of the
192.9 second prior year to October of the immediately prior year. The commissioner of management
192.10 and budget must publish the limit on the department's website. This subdivision applies to
192.11 the following positions:

192.12 Commissioner of administration;

192.13 Commissioner of agriculture;

192.14 Commissioner of education;

192.15 Commissioner of children, youth, and families;

192.16 Commissioner of commerce;

192.17 Commissioner of corrections;

192.18 Commissioner of health;

192.19 Commissioner, Minnesota Office of Higher Education;

192.20 Commissioner, Housing Finance Agency;

192.21 Commissioner of human rights;

192.22 Commissioner of human services;

192.23 Commissioner of labor and industry;

192.24 Commissioner of management and budget;

192.25 Commissioner of natural resources;

192.26 Commissioner, Pollution Control Agency;

192.27 Commissioner of public safety;

192.28 Commissioner of revenue;

192.29 Commissioner of employment and economic development;

193.1 Commissioner of transportation; and

193.2 Commissioner of veterans affairs.

193.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

193.4 Sec. 6. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

193.5 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
193.6 agencies may designate additional unclassified positions according to this subdivision: the
193.7 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
193.8 Corrections; Education; Employment and Economic Development; Explore Minnesota
193.9 Tourism; Management and Budget; Health; Human Rights; Labor and Industry; Natural
193.10 Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs;
193.11 the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of
193.12 Investment; the Office of Administrative Hearings; the Department of Information
193.13 Technology Services; the Offices of the Attorney General, Secretary of State, and State
193.14 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
193.15 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

193.16 A position designated by an appointing authority according to this subdivision must
193.17 meet the following standards and criteria:

193.18 (1) the designation of the position would not be contrary to other law relating specifically
193.19 to that agency;

193.20 (2) the person occupying the position would report directly to the agency head or deputy
193.21 agency head and would be designated as part of the agency head's management team;

193.22 (3) the duties of the position would involve significant discretion and substantial
193.23 involvement in the development, interpretation, and implementation of agency policy;

193.24 (4) the duties of the position would not require primarily personnel, accounting, or other
193.25 technical expertise where continuity in the position would be important;

193.26 (5) there would be a need for the person occupying the position to be accountable to,
193.27 loyal to, and compatible with, the governor and the agency head, the employing statutory
193.28 board or commission, or the employing constitutional officer;

193.29 (6) the position would be at the level of division or bureau director or assistant to the
193.30 agency head; and

193.31 (7) the commissioner has approved the designation as being consistent with the standards
193.32 and criteria in this subdivision.

194.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

194.2 Sec. 7. **[119C.01] GREAT START SCHOLARSHIPS PROGRAM.**

194.3 Subdivision 1. **Establishment; purpose.** The commissioner of the Department of
194.4 Children, Youth, and Families, in collaboration with the commissioner of education and
194.5 the commissioner of human services, shall establish and develop the great start scholarships
194.6 program to ensure affordable access to high-quality early care and learning for children
194.7 from birth to kindergarten entry.

194.8 Subd. 2. **Development.** In developing the program under this section, the commissioner
194.9 shall:

194.10 (1) identify ways to integrate the functions, administrative structures, and funding
194.11 mechanisms of early care and learning programs administered by the state with the great
194.12 start scholarships program;

194.13 (2) consider the recommendations made by the Great Start for All Minnesota Children
194.14 Task Force under Laws 2021, First Special Session chapter 7, article 14;

194.15 (3) make a plan to seamlessly transition the following families to the great start
194.16 scholarships program by July 1, 2026:

194.17 (i) families with at least one child receiving an early learning scholarship under section
194.18 124D.165; and

194.19 (ii) families with at least one child who is not yet in kindergarten and is receiving child
194.20 care assistance under sections 119B.03 or 119B.05 for care received from a provider licensed
194.21 under Minnesota Rules, parts 9502 or 9503, or Tribally licensed, or a Head Start program
194.22 that has a rating under section 124D.142;

194.23 (4) create mechanisms for members of local communities, including families and members
194.24 of the early care and learning workforce, to have input in decisions regarding needs and
194.25 preferences for early care and learning options;

194.26 (5) develop a method for funding early care and learning slots in response to local need
194.27 through contracts with eligible providers that may be used to deliver services that meet
194.28 quality and compensation standards with the intent to build early care and learning capacity
194.29 statewide for children from birth to kindergarten entry; and

194.30 (6) maximize available federal resources, while minimizing the extent to which state
194.31 policy is limited by federal regulations. The executive director, in consultation with an

195.1 appropriate state agency, may seek federal technical assistance or outside consultation as
195.2 necessary to provide minimally burdensome program access to all participating families.

195.3 Subd. 3. **Program requirements.** The great start scholarships program must include,
195.4 at a minimum:

195.5 (1) family-directed scholarships that provide financial assistance to families voluntarily
195.6 participating in the program;

195.7 (2) family eligibility for any family that has at least one child who is not yet in
195.8 kindergarten;

195.9 (3) provider eligibility for:

195.10 (i) any program licensed under Minnesota Rules, parts 9502 or 9503, or Tribally licensed,
195.11 that participates in the quality rating and improvement system under section 124D.142; and

195.12 (ii) school-based programs and Head Start programs that have a rating under section
195.13 124D.142;

195.14 (4) a unified, integrated, and simple online application process that utilizes administrative
195.15 data to ease qualification and benefit determination and facilitate required reporting to the
195.16 federal government;

195.17 (5) an integrated electronic attendance tracking system and payments system to safeguard
195.18 program integrity and streamline billing and payment processes for providers; and

195.19 (6) a schedule for scholarship amounts that ensures that no participating family pays
195.20 more than seven percent of annual income for early care and learning services for children
195.21 from birth to kindergarten entry. Scholarship amounts may vary by family income, program
195.22 quality, geography, and need for compensatory services, and may take into consideration
195.23 the results of the market rate survey under section 119B.02, subdivision 7, information from
195.24 cost estimation models for providing early care and learning in the state, and cost information
195.25 gathered through contracts under subdivision 2, clause (5).

195.26 Subd. 4. **Administration.** By May 1, 2026, the commissioner, in consultation with the
195.27 commissioner of education and the commissioner of human services, shall have in place
195.28 the administrative structures and systems needed for the great start scholarships program
195.29 to meet the operational needs of participating families and eligible providers.

195.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

196.1 Sec. 8. Minnesota Statutes 2022, section 124D.142, subdivision 2, is amended to read:

196.2 Subd. 2. **System components.** (a) The standards-based voluntary quality rating and
196.3 improvement system includes:

196.4 (1) at least a one-star rating for all programs licensed under Minnesota Rules, parts 9502
196.5 or 9503, that do not opt out of the system under paragraph (b) and that are not:

196.6 (i) the subject of a finding of fraud;

196.7 (ii) prohibited from receiving public funds under section 245.095;

196.8 (iii) under revocation, suspension, temporary immediate suspension, or decertification,
196.9 regardless of whether the action is under appeal; or

196.10 (iv) operating under a conditional license, regardless of whether the license holder has
196.11 requested reconsideration;

196.12 ~~(1)~~ (2) quality opportunities in order to improve the educational outcomes of children
196.13 so that they are ready for school;

196.14 ~~(2)~~ (3) a framework based on the Minnesota quality rating system rating tool and a
196.15 common set of child outcome and program standards informed by evaluation results;

196.16 ~~(3)~~ (4) a tool to increase the number of publicly funded and regulated early learning and
196.17 care services in both public and private market programs that are high quality;

196.18 ~~(4)~~ (5) voluntary participation ensuring that if a program or provider chooses to
196.19 participate, the program or provider will be rated and may receive public funding associated
196.20 with the rating; and

196.21 ~~(5)~~ (6) tracking progress toward statewide access to high-quality early learning and care
196.22 programs, progress toward the number of low-income children whose parents can access
196.23 quality programs, and progress toward increasing the number of children who are fully
196.24 prepared to enter kindergarten.

196.25 (b) The commissioner of human services shall establish a process by which a program
196.26 may opt out of the rating under paragraph (a), clause (1).

196.27 Sec. 9. [143.01] DEFINITIONS.

196.28 Subdivision 1. Application. The definitions in this section apply to this chapter.

196.29 Subd. 2. Commissioner. "Commissioner" means the commissioner of children, youth,
196.30 and families.

197.1 Subd. 3. **Department.** "Department" means the Department of Children, Youth, and
197.2 Families.

197.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

197.4 Sec. 10. **[143.02] CREATION OF THE DEPARTMENT OF CHILDREN, YOUTH,**
197.5 **AND FAMILIES.**

197.6 Subdivision 1. **Department.** The Department of Children, Youth, and Families is
197.7 established.

197.8 Subd. 2. **Transfer and restructuring provisions.** The restructuring of agencies under
197.9 this act must be conducted in accordance with sections 15.039 and 43A.045.

197.10 Subd. 3. **Successor and employee protection clause.** (a) Personnel relating to the
197.11 functions assigned to the commissioner in section 143.03 are transferred to the department
197.12 effective 30 days after approval by the commissioner.

197.13 (b) Before the commissioner's appointment, personnel relating to the functions in this
197.14 section may be transferred beginning July 1, 2024, with 30 days' notice from the
197.15 commissioner of management and budget.

197.16 (c) The following protections shall apply to employees who are transferred to the
197.17 department from originating state agencies:

197.18 (1) no transferred employee shall have their employment status and job classification
197.19 altered as a result of the transfer;

197.20 (2) such transferred employees who were represented by an exclusive representative
197.21 prior to the transfer shall continue to be represented by the same exclusive representative
197.22 after the transfer;

197.23 (3) the applicable collective bargaining agreements with exclusive representatives shall
197.24 continue in full force and effect for such transferred employees after the transfer;

197.25 (4) the state shall have the obligation to meet and negotiate with the exclusive
197.26 representatives of the transferred employees about any proposed changes affecting or relating
197.27 to such transferred employees' terms and conditions of employment to the extent such
197.28 changes are not addressed in the applicable collective bargaining agreement; and

197.29 (5) in the event that the state transfers ownership or control of any of the facilities,
197.30 services, or operations of the department to another entity, whether private or public, by
197.31 subcontracting, sale, assignment, lease, or other transfer, the state shall require as a written
197.32 condition of such transfer of ownership or control the following:

198.1 (i) employees who perform work in such facilities, services, or operations shall be offered
198.2 employment with the entity acquiring ownership or control before the entity offers
198.3 employment to any individual who was not employed by the transferring agency at the time
198.4 of the transfer; and

198.5 (ii) the wage and benefit standards of such transferred employees must not be reduced
198.6 by the entity acquiring ownership or control through the expiration of the collective
198.7 bargaining agreement in effect at the time of the transfer or for a period of two years after
198.8 the transfer, whichever is longer.

198.9 There is no liability on the part of, and no cause of action arises against, the state of
198.10 Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership
198.11 or control of any facilities, services, or operations of the department.

198.12 (d) To the extent that departmental changes affect the operations of any school district
198.13 or charter school, employers have the obligation to bargain about any changes affecting or
198.14 relating to employees' terms and conditions of employment if such changes are necessary
198.15 during or after the term of an existing collective bargaining agreement.

198.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

198.17 Sec. 11. **[143.03] COMMISSIONER.**

198.18 Subdivision 1. **General.** The department is under the administrative control of the
198.19 commissioner. The commissioner is appointed by the governor with the advice and consent
198.20 of the senate. The commissioner has the general powers provided in section 15.06,
198.21 subdivision 6. The commissioner's salary must be established according to the procedure
198.22 in section 15A.0815, subdivision 5, in the same range as specified for the commissioner of
198.23 management and budget.

198.24 Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept
198.25 on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying
198.26 out the duties and responsibilities of the commissioner. Any money received under this
198.27 paragraph is appropriated and dedicated for the purpose for which the money is granted.
198.28 The commissioner must biennially report to the chairs and ranking minority members of
198.29 relevant legislative committees and divisions by January 15 of each even-numbered year a
198.30 list of all grants and gifts received under this subdivision.

198.31 (b) Pursuant to law, the commissioner may apply for and receive money made available
198.32 from federal sources for the purpose of carrying out the duties and responsibilities of the
198.33 commissioner.

199.1 (c) The commissioner may make contracts with and grants to Tribal nations, public and
199.2 private agencies and organizations, both for-profit and nonprofit, and individuals using
199.3 appropriated money.

199.4 (d) The commissioner must develop program objectives and performance measures for
199.5 evaluating progress toward achieving the objectives. The commissioner must identify the
199.6 objectives, performance measures, and current status of achieving the measures in a biennial
199.7 report to the chairs and ranking minority members of relevant legislative committees and
199.8 divisions. The report is due no later than January 15 each even-numbered year. The report
199.9 must include, when possible, the following objectives:

199.10 (1) centering and including the experiences of children, youth, and families in all aspects
199.11 of the department's work;

199.12 (2) increasing the effectiveness of the department's programs in addressing the needs of
199.13 children and youth facing racial, economic, or geographic inequities;

199.14 (3) increasing coordination and reducing inefficiencies among the department's programs
199.15 and the funding sources that support the programs;

199.16 (4) increasing the alignment and coordination of family access to child care and early
199.17 learning programs and improving systems of support for early childhood and learning
199.18 providers and services;

199.19 (5) improving the connection between the department's programs and the kindergarten
199.20 through grade 12 system and the higher education system; and

199.21 (6) minimizing and streamlining the effort required of youth and families to receive
199.22 services to which the youth and families are entitled.

199.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

199.24 **Sec. 12. [143.04] STATE AND COUNTY SYSTEMS.**

199.25 Subdivision 1. **Establishment of systems.** (a) The commissioner shall establish and
199.26 enhance computer systems necessary for the efficient operation of the programs the
199.27 commissioner supervises, including:

199.28 (1) management and administration of the Supplemental Nutrition Assistance Program
199.29 (SNAP) and income maintenance program, including the electronic distribution of benefits;
199.30 and

199.31 (2) management and administration of the child support enforcement program.

200.1 (b) The commissioner's development costs incurred by computer systems for statewide
200.2 programs administered with that computer system and mandated by state or federal law
200.3 must not be assessed against county agencies. The commissioner may charge a county for
200.4 development and operating costs incurred by computer systems for functions requested by
200.5 the county and not mandated by state or federal law for programs administered by the
200.6 computer system incurring the cost.

200.7 (c) The commissioner shall distribute the nonfederal share of the costs of operating and
200.8 maintaining the systems to the commissioner and to the counties participating in the system
200.9 in a manner that reflects actual system usage, except that the nonfederal share of the costs
200.10 of the MAXIS computer system and child support enforcement systems for statewide
200.11 programs administered by those systems and mandated by state or federal law shall be borne
200.12 entirely by the commissioner.

200.13 (d) The commissioner may enter into contractual agreements with federally recognized
200.14 Indian Tribes with a reservation in Minnesota to participate in state-operated computer
200.15 systems related to the management and administration of the SNAP, income maintenance,
200.16 and child support enforcement programs to the extent necessary for the Tribe to operate a
200.17 federally approved family assistance program or any other program under the supervision
200.18 of the commissioner.

200.19 Subd. 2. **State systems account created.** A state systems account for the Department
200.20 of Children, Youth, and Families is created in the state treasury. Money collected by the
200.21 commissioner for the programs in subdivision 1 must be deposited in the account. Money
200.22 in the state systems account and federal matching money are appropriated to the
200.23 commissioner for purposes of this section.

200.24 **EFFECTIVE DATE.** This section is effective July 1, 2024.

200.25 Sec. 13. **[143.05] RULEMAKING.**

200.26 (a) The commissioner may use the procedure in section 14.386, paragraph (a), to adopt
200.27 rules necessary to implement the responsibilities transferred under this act or through section
200.28 16B.37. Section 14.386, paragraph (b), does not apply to these rules.

200.29 (b) The commissioner must amend Minnesota Rules to make conforming changes related
200.30 to the transfer of responsibilities under this act or through section 16B.37. The commissioner
200.31 must obtain the approval of the commissioners of human services, education, health, and
200.32 public safety for any amendments to or repeal of rules in existence on the effective date of
200.33 this section and administered under the authority of those agencies.

201.1 (c) The time limit in section 14.125 is extended to 36 months for rulemaking under
 201.2 paragraphs (a) and (b). The commissioner must publish a notice of intent to adopt rules or
 201.3 a notice of hearing within 36 months of the effective date reported under section 143.05,
 201.4 subdivision 1, paragraph (c).

201.5 (d) The commissioner may adopt rules for the administration of activities related to the
 201.6 department. Rules adopted under this paragraph are subject to the rulemaking requirements
 201.7 of chapter 14.

201.8 **EFFECTIVE DATE.** This section is effective July 1, 2024.

201.9 Sec. 14. Minnesota Statutes 2022, section 256.014, subdivision 1, is amended to read:

201.10 Subdivision 1. **Establishment of systems.** (a) The commissioner of human services
 201.11 shall establish and enhance computer systems necessary for the efficient operation of ~~the~~
 201.12 medical assistance and other programs the commissioner supervises, including:

201.13 ~~(1) management and administration of the Supplemental Nutrition Assistance Program~~
 201.14 ~~(SNAP) and income maintenance program, including the electronic distribution of benefits;~~

201.15 ~~(2) management and administration of the child support enforcement program; and~~

201.16 ~~(3) administration of medical assistance.~~

201.17 (b) The commissioner's development costs incurred by computer systems for statewide
 201.18 programs administered by that computer system and mandated by state or federal law must
 201.19 not be assessed against county agencies. The commissioner may charge a county for
 201.20 development and operating costs incurred by computer systems for functions requested by
 201.21 the county and not mandated by state or federal law for programs administered by the
 201.22 computer system incurring the cost.

201.23 (c) The commissioner shall distribute the nonfederal share of the costs of operating and
 201.24 maintaining the systems to the commissioner and to the counties participating in the system
 201.25 in a manner that reflects actual system usage, except that the nonfederal share of the costs
 201.26 of the MAXIS computer system ~~and child support enforcement systems~~ for statewide
 201.27 programs administered by ~~those systems~~ that system and mandated by state or federal law
 201.28 shall be borne entirely by the commissioner.

201.29 The commissioner may enter into contractual agreements with federally recognized
 201.30 Indian tribes with a reservation in Minnesota to participate in state-operated computer
 201.31 systems related to the management and administration of the ~~SNAP, income maintenance,~~
 201.32 ~~child support enforcement, and medical assistance programs~~ program to the extent necessary

202.1 for the tribe to operate a ~~federally approved family~~ the medical assistance program or any
202.2 other program under the supervision of the commissioner.

202.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

202.4 Sec. 15. Minnesota Statutes 2022, section 256.014, subdivision 2, is amended to read:

202.5 Subd. 2. **State systems account created.** A state systems account for the Department
202.6 of Human Services is created in the state treasury. Money collected by the commissioner
202.7 of human services for the programs in subdivision 1 must be deposited in the account.
202.8 Money in the state systems account and federal matching money is appropriated to the
202.9 commissioner of human services for purposes of this section.

202.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

202.11 Sec. 16. **APPOINTMENT OF COMMISSIONER OF CHILDREN, YOUTH, AND**
202.12 **FAMILIES.**

202.13 The governor shall appoint a commissioner-designee of the Department of Children,
202.14 Youth, and Families. The person appointed becomes the governor's appointee as the
202.15 commissioner of children, youth, and families on July 1, 2024.

202.16 **EFFECTIVE DATE.** This section is effective July 1, 2023.

202.17 Sec. 17. **TRANSFERS FROM OTHER AGENCIES.**

202.18 Subdivision 1. **General.** (a) Between July 1, 2024, and July 1, 2025, the Departments
202.19 of Human Services, Education, Health, and Public Safety must transition all of the
202.20 responsibilities held by these departments and described in this section to the Department
202.21 of Children, Youth, and Families.

202.22 (b) Notwithstanding paragraph (a), any programs identified in paragraph (a) that require
202.23 federal approval to move to the Department of Children, Youth, and Families must be
202.24 transferred on or after July 1, 2024, and upon the federal government granting transfer
202.25 authority to the commissioner of children, youth, and families.

202.26 (c) The commissioner of children, youth, and families must report an effective date of
202.27 the transfer of each responsibility identified in this section to the commissioners of
202.28 administration, management and budget, and other relevant departments along with the
202.29 secretary of the senate, the chief clerk of the house of representatives, and the chairs and
202.30 ranking minority members of relevant legislative committees and divisions. The reported

203.1 date is the effective date of transfer of responsibilities under Minnesota Statutes, section
203.2 15.039.

203.3 (d) The requirement in Minnesota Statutes, section 16B.37, subdivision 1, that a state
203.4 agency must have been in existence for at least one year before being eligible for receiving
203.5 a transfer of personnel, powers, or duties does not apply to the Department of Children,
203.6 Youth, and Families.

203.7 (e) Notwithstanding Minnesota Statutes, section 15.039, subdivision 6, for the transfer
203.8 of responsibilities conducted under this chapter, the unexpended balance of any appropriation
203.9 to an agency for the purposes of any responsibilities that are transferred to the Department
203.10 of Children, Youth, and Families, along with the operational functions to support the
203.11 responsibilities transferred, including administrative, legal, information technology, and
203.12 personnel support, and a proportional share of base funding, are reappropriated under the
203.13 same conditions as the original appropriation to the Department of Children, Youth, and
203.14 Families effective on the date of the transfer of responsibilities and related elements. The
203.15 commissioner of management and budget shall identify and allocate any unexpended
203.16 appropriations and base funding.

203.17 (f) The commissioner of children, youth, and families or management and budget may
203.18 request an extension to transfer any responsibility listed in this section. The commissioner
203.19 of children, youth, and families or management and budget may request that the transfer of
203.20 any responsibility listed in this section be canceled if an effective date has not been reported
203.21 under paragraph (c). Any request under this paragraph must be made in writing to the
203.22 governor. Upon approval from the governor, the transfer may be delayed or canceled. Within
203.23 ten days after receiving the approval of the governor, the commissioner who requested the
203.24 transfer shall submit to the chairs and ranking minority members of relevant legislative
203.25 committees and divisions a notice of any extensions or cancellations granted under this
203.26 paragraph.

203.27 (g) The commissioner of children, youth, and families must provide four successive
203.28 quarterly reports to relevant legislative committees on the status of transferring programs,
203.29 responsibilities, and personnel under this section. The first report must cover the quarter
203.30 starting July 1, 2024, and each report must be submitted by the 15th of the month following
203.31 the quarter end.

203.32 Subd. 2. **Department of Human Services.** The powers and duties of the Department
203.33 of Human Services with respect to the following responsibilities and related elements are

- 204.1 transferred to the Department of Children, Youth, and Families according to Minnesota
204.2 Statutes, section 15.039:
- 204.3 (1) family services and community-based collaboratives under Minnesota Statutes,
204.4 section 124D.23;
- 204.5 (2) child care programs under Minnesota Statutes, chapter 119B;
- 204.6 (3) Parent Aware quality rating and improvement system under Minnesota Statutes,
204.7 section 124D.142;
- 204.8 (4) migrant child care services under Minnesota Statutes, section 256M.50;
- 204.9 (5) early childhood and school-age professional development training under Laws 2007,
204.10 chapter 147, article 2, section 56;
- 204.11 (6) licensure of family child care and child care centers, child foster care, and private
204.12 child placing agencies under Minnesota Statutes, chapter 245A;
- 204.13 (7) certification of license-exempt child care centers under Minnesota Statutes, chapter
204.14 245H;
- 204.15 (8) program integrity and fraud related to the Child Care Assistance Program (CCAP),
204.16 the Minnesota Family Investment Program (MFIP), and the Supplemental Nutrition
204.17 Assistance Program (SNAP) under Minnesota Statutes, chapters 119B and 245E;
- 204.18 (9) SNAP under Minnesota Statutes, sections 256D.61 to 256D.63;
- 204.19 (10) electronic benefit transactions under Minnesota Statutes, sections 256.9862,
204.20 256.9863, 256.9865, 256.987, 256.9871, 256.9872, and 256J.77;
- 204.21 (11) Minnesota food assistance program under Minnesota Statutes, section 256D.64;
- 204.22 (12) Minnesota food shelf program under Minnesota Statutes, section 256E.34;
- 204.23 (13) MFIP and Temporary Assistance for Needy Families (TANF) under Minnesota
204.24 Statutes, sections 256.9864 and 256.9865 and chapters 256J and 256P;
- 204.25 (14) Diversionary Work Program (DWP) under Minnesota Statutes, section 256J.95;
- 204.26 (15) resettlement programs under Minnesota Statutes, section 256B.06, subdivision 6;
- 204.27 (16) child abuse under Minnesota Statutes, chapter 256E;
- 204.28 (17) reporting of the maltreatment of minors under Minnesota Statutes, chapter 260E;
- 204.29 (18) children in voluntary foster care for treatment under Minnesota Statutes, chapter
204.30 260D;

- 205.1 (19) juvenile safety and placement under Minnesota Statutes, chapter 260C;
- 205.2 (20) the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections
205.3 260.751 to 260.835;
- 205.4 (21) the Interstate Compact for Juveniles under Minnesota Statutes, section 260.515 and
205.5 the Interstate Compact on the Placement of Children under Minnesota Statutes, sections
205.6 260.851 to 260.93;
- 205.7 (22) adoption under Minnesota Statutes, sections 259.20 to 259.89;
- 205.8 (23) Northstar Care for Children under Minnesota Statutes, chapter 256N;
- 205.9 (24) child support under Minnesota Statutes, chapters 13, 13B, 214, 256, 256J, 257, 259,
205.10 518, 518A, 518C, 551, 552, 571, and 588 and section 609.375;
- 205.11 (25) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32;
205.12 and
- 205.13 (26) Family Assets for Independence in Minnesota under Minnesota Statutes, section
205.14 256E.35.
- 205.15 Subd. 3. **Department of Education.** The powers and duties of the Department of
205.16 Education with respect to the following responsibilities and related elements are transferred
205.17 to the Department of Children, Youth, and Families according to Minnesota Statutes, section
205.18 15.039:
- 205.19 (1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50
205.20 to 119A.545;
- 205.21 (2) the early childhood screening program under Minnesota Statutes, sections 121A.16
205.22 to 121A.19;
- 205.23 (3) early learning scholarships under Minnesota Statutes, section 124D.165;
- 205.24 (4) the interagency early childhood intervention system under Minnesota Statutes,
205.25 sections 125A.259 to 125A.48;
- 205.26 (5) voluntary prekindergarten programs and school readiness plus programs under
205.27 Minnesota Statutes, section 124D.151;
- 205.28 (6) early childhood family education programs under Minnesota Statutes, sections
205.29 124D.13 to 124D.135;
- 205.30 (7) school readiness under Minnesota Statutes, sections 124D.15 to 124D.16; and

206.1 (8) after-school community learning programs under Minnesota Statutes, section
206.2 124D.2211.

206.3 Subd. 4. **Department of Public Safety.** The powers and duties of the Department of
206.4 Public Safety with respect to the following responsibilities and related elements are
206.5 transferred to the Department of Children, Youth, and Families according to Minnesota
206.6 Statutes, section 15.039:

206.7 (1) the juvenile justice program under Minnesota Statutes, section 299A.72; and

206.8 (2) grants-in-aid to youth intervention programs under Minnesota Statutes, section
206.9 299A.73.

206.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

206.11 Sec. 18. **TRANSITION REPORT TO THE LEGISLATURE.**

206.12 By March 1, 2024, the commissioner of management and budget must report to the
206.13 legislature on the status of work related to establishing and setting up the Department of
206.14 Children, Youth, and Families. The report must address, at a minimum:

206.15 (1) the completed, ongoing, and anticipated work related to the transfer of programs,
206.16 responsibilities, and personnel to the department;

206.17 (2) the development of interagency agreements for services that will be shared across
206.18 agencies;

206.19 (3) efforts to secure needed federal approvals for the transfer of programs and
206.20 responsibilities;

206.21 (4) regular engagement with leaders and staff of state agencies, county and Tribal
206.22 governments, and school districts about the creation of the department and the transfer of
206.23 programs, responsibilities, and personnel to the department;

206.24 (5) input from individuals impacted by the programs that are to be transferred to the
206.25 department and input from local services providers and other stakeholders about how to
206.26 improve services through the creation of the department; and

206.27 (6) plans and timelines related to the items referenced in clauses (1) to (5).

206.28 (b) The report must include recommendations for how to coordinate and partner with
206.29 county and Tribal governments, including through the use of a governing authority, such
206.30 as an intergovernmental advisory committee. The recommendations must be developed in
206.31 coordination with county and Tribal governments.

207.1 (c) The report must include input from stakeholders and recommendations for improving
207.2 service coordination and delivery for families with children who have disabilities, including
207.3 recommendations for coordinating services across state agencies in the areas of child
207.4 protection, early education, children's mental health, disability services, and other areas
207.5 relevant to families with children who have disabilities.

207.6 **Sec. 19. DATA PRACTICES.**

207.7 (a) To the extent not prohibited by state or federal law, and notwithstanding the data's
207.8 classification under Minnesota Statutes, chapter 13:

207.9 (1) the commissioner of children, youth, and families may access data maintained by
207.10 the commissioners of education, human services, and public safety related to the
207.11 responsibilities transferred under section 15; and

207.12 (2) the commissioners of education, human services, and public safety may access data
207.13 maintained by the commissioner of children, youth, and families related to each department's
207.14 respective responsibilities transferred under section 15.

207.15 (b) Data sharing authorized by this subdivision includes only the data necessary to
207.16 coordinate department activities and services transferred under section 15.

207.17 (c) Any data shared under this section retain the data's classification from the agency
207.18 holding the data.

207.19 (d) Existing limitations and legal requirements under Minnesota Statutes, chapter 13,
207.20 including but not limited to any applicable data subject to consent requirements, apply to
207.21 any data accessed, transferred, disseminated, or shared under this section.

207.22 (e) This section expires July 1, 2027.

207.23 **Sec. 20. MODERNIZING INFORMATION TECHNOLOGY FOR PROGRAMS**
207.24 **IMPACTING CHILDREN AND FAMILIES.**

207.25 (a) The commissioner of information technology services shall develop and implement,
207.26 to the extent that there is funding available in the children and families information
207.27 technology account in the special revenue fund, a plan to transform and modernize the
207.28 information technology systems that support the programs impacting children and families,
207.29 including youth programs and child care and early learning programs, currently administered
207.30 by the Departments of Education and Human Services and other departments with programs
207.31 impacting children and families as identified by the Children's Cabinet. The commissioner
207.32 may contract for the services contained in this section.

208.1 (b) The plan must support the goal of creating new or modernizing existing information
208.2 technology systems for child- and family-focused programs that collect, analyze, share, and
208.3 report data on program participation and service coordination, and school readiness, early
208.4 screening, and other childhood indicators. The plan must include strategies to:

208.5 (1) minimize the time and effort needed for families to apply for, enroll in, and maintain
208.6 enrollment in programs;

208.7 (2) minimize the time and effort needed for providers to administer programs;

208.8 (3) improve coordination among programs for families;

208.9 (4) assess the impact of childhood programs on children's outcomes, including school
208.10 readiness and educational outcomes; and

208.11 (5) monitor and collect nonbiometric attendance data at child care centers licensed under
208.12 Minnesota Rules, part 9503, through a combination of state-provided technology and
208.13 integration with private child care management systems.

208.14 (c) In developing and implementing the plan required under this section, the contractor
208.15 must consult with the commissioners of education and human services and other departments
208.16 with programs impacting children and families as identified by the Children's Cabinet and
208.17 other stakeholders.

208.18 (d) By February 1 of each year, the commissioner must provide a report to the committees
208.19 of the legislature with jurisdiction over impacted programs on the status of the use of funds,
208.20 plan development, and strategy implementation.

208.21 **Sec. 21. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD**
208.22 **CARE AND EARLY EDUCATION PROFESSIONAL WAGE SCALE.**

208.23 (a) The commissioner of human services shall develop, in consultation with the
208.24 commissioner of employment and economic development, the commissioner of education,
208.25 the Children's Cabinet, and relevant stakeholders, a process for recognizing comparable
208.26 competencies for use in a wage scale and a child care and early education professional wage
208.27 scale that:

208.28 (1) builds on the wage scale recommendations made by the Great Start for All Minnesota
208.29 Children Task Force under Laws 2021, First Special Session chapter 7, article 14;

208.30 (2) provides recommended wages that are equivalent to elementary school educators
208.31 with similar credentials and experience;

209.1 (3) provides recommended levels of compensation and benefits, such as professional
209.2 development stipends, health care benefits, and retirement benefits, that vary based on child
209.3 care and early education professional roles and qualifications, and other criteria established
209.4 by the commissioner;

209.5 (4) incorporates, to the extent feasible, qualifications inclusive of competencies attained
209.6 through experience, training, and educational attainment; and

209.7 (5) is applicable to the following types of child care and early education programs:

209.8 (i) licensed family and group family child care under Minnesota Rules, chapter 9502;

209.9 (ii) licensed child care centers under Minnesota Rules, chapter 9503;

209.10 (iii) certified, license-exempt child care centers under Minnesota Statutes, chapter 245H;

209.11 (iv) voluntary prekindergarten and school readiness plus programs;

209.12 (v) school readiness programs;

209.13 (vi) early childhood family education programs;

209.14 (vii) programs for children who are eligible for Part B or Part C of the Individuals with
209.15 Disabilities Education Act (Public Law 108-446); and

209.16 (viii) Head Start programs.

209.17 (b) By January 30, 2025, the commissioner shall report to the legislative committees
209.18 with jurisdiction over early childhood programs on the development of the wage scale, make
209.19 recommendations for implementing a process for recognizing comparable competencies,
209.20 and make recommendations about how the wage scale could be used to inform payment
209.21 rates for child care assistance under Minnesota Statutes, chapter 119B, and great start
209.22 scholarships under Minnesota Statutes, section 119C.01.

209.23 **Sec. 22. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; COST**
209.24 **ESTIMATION MODEL FOR EARLY CARE AND LEARNING PROGRAMS.**

209.25 (a) The commissioner of human services shall develop a cost estimation model for
209.26 providing early care and learning in the state. In developing the model, the commissioner
209.27 shall consult with relevant entities and stakeholders, including but not limited to the State
209.28 Advisory Council on Early Childhood Education and Care under Minnesota Statutes, section
209.29 124D.141; county administrators; child care resource and referral organizations under
209.30 Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing
209.31 caregivers, teachers, and directors.

210.1 (b) The commissioner shall contract with an organization with experience and expertise
210.2 in early care and learning cost estimation modeling to conduct the work outlined in this
210.3 section. If practicable, the commissioner shall contract with First Children's Finance.

210.4 (c) The commissioner shall ensure that the model can estimate variation in the cost of
210.5 early care and learning by:

210.6 (1) quality of care;

210.7 (2) geographic area;

210.8 (3) type of child care provider and associated licensing standards;

210.9 (4) age of child;

210.10 (5) whether the early care and learning is inclusive, caring for children with disabilities
210.11 alongside children without disabilities;

210.12 (6) provider and staff compensation, including benefits such as professional development
210.13 stipends, health care benefits, and retirement benefits;

210.14 (7) a provider's fixed costs, including rent and mortgage payments, property taxes, and
210.15 business-related insurance payments;

210.16 (8) a provider's operating expenses, including expenses for training and substitutes; and

210.17 (9) a provider's hours of operation.

210.18 (d) By January 30, 2025, the commissioner shall report to the legislative committees
210.19 with jurisdiction over early childhood programs on the development of the cost estimation
210.20 model. The report shall include:

210.21 (1) recommendations for how the model could be used in conjunction with a child care
210.22 and early education professional wage scale to set provider payment rates for child care
210.23 assistance under Minnesota Statutes, chapter 119B, and great start scholarships under
210.24 Minnesota Statutes, section 119C.01; and

210.25 (2) a plan to seek federal approval to use the model for provider payment rates for child
210.26 care assistance.

210.27 **Sec. 23. REVISOR INSTRUCTION.**

210.28 The revisor of statutes must identify, in consultation with the commissioners of
210.29 management and budget; human services; education; health; and public safety and with
210.30 nonpartisan legislative offices, any changes to Minnesota Statutes and Minnesota Rules
210.31 necessary to facilitate the transfer of responsibilities under this act, the authority to fulfill

211.1 the responsibilities under this act, and the related operational functions needed to implement
 211.2 the necessary legal changes and responsibilities under this act. By February 1, 2024, the
 211.3 revisor of statutes must submit to the chairs and ranking minority members of relevant
 211.4 legislative committees and divisions draft legislation with the statutory changes necessary
 211.5 to implement this act.

211.6 **EFFECTIVE DATE.** This section is effective July 1, 2023.

211.7 **ARTICLE 8**

211.8 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

211.9 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

211.10 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 211.11 and for the purposes specified in this article. The appropriations are from the general fund,
 211.12 or another named fund, and are available for the fiscal years indicated for each purpose.
 211.13 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 211.14 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 211.15 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 211.16 is fiscal years 2024 and 2025.

211.17 **APPROPRIATIONS**

211.18 **Available for the Year**

211.19 **Ending June 30**

211.20 **2024**

2025

211.21 **Sec. 2. COMMISSIONER OF HUMAN**
 211.22 **SERVICES**

211.23 **Subdivision 1. Total Appropriation** **\$ 1,119,204,000 \$ 1,126,151,000**

211.24 **Appropriations by Fund**

211.25 **2024**

2025

211.26 **General** **877,855,000** **903,348,000**

211.27 **Federal TANF** **202,030,000** **207,168,000**

211.28 The amounts that may be spent for each
 211.29 purpose are specified in the following
 211.30 subdivisions.

211.31 **Subd. 2. TANF Maintenance of Effort**

212.1 (a) Nonfederal Expenditures. The
212.2 commissioner shall ensure that sufficient
212.3 qualified nonfederal expenditures are made
212.4 each year to meet the state's maintenance of
212.5 effort requirements of the TANF block grant
212.6 specified under Code of Federal Regulations,
212.7 title 45, section 263.1. In order to meet these
212.8 basic TANF maintenance of effort
212.9 requirements, the commissioner may report
212.10 as TANF maintenance of effort expenditures
212.11 only nonfederal money expended for allowable
212.12 activities listed in the following clauses:

212.13 (1) MFIP cash, diversionary work program,
212.14 and food assistance benefits under Minnesota
212.15 Statutes, chapter 256J;

212.16 (2) the child care assistance programs under
212.17 Minnesota Statutes, sections 119B.03 and
212.18 119B.05, and county child care administrative
212.19 costs under Minnesota Statutes, section
212.20 119B.15;

212.21 (3) state and county MFIP administrative costs
212.22 under Minnesota Statutes, chapters 256J and
212.23 256K;

212.24 (4) state, county, and Tribal MFIP
212.25 employment services under Minnesota
212.26 Statutes, chapters 256J and 256K;

212.27 (5) expenditures made on behalf of legal
212.28 noncitizen MFIP recipients who qualify for
212.29 the MinnesotaCare program under Minnesota
212.30 Statutes, chapter 256L;

212.31 (6) qualifying working family credit
212.32 expenditures under Minnesota Statutes, section
212.33 290.0671;

213.1 (7) qualifying Minnesota education credit
213.2 expenditures under Minnesota Statutes, section
213.3 290.0674; and

213.4 (8) qualifying Head Start expenditures under
213.5 Minnesota Statutes, section 119A.50.

213.6 **(b) Nonfederal Expenditures; Reporting.**
213.7 For the activities listed in paragraph (a),
213.8 clauses (2) to (8), the commissioner may
213.9 report only expenditures that are excluded
213.10 from the definition of assistance under Code
213.11 of Federal Regulations, title 45, section
213.12 260.31.

213.13 **(c) Limitations; Exceptions. The**
213.14 commissioner must not claim an amount of
213.15 TANF maintenance of effort in excess of the
213.16 75 percent standard in Code of Federal
213.17 Regulations, title 45, section 263.1(a)(2),
213.18 except:

213.19 (1) to the extent necessary to meet the 80
213.20 percent standard under Code of Federal
213.21 Regulations, title 45, section 263.1(a)(1), if it
213.22 is determined by the commissioner that the
213.23 state will not meet the TANF work
213.24 participation target rate for the current year;

213.25 (2) to provide any additional amounts under
213.26 Code of Federal Regulations, title 45, section
213.27 264.5, that relate to replacement of TANF
213.28 funds due to the operation of TANF penalties;
213.29 and

213.30 (3) to provide any additional amounts that may
213.31 contribute to avoiding or reducing TANF work
213.32 participation penalties through the operation
213.33 of the excess maintenance of effort provisions

214.1 of Code of Federal Regulations, title 45,
214.2 section 261.43(a)(2).

214.3 **(d) Supplemental Expenditures.** For the
214.4 purposes of paragraph (c), the commissioner
214.5 may supplement the maintenance of effort
214.6 claim with working family credit expenditures
214.7 or other qualified expenditures to the extent
214.8 such expenditures are otherwise available after
214.9 considering the expenditures allowed in this
214.10 subdivision.

214.11 **(e) Reduction of Appropriations; Exception.**
214.12 The requirement in Minnesota Statutes, section
214.13 256.011, subdivision 3, that federal grants or
214.14 aids secured or obtained under that subdivision
214.15 be used to reduce any direct appropriations
214.16 provided by law does not apply if the grants
214.17 or aids are federal TANF funds.

214.18 **(f) IT Appropriations Generally.** This
214.19 appropriation includes funds for information
214.20 technology projects, services, and support.
214.21 Notwithstanding Minnesota Statutes, section
214.22 16E.0466, funding for information technology
214.23 project costs must be incorporated into the
214.24 service level agreement and paid to the
214.25 Minnesota IT Services by the Department of
214.26 Human Services under the rates and
214.27 mechanism specified in that agreement.

214.28 **(g) Receipts for Systems Project.**
214.29 Appropriations and federal receipts for
214.30 information technology systems projects for
214.31 MAXIS, PRISM, MMIS, ISDS, METS, and
214.32 SSIS must be deposited in the state systems
214.33 account authorized in Minnesota Statutes,
214.34 section 256.014. Money appropriated for
214.35 information technology projects approved by

215.1 the commissioner of the Minnesota IT
 215.2 Services funded by the legislature and
 215.3 approved by the commissioner of management
 215.4 and budget may be transferred from one
 215.5 project to another and from development to
 215.6 operations as the commissioner of human
 215.7 services considers necessary. Any unexpended
 215.8 balance in the appropriation for these projects
 215.9 does not cancel and is available for ongoing
 215.10 development and operations.

215.11 **(h) Federal SNAP Education and Training**
 215.12 **Grants.** Federal funds available during fiscal
 215.13 years 2024 and 2025 for Supplemental
 215.14 Nutrition Assistance Program Education and
 215.15 Training and SNAP Quality Control
 215.16 Performance Bonus grants are appropriated
 215.17 to the commissioner of human services for the
 215.18 purposes allowable under the terms of the
 215.19 federal award. This paragraph is effective the
 215.20 day following final enactment.

215.21 **Subd. 3. Central Office; Operations**

215.22	<u>Appropriations by Fund</u>	
215.23	<u>General</u>	<u>24,529,000</u> <u>18,214,000</u>

215.24 **Subd. 4. Central Office; Children and Families**

215.25	<u>Appropriations by Fund</u>	
215.26	<u>General</u>	<u>25,864,000</u> <u>24,244,000</u>

215.27 **(a) Review of Child Support Guidelines.**
 215.28 \$64,000 in fiscal year 2024 and \$32,000 in
 215.29 fiscal year 2025 are for transfer to the special
 215.30 revenue fund for a quadrennial review of child
 215.31 support guidelines.

215.32 **(b) Base Level Adjustment.** The general fund
 215.33 base for this appropriation is \$23,316,000 in

216.1 fiscal year 2026 and \$22,145,000 in fiscal year
 216.2 2027.

216.3 **Subd. 5. Central Office; Community Supports**

216.4 Appropriations by Fund

216.5	<u>General</u>	<u>265,000</u>	<u>306,000</u>
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216.6 **Base Level Adjustment.** The general fund
 216.7 base for this appropriation is \$306,000 in fiscal
 216.8 year 2026 and \$306,000 in fiscal year 2027.

216.9 **Subd. 6. Forecasted Programs; MFIP/DWP**

216.10 Appropriations by Fund

216.11	<u>General</u>	<u>82,634,000</u>	<u>89,108,000</u>
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216.12	<u>Federal TANF</u>	<u>105,579,000</u>	<u>110,717,000</u>
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216.13 **Subd. 7. Forecasted Programs; MFIP Child Care**

216.14	<u>Assistance</u>	<u>38,892,000</u>	<u>146,030,000</u>
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216.15 **Subd. 8. Forecasted Programs; General**

216.16	<u>Assistance</u>	<u>0</u>	<u>270,000</u>
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216.17 **Subd. 9. Forecasted Programs; Minnesota**

216.18	<u>Supplemental Assistance</u>	<u>1,000</u>	<u>1,000</u>
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216.19 **Subd. 10. Forecasted Programs; Housing**

216.20	<u>Supports</u>	<u>6,000</u>	<u>6,000</u>
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216.21 **Subd. 11. Forecasted Programs; Northstar Care**

216.22	<u>for Children</u>	<u>113,912,000</u>	<u>124,546,000</u>
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216.23 **Subd. 12. Grant Programs; Support Services**

216.24 **Grants**

216.25 Appropriations by Fund

216.26	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
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216.27	<u>Federal TANF</u>	<u>96,311,000</u>	<u>96,311,000</u>
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216.28 **Subd. 13. Grant Programs; BSF Child Care**

216.29	<u>Grants</u>	<u>69,703,000</u>	<u>118,801,000</u>
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216.30 The general fund base is \$149,337,000 in
 216.31 fiscal year 2026 and \$146,802,000 in fiscal
 216.32 year 2027.

217.1	<u>Subd. 14. Grant Programs; Child Care</u>		
217.2	<u>Development Grants</u>	<u>123,417,000</u>	<u>128,987,000</u>
217.3	<u>(a) Child Care Retention Program.</u>		
217.4	<u>\$73,830,000 in fiscal year 2024 and</u>		
217.5	<u>\$119,530,000 in fiscal year 2025 are for the</u>		
217.6	<u>child care retention program payments under</u>		
217.7	<u>Minnesota Statutes, section 119B.27. The</u>		
217.8	<u>general fund base for this appropriation is</u>		
217.9	<u>\$63,387,000 in fiscal year 2026 and</u>		
217.10	<u>\$64,405,000 in fiscal year 2027. Funds</u>		
217.11	<u>appropriated for this purpose in each fiscal</u>		
217.12	<u>year are available until expended.</u>		
217.13	<u>(b) Transition Grant Program. \$46,550,000</u>		
217.14	<u>in fiscal year 2024 is for transition grants for</u>		
217.15	<u>child care providers that intend to participate</u>		
217.16	<u>in the child care retention program. This is a</u>		
217.17	<u>onetime appropriation and is available until</u>		
217.18	<u>June 30, 2025.</u>		
217.19	<u>(c) Cost Estimation Model and Wage Scale.</u>		
217.20	<u>\$500,000 in fiscal year 2024 is for developing</u>		
217.21	<u>a cost estimation model for providing early</u>		
217.22	<u>care and learning and a child care and early</u>		
217.23	<u>education professional wage scale. This is a</u>		
217.24	<u>onetime appropriation and is available until</u>		
217.25	<u>June 30, 2025.</u>		
217.26	<u>(d) Additional Support for Parent Aware.</u>		
217.27	<u>\$500,000 in fiscal year 2024 and \$500,000 in</u>		
217.28	<u>fiscal year 2025 are for increasing supports</u>		
217.29	<u>for programs participating in Parent Aware</u>		
217.30	<u>under Minnesota Statutes, section 124D.142.</u>		
217.31	<u>(e) Family, Friend, and Neighbor Grant</u>		
217.32	<u>Program. \$3,500,000 in fiscal year 2025 is</u>		
217.33	<u>for the family, friend, and neighbor grant</u>		
217.34	<u>program under Minnesota Statutes, section</u>		
217.35	<u>119B.196.</u>		

218.1 (f) Diaper Distribution Grant. \$500,000 in
 218.2 fiscal year 2024 and \$500,000 in fiscal year
 218.3 2025 are for a grant to Diaper Bank of
 218.4 Minnesota to distribute diapers and wipes to
 218.5 underresourced families statewide.

218.6 (g) One-Stop Assistance Network.
 218.7 \$2,920,000 in fiscal year 2025 is for
 218.8 administering the child care one-stop regional
 218.9 assistance network under Minnesota Statutes,
 218.10 section 119B.19, subdivision 7, clause (9).

218.11 (h) Shared Services Grants. \$500,000 in
 218.12 fiscal year 2024 and \$500,000 in fiscal year
 218.13 2025 are for shared services grants under
 218.14 Minnesota Statutes, section 119B.28.

218.15 (i) Child Care Technology Grants. \$300,000
 218.16 in fiscal year 2024 and \$300,000 in fiscal year
 218.17 2025 are for grants or other supports to child
 218.18 care providers for technology infrastructure
 218.19 under Minnesota Statutes, section 119B.29.

218.20 (j) Base Level Adjustment. The general fund
 218.21 base is \$77,575,000 in fiscal year 2026 and
 218.22 \$78,594,000 in fiscal year 2027.

218.23 Subd. 15. Grant Programs; Child Support
 218.24 Enforcement Grants

50,000

50,000

218.25 Subd. 16. Grant Programs; Children's Services
 218.26 Grants

218.27 Appropriations by Fund

218.28 General 83,554,000 96,948,000

218.29 Federal TANF 140,000 140,000

218.30 (a) Mille Lacs Band of Ojibwe American
 218.31 Indian Child Welfare Initiative. \$3,337,000
 218.32 in fiscal year 2024 and \$5,294,000 in fiscal
 218.33 year 2025 are to support activities necessary
 218.34 for the Mille Lacs Band of Ojibwe to join the

219.1 American Indian child welfare initiative. The
219.2 general fund base for this appropriation is
219.3 \$7,893,000 in fiscal year 2026 and \$7,893,000
219.4 in fiscal year 2027.

219.5 **(b) Leech Lake Band of Ojibwe American**
219.6 **Indian Child Welfare Initiative. \$1,848,000**
219.7 in fiscal year 2024 and \$1,848,000 in fiscal
219.8 year 2025 are for the Leech Lake Band of
219.9 Ojibwe to participate in the American Indian
219.10 child welfare initiative.

219.11 **(c) Red Lake Band of Chippewa American**
219.12 **Indian Child Welfare Initiative. \$3,000,000**
219.13 in fiscal year 2024 and \$3,000,000 in fiscal
219.14 year 2025 are for the Red Lake Band of
219.15 Chippewa to participate in the American
219.16 Indian child welfare initiative.

219.17 **(d) Staffing Increase for Tribal Nations.**
219.18 \$800,000 in fiscal year 2024 and \$800,000 in
219.19 fiscal year 2025 are for Tribal nations to
219.20 expand staff capacity to provide child welfare
219.21 services.

219.22 **(e) Indian Child Welfare Grants. \$4,405,000**
219.23 in fiscal year 2024 and \$4,405,000 in fiscal
219.24 year 2025 are for Indian child welfare grants.
219.25 The general fund base for this appropriation
219.26 is \$4,640,000 in fiscal year 2026 and
219.27 \$4,640,000 in fiscal year 2027.

219.28 **(f) Child Welfare Staff Allocation for**
219.29 **Tribes. \$480,000 in fiscal year 2024 and**
219.30 **\$480,000 in fiscal year 2025 are for staffing**
219.31 **needs for Tribes that have not joined the**
219.32 **American Indian Child welfare initiative under**
219.33 **Minnesota Statutes, section 256.01,**
219.34 **subdivision 14b.**

220.1 (g) Kinship Navigator Services. \$514,000 in
220.2 fiscal year 2024 and \$514,000 in fiscal year
220.3 2025 are for kinship navigator services. The
220.4 general fund base for this appropriation is
220.5 \$500,000 in fiscal year 2026 and \$500,000 in
220.6 fiscal year 2027.

220.7 (h) Kinship Navigator Services for Tribes.
220.8 \$250,000 in fiscal year 2024 and \$250,000 in
220.9 fiscal year 2025 are for grants to Tribal nations
220.10 for kinship navigator services.

220.11 (i) Family Assessment Response. \$6,100,000
220.12 in fiscal year 2024 and \$9,800,000 in fiscal
220.13 year 2025 are for Family First Prevention and
220.14 Early Intervention Grants pursuant to
220.15 Minnesota Statutes, section 260.014.

220.16 (j) Grants for Prevention and Early
220.17 Intervention Services. \$3,000,000 in fiscal
220.18 year 2024 and \$5,000,000 in fiscal year 2025
220.19 are for grants to support prevention and early
220.20 intervention services to implement and build
220.21 upon Minnesota's Family First Prevention
220.22 Services Act Title IV-E Prevention Services
220.23 plan under Minnesota Statutes, section
220.24 260.014.

220.25 (k) Assessment of Out-of-Home Placement.
220.26 \$450,000 in fiscal year 2024 and \$450,000 in
220.27 fiscal year 2025 are for grants to one or more
220.28 grantees to establish and manage a pool of
220.29 state-funded qualified individuals to assess
220.30 potential out-of-home placement of a child in
220.31 a qualified residential treatment program.

220.32 (l) STAY in the Community Grants.
220.33 \$1,958,000 in fiscal year 2024 and \$2,095,000
220.34 in fiscal year 2025 are for the STAY in the

221.1 community program under Minnesota Statutes,
221.2 section 260C.452. This appropriation is
221.3 available until June 30, 2025.

221.4 **(m) Support Beyond 21 Program. \$600,000**
221.5 in fiscal year 2024 and \$1,200,000 in fiscal
221.6 year 2025 are for the support beyond 21
221.7 program under Minnesota Statutes, section
221.8 256.4792. This appropriation is available until
221.9 June 30, 2025. The general fund base for this
221.10 appropriation is \$1,200,000 in fiscal year 2026
221.11 and \$1,200,000 in fiscal year 2027.

221.12 **(n) Grants for Caseload Reduction.**
221.13 \$3,000,000 in fiscal year 2024 and \$3,000,000
221.14 in fiscal year 2025 are for grants to counties
221.15 and American Indian child welfare initiative
221.16 Tribes for reducing extended foster care
221.17 caseload sizes. This appropriation is available
221.18 until June 30, 2025.

221.19 **(o) Grants for Community Resource**
221.20 **Centers.** \$5,000,000 in fiscal year 2025 is for
221.21 community resource centers, under Minnesota
221.22 Statutes, section 260C.30.

221.23 **(p) Informal Kinship Care Support Grants.**
221.24 \$1,000,000 in fiscal year 2024 and \$1,000,000
221.25 in fiscal year 2025 are for informal kinship
221.26 care support grants under Minnesota Statutes,
221.27 section 256N.265. This is a onetime
221.28 appropriation.

221.29 **(q) Family Assets for Independence in**
221.30 **Minnesota.** \$1,250,000 in fiscal year 2024
221.31 and \$2,500,000 in fiscal year 2025 are for the
221.32 family assets for independence in Minnesota
221.33 program. The general fund base for this

222.1 appropriation is \$5,000,000 in fiscal year 2026
 222.2 and \$5,000,000 in fiscal year 2027.

222.3 (r) **Base Level Adjustment.** The general fund
 222.4 base is \$98,768,000 in fiscal year 2026 and
 222.5 \$98,768,000 in fiscal year 2027.

222.6	<u>Subd. 17. Grant Programs; Children and</u>		
222.7	<u>Community Service Grants</u>	<u>60,856,000</u>	<u>60,856,000</u>

222.8	<u>Subd. 18. Grant Programs; Children and</u>		
222.9	<u>Economic Support Grants</u>	<u>246,240,000</u>	<u>85,490,000</u>

222.10 (a) **Fraud Prevention Program Grants.**
 222.11 \$400,000 in fiscal year 2024 is for start-up
 222.12 grants to the Red Lake Nation, White Earth
 222.13 Nation, and Mille Lacs Band of Ojibwe to
 222.14 develop a fraud prevention program. This is
 222.15 a onetime appropriation and is available until
 222.16 June 30, 2025.

222.17 (b) **Emergency Services Program Grants.**
 222.18 \$20,000,000 in fiscal year 2024 and
 222.19 \$20,000,000 in fiscal year 2025 are for
 222.20 emergency services grants under Minnesota
 222.21 Statutes, section 256E.36. Grant allocation
 222.22 balances in the first year do not cancel but are
 222.23 available in the second year of the biennium.
 222.24 The general fund base for this appropriation
 222.25 is \$35,000,000 in fiscal year 2026 and
 222.26 \$35,000,000 in fiscal year 2027.

222.27 (c) **Homeless Youth Act Grants.** \$14,500,000
 222.28 in fiscal year 2024 and \$12,500,000 in fiscal
 222.29 year 2025 are for grants under Minnesota
 222.30 Statutes, section 256K.45, subdivision 1. This
 222.31 appropriation is available until June 30, 2027.
 222.32 The general fund base for this appropriation
 222.33 is \$20,000,000 in fiscal year 2026 and
 222.34 \$20,000,000 in fiscal year 2027.

- 223.1 **(d) Transitional Housing Programs.**
- 223.2 \$3,000,000 in fiscal year 2024 and \$3,000,000
- 223.3 in fiscal year 2025 are for transitional housing
- 223.4 programs under Minnesota Statutes, section
- 223.5 256E.33.
- 223.6 **(e) Safe Harbor Shelter and Housing**
- 223.7 **Grants.** \$3,250,000 in fiscal year 2024 and
- 223.8 \$3,250,000 in fiscal year 2025 are for grants
- 223.9 under Minnesota Statutes, section 256K.47.
- 223.10 **(f) Emergency Shelter Facilities.**
- 223.11 \$150,000,000 in fiscal year 2024 is for grants
- 223.12 to eligible applicants for the acquisition of
- 223.13 property; site preparation, including demotion;
- 223.14 predesign; design; construction; renovation;
- 223.15 furnishing; and equipping of emergency
- 223.16 shelter facilities. This is a onetime
- 223.17 appropriation.
- 223.18 **(g) Homeless Youth Pilot Project.**
- 223.19 \$1,000,000 in fiscal year 2024 and \$1,000,000
- 223.20 in fiscal year 2025 are for a grant to
- 223.21 Youthprise for a pilot project to provide cash
- 223.22 stipends to homeless youth, youth-designed
- 223.23 optional services, cash incentives for
- 223.24 participation in periodic surveys, and to
- 223.25 complete a legislative report.
- 223.26 **(h) Quality Parenting Initiative.** \$100,000
- 223.27 in fiscal year 2024 and \$100,000 in fiscal year
- 223.28 2025 are for a grant to Quality Parenting
- 223.29 Initiative Minnesota, to implement quality
- 223.30 parenting initiative principles and practices
- 223.31 and support children and families experiencing
- 223.32 foster care placements.
- 223.33 **(i) Tribal Food Sovereignty Grants.**
- 223.34 \$3,000,000 in fiscal year 2024 and \$3,000,000

224.1 in fiscal year 2025 are for grants to support
 224.2 food security among Tribal Nations and
 224.3 American Indian communities under
 224.4 Minnesota Statutes, section 256E.341. This
 224.5 appropriation is available until June 30, 2025.
 224.6 The general fund base for this appropriation
 224.7 is \$2,000,000 in fiscal year 2026 and
 224.8 \$2,000,000 in fiscal year 2027.

224.9 **(j) Food Support Grants.** \$6,000,000 in fiscal
 224.10 year 2024 and \$6,000,000 in fiscal year 2025
 224.11 are for the Minnesota food shelf program
 224.12 under Minnesota Statutes, section 256E.34.
 224.13 This appropriation is available until June 30,
 224.14 2025.

224.15 **(k) Capital for Emergency Food**
 224.16 **Distribution Facilities.** \$10,000,000 in fiscal
 224.17 year 2024 is for improving and expanding the
 224.18 infrastructure of food shelf facilities across
 224.19 the state. Grant money shall be made available
 224.20 to nonprofit organizations, federally
 224.21 recognized Tribes, and local units of
 224.22 government. This is a onetime appropriation
 224.23 and is available until June 30, 2027.

224.24 **(l) Community Action Grants.** \$1,000,000
 224.25 in fiscal year 2024 and \$1,000,000 in fiscal
 224.26 year 2025 are for community action grants.

224.27 **(m) Base Level Adjustment.** The general fund
 224.28 base is \$109,490,000 in fiscal year 2026 and
 224.29 \$109,490,000 in fiscal year 2027.

224.30 Sec. 3. **COMMISSIONER OF HEALTH** \$ 2,000,000 \$ 2,000,000
 224.31 **Health Improvement.** \$2,000,000 in fiscal
 224.32 year 2024 and \$2,000,000 in fiscal year 2025
 224.33 are for regional navigators in the Safe Harbor
 224.34 program.

225.1	Sec. 4. <u>COMMISSIONER OF MANAGEMENT</u>			
225.2	<u>AND BUDGET</u>	\$	<u>11,931,000</u>	\$
				<u>2,066,000</u>
225.3	<u>Support for New Department.</u>			
	\$11,931,000			
225.4	<u>in fiscal year 2024 and \$2,066,000 in fiscal</u>			
225.5	<u>year 2025 are for supporting the creation of</u>			
225.6	<u>the Department of Children, Youth, and</u>			
225.7	<u>Families. This is a onetime appropriation.</u>			
225.8	Sec. 5. <u>COMMISSIONER OF INFORMATION</u>			
225.9	<u>TECHNOLOGY</u>	\$	<u>25,000,000</u>	\$
				<u>0</u>
225.10	<u>IT Systems Improvement.</u>			
	\$25,000,000 in			
225.11	<u>fiscal year 2024 is for transfer to the children</u>			
225.12	<u>and families account in the special revenue</u>			
225.13	<u>fund to develop and implement a plan to</u>			
225.14	<u>modernize the IT systems that support</u>			
225.15	<u>programs for children and families. This is a</u>			
225.16	<u>onetime appropriation and does not cancel.</u>			
225.17	Sec. 6. <u>COMMISSIONER OF CHILDREN,</u>			
225.18	<u>YOUTH, AND FAMILIES.</u>	\$	<u>823,000</u>	\$
				<u>3,531,000</u>
225.19	<u>Operations.</u>			
	\$823,000 in fiscal year 2024 and			
225.20	<u>\$3,521,000 in fiscal year 2025 are for the</u>			
225.21	<u>Department of Children, Youth, and Families.</u>			
225.22	Sec. 7. <u>OMBUDSPERSON FOR AMERICAN</u>			
225.23	<u>INDIAN FAMILIES</u>	\$	<u>336,000</u>	\$
				<u>340,000</u>
225.24	Sec. 8. <u>OMBUDSPERSON FOR FAMILIES</u>	\$	<u>759,000</u>	\$
				<u>776,000</u>
225.25	Sec. 9. <u>OMBUDSPERSON FOR FOSTER</u>			
225.26	<u>YOUTH</u>	\$	<u>842,000</u>	\$
				<u>759,000</u>
225.27	Sec. 10. <u>CHILDREN AND FAMILIES INFORMATION TECHNOLOGY</u>			
225.28	<u>ACCOUNT.</u>			
225.29	<u>The children and families information technology account is created in the special</u>			
225.30	<u>revenue fund. Money in the account is appropriated to the commissioner of information</u>			
225.31	<u>technology services for developing and implementing a plan in support of transforming and</u>			
225.32	<u>modernizing the information technology systems that support programs impacting children</u>			
225.33	<u>and families, including programs for youth, child care and early learning programs, and</u>			
225.34	<u>programs serving young children.</u>			

226.1 Sec. 11. CANCELLATIONS; FISCAL YEAR 2023.

226.2 \$100,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter
 226.3 63, section 6, is canceled to the general fund on June 30, 2023.

226.4 Sec. 12. APPROPRIATIONS GIVEN EFFECT ONCE.

226.5 If an appropriation or transfer in this article is enacted more than once during the 2023
 226.6 regular session, the appropriation or transfer must be given effect once.

226.7 **ARTICLE 9**226.8 **EDUCATION**226.9 Section 1. APPROPRIATIONS; DEPARTMENT OF EDUCATION.

226.10 Subdivision 1. Department of Education. The sums indicated in this section are
 226.11 appropriated from the general fund to the Department of Education for the fiscal years
 226.12 designated.

226.13 Subd. 2. Grow Your Own. (a) For grants to develop, continue, or expand Grow Your
 226.14 Own programs under Minnesota Statutes, section 122A.731:

226.15 \$ 3,000,000 2024

226.16 \$ 3,000,000 2025

226.17 (b) This is a onetime appropriation and is subject to the requirements under Minnesota
 226.18 Statutes, 122A.731, subdivision 4.

226.19 Subd. 3. Early childhood teacher shortage. (a) For grants to Minnesota institutions of
 226.20 higher education to address the early childhood education teacher shortage:

226.21 \$ 490,000 2024

226.22 \$ 490,000 2025

226.23 (b) Grant funds may be used to provide tuition and other supports to students.

226.24 (c) Any balance in the first year does not cancel but is available in the second year.

226.25 (d) This is a onetime appropriation.

226.26 Subd. 4. School readiness. (a) For revenue for school readiness programs under
 226.27 Minnesota Statutes, sections 124D.15 and 124D.16:

226.28 \$ 33,683,000 2024

226.29 \$ 33,683,000 2025

226.30 (b) The 2024 appropriation includes \$3,368,000 for 2023 and \$30,315,000 for 2024.

227.1 (c) The 2025 appropriation includes \$3,368,000 for 2024 and \$30,315,000 for 2025.

227.2 Subd. 5. **Early learning scholarships.** (a) For the early learning scholarship program
 227.3 under Minnesota Statutes, section 124D.165:

227.4 \$ 206,177,000 2024

227.5 \$ 206,178,000 2025

227.6 (b) This appropriation is subject to the requirements under Minnesota Statutes, section
 227.7 124D.165, subdivision 6.

227.8 (c) The base for fiscal year 2026 is \$113,863,000 and the base for fiscal year 2027 is
 227.9 \$113,864,000.

227.10 Subd. 6. **Head Start program.** (a) For Head Start programs under Minnesota Statutes,
 227.11 section 119A.52:

227.12 \$ 25,100,000 2024

227.13 \$ 25,100,000 2025

227.14 (b) Any balance in the first year does not cancel but is available in the second year.

227.15 Subd. 7. **Head Start infrastructure.** (a) For facilities grants to Head Start agencies for
 227.16 the purposes of improving services, expanding services, and serving additional low-income
 227.17 children:

227.18 \$ 10,000,000 2024

227.19 \$ 0 2025

227.20 (b) Head Start agencies may apply for the grants established under this subdivision in
 227.21 a form and manner prescribed by the commissioner. The commissioner must establish
 227.22 criteria and a process for awarding the grants that consider the number of eligible children
 227.23 in an applicant's service area that are not currently being served, and prioritize, to the extent
 227.24 possible, geographic balance and program diversity among grant recipients.

227.25 (c) This is a onetime appropriation and is available until June 30, 2027.

227.26 Subd. 8. **Early childhood family education aid.** (a) For early childhood family education
 227.27 aid under Minnesota Statutes, section 124D.135:

227.28 \$ 37,497,000 2024

227.29 \$ 39,108,000 2025

227.30 (b) The 2024 appropriation includes \$3,518,000 for 2023 and \$33,979,000 for 2024.

227.31 (c) The 2025 appropriation includes \$3,775,000 for 2024 and \$35,333,000 for 2025.

228.1 Subd. 9. **Early childhood family education support staff.** For the purposes described
 228.2 under Minnesota Statutes, section 124D.13, subdivision 12a:

228.3 \$ 500,000 2024

228.4 \$ 500,000 2025

228.5 Subd. 10. **Developmental screening aid.** (a) For developmental screening aid under
 228.6 Minnesota Statutes, sections 121A.17 and 121A.19:

228.7 \$ 4,350,000 2024

228.8 \$ 4,375,000 2025

228.9 (b) The 2024 appropriation includes \$349,000 for 2023 and \$4,001,000 for 2024.

228.10 (c) The 2025 appropriation includes \$445,000 for 2024 and \$3,930,000 for 2025.

228.11 Subd. 11. **ParentChild+ program.** For a grant to the ParentChild+ program:

228.12 \$ 1,800,000 2024

228.13 \$ 1,800,000 2025

228.14 (b) The grant must be used for an evidence-based and research-validated early childhood
 228.15 literacy and school readiness program for children ages 16 months to four years at its existing
 228.16 suburban program location. The program must include urban and rural program locations
 228.17 for fiscal years 2024 and 2025.

228.18 (c) Any balance in the first year does not cancel but is available in the second year.

228.19 (d) The base for fiscal year 2026 and later is \$900,000.

228.20 Subd. 12. **Kindergarten entrance assessment initiative and intervention program.** (a)
 228.21 For the kindergarten entrance assessment initiative and intervention program under Minnesota
 228.22 Statutes, section 124D.162:

228.23 \$ 281,000 2024

228.24 \$ 281,000 2025

228.25 (b) The base for fiscal year 2026 is \$0.

228.26 Subd. 13. **Quality rating and improvement system.** (a) For transfer to the commissioner
 228.27 of human services for the purposes of expanding the quality rating and improvement system
 228.28 under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports
 228.29 for providers participating in the quality rating and improvement system:

228.30 \$ 1,750,000 2024

228.31 \$ 1,750,000 2025

229.1 (b) The amounts in paragraph (a) must be in addition to any federal funding under the
 229.2 child care and development block grant authorized under Public Law 101-508 in that year
 229.3 for the system under Minnesota Statutes, section 124D.142.

229.4 Subd. 14. **Early childhood programs at Tribal contract schools.** (a) For early childhood
 229.5 family education programs at Tribal contract schools under Minnesota Statutes, section
 229.6 124D.83, subdivision 4:

229.7 \$ 68,000 2024

229.8 \$ 68,000 2025

229.9 (b) Any balance in the first year does not cancel but is available in the second year.

229.10 Subd. 15. **Educate parents partnership.** (a) For the educate parents partnership under
 229.11 Minnesota Statutes, section 124D.129:

229.12 \$ 49,000 2024

229.13 \$ 49,000 2025

229.14 (b) Any balance in the first year does not cancel but is available in the second year.

229.15 Subd. 16. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section
 229.16 124D.135:

229.17 \$ 391,000 2024

229.18 \$ 309,000 2025

229.19 (b) The 2024 appropriation includes \$41,000 for 2023 and \$350,000 for 2024.

229.20 (c) The 2025 appropriation includes \$38,000 for 2024 and \$271,000 for 2025.

229.21 Subd. 17. **Learning with Music program.** (a) For a grant to the MacPhail Center for
 229.22 Music to expand the Learning with Music program:

229.23 \$ 250,000 2024

229.24 \$ 250,000 2025

229.25 (b) The MacPhail Center for Music must use the grant funds received under this
 229.26 subdivision to:

229.27 (1) expand direct programming to four early childhood center locations in each year of
 229.28 the grant, with a focus on meeting the needs of children experiencing economic hardship
 229.29 in the Twin Cities metropolitan area; and

230.1 (2) create and deliver professional development training opportunities to early childhood
 230.2 educators statewide, both online and in person, that are based on current successful elements
 230.3 of the Learning with Music program.

230.4 (c) Any balance in the first year does not cancel but is available in the second year.

230.5 (d) The base for fiscal year 2026 is \$0.

230.6 Subd. 18. **Way to Grow.** (a) For a grant to Way to Grow:

230.7 \$ 150,000 2024

230.8 \$ 150,000 2025

230.9 (b) Way to Grow must use the grant to extend its home visiting services, including family
 230.10 support services, health and wellness education, and learning support to more families with
 230.11 children from birth up to eight years old.

230.12 (c) This is a onetime appropriation.

230.13 Subd. 19. **Reach Out and Read Minnesota.** (a) For a grant to Reach Out and Read
 230.14 Minnesota to establish a statewide plan that encourages early childhood development through
 230.15 a network of health care clinics:

230.16 \$ 250,000 2024

230.17 \$ 250,000 2025

230.18 (b) The grant recipient must develop and implement a plan that includes:

230.19 (1) integrating children's books and parent education into well-child visits;

230.20 (2) creating literacy-rich environments at health care clinics by providing books to clinics
 230.21 for visits outside of Reach Out and Read Minnesota parameters, for waiting room use, or
 230.22 for volunteer readers to model read-aloud techniques for parents where possible;

230.23 (3) working with public health clinics, federally qualified health centers, Tribal sites,
 230.24 community health centers, and clinics that belong to health care systems, as well as
 230.25 independent clinics in underserved areas; and

230.26 (4) training medical professionals on discussing the importance of early literacy with
 230.27 parents of infants, toddlers, and preschoolers.

230.28 (c) The grant recipient must fully implement the plan on a statewide basis by 2030.

231.1 **Sec. 2. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND**
 231.2 **STANDARDS BOARD.**

231.3 **Subdivision 1. Professional Educator Licensing and Standards Board.** The sums
 231.4 indicated in this section are appropriated from the general fund to the Professional Educator
 231.5 Licensing and Standards Board for the fiscal years designated.

231.6 **Subd. 2. Definition of teacher.** (a) For costs related to modifying teaching assignment
 231.7 for early childhood educators:

231.8 \$ 15,000 2024

231.9 \$ 0 2025

231.10 (b) This is a onetime appropriation.

231.11 **Sec. 3. APPROPRIATION; EARLY CHILDHOOD CURRICULUM GRANTS.**

231.12 (a) \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are appropriated from
 231.13 the general fund to the commissioner of the Office of Higher Education for competitive
 231.14 grants to Minnesota postsecondary institutions. The grants must be used to improve the
 231.15 curricula of the recipient institution's early childhood education programs by incorporating
 231.16 or conforming to the Minnesota knowledge and competency frameworks for early child
 231.17 professionals. This is a onetime appropriation.

231.18 (b) By December 1, 2024, and again by December 1, 2025, the commissioner must
 231.19 submit a report to the chairs and ranking minority members of the legislative committees
 231.20 with jurisdiction over early childhood education through grade 12 and higher education
 231.21 finance and policy about grants awarded under this section. The report must include the
 231.22 following information for the previous fiscal year:

231.23 (1) the number of grant applications received;

231.24 (2) the criteria applied by the commissioner for evaluating applications;

231.25 (3) the number of grants awarded, the grant recipients, and amounts;

231.26 (4) early childhood education curricular reforms proposed by each recipient institution;

231.27 (5) grant outcomes for each recipient institution;

231.28 (6) an evaluation of the grant program, its successes and challenges, and recommendations
 231.29 to the legislature regarding the program; and

231.30 (7) other information identified by the commissioner as outcome indicators.

232.1 (c) The commissioner may use no more than three percent of the amount transferred
232.2 under this section to administer the grant program.

232.3 Sec. 4. Minnesota Statutes 2022, section 119A.52, is amended to read:

232.4 **119A.52 DISTRIBUTION OF APPROPRIATION.**

232.5 (a) The commissioner of education must distribute money appropriated for that purpose
232.6 to federally designated Head Start programs to expand services and to serve additional
232.7 low-income children. ~~Migrant and Indian reservation programs must be initially allocated~~
232.8 ~~money based on the programs' share of federal funds.~~, which may include costs associated
232.9 with program operations, infrastructure, or reconfiguration to serve children from birth to
232.10 age five in center-based services. The distribution must occur in the following order: (1)
232.11 10.72 percent of the total Head Start appropriation must be initially allocated to federally
232.12 designated Tribal Head Start programs; (2) the Tribal Head Start portion of the appropriation
232.13 must be initially allocated to Tribal Head Start programs based on the programs' share of
232.14 federal funds; and (3) migrant programs must be initially allocated funding based on the
232.15 programs' share of federal funds. The remaining money must be initially allocated to the
232.16 remaining local agencies based equally on the agencies' share of federal funds and on the
232.17 proportion of eligible children in the agencies' service area who are not currently being
232.18 served. A Head Start program must be funded at a per child rate equal to its contracted,
232.19 federally funded base level at the start of the fiscal year. For all agencies without a federal
232.20 Early Head Start rate, the state average federal cost per child for Early Head Start applies.
232.21 In allocating funds under this paragraph, the commissioner of education must assure that
232.22 each Head Start program in existence in 1993 is allocated no less funding in any fiscal year
232.23 than was allocated to that program in fiscal year 1993. Before paying money to the programs,
232.24 the commissioner must notify each program of its initial allocation and how the money must
232.25 be used. Each program must present a plan under section 119A.535. For any program that
232.26 cannot utilize its full allocation at the beginning of the fiscal year, the commissioner must
232.27 reduce the allocation proportionately. Money available after the initial allocations are reduced
232.28 must be redistributed to eligible programs.

232.29 (b) The commissioner must develop procedures to make payments to programs based
232.30 upon the number of children reported to be enrolled during the required time period of
232.31 program operations. Enrollment is defined by federal Head Start regulations. The procedures
232.32 must include a reporting schedule, corrective action plan requirements, and financial
232.33 consequences to be imposed on programs that do not meet full enrollment after the period
232.34 of corrective action. Programs reporting chronic underenrollment, as defined by the

233.1 commissioner, will have their subsequent program year allocation reduced proportionately.
233.2 Funds made available by prorating payments and allocations to programs with reported
233.3 underenrollment will be made available to the extent funds exist to fully enrolled Head Start
233.4 programs through a form and manner prescribed by the department.

233.5 (c) Programs with approved innovative initiatives that target services to high-risk
233.6 populations, including homeless families and families living in homeless shelters and
233.7 transitional housing, are exempt from the procedures in paragraph (b). This exemption does
233.8 not apply to entire programs. The exemption applies only to approved innovative initiatives
233.9 that target services to high-risk populations, including homeless families and families living
233.10 in homeless shelters, transitional housing, and permanent supportive housing.

233.11 Sec. 5. Minnesota Statutes 2022, section 121A.17, subdivision 3, is amended to read:

233.12 Subd. 3. **Screening program.** (a) A screening program must include at least the following
233.13 components: developmental assessments, including virtual developmental screening for
233.14 families who make the request based on their immunocompromised health status or other
233.15 health conditions, hearing and vision screening or referral, immunization review and referral,
233.16 the child's height and weight, the date of the child's most recent comprehensive vision
233.17 examination, if any, identification of risk factors that may influence learning, an interview
233.18 with the parent about the child, and referral for assessment, diagnosis, and treatment when
233.19 potential needs are identified. The district and the person performing or supervising the
233.20 screening must provide a parent or guardian with clear written notice that the parent or
233.21 guardian may decline to answer questions or provide information about family circumstances
233.22 that might affect development and identification of risk factors that may influence learning.
233.23 The notice must state "Early childhood developmental screening helps a school district
233.24 identify children who may benefit from district and community resources available to help
233.25 in their development. Early childhood developmental screening includes a vision screening
233.26 that helps detect potential eye problems but is not a substitute for a comprehensive eye
233.27 exam." The notice must clearly state that declining to answer questions or provide information
233.28 does not prevent the child from being enrolled in kindergarten or first grade if all other
233.29 screening components are met. If a parent or guardian is not able to read and comprehend
233.30 the written notice, the district and the person performing or supervising the screening must
233.31 convey the information in another manner. The notice must also inform the parent or guardian
233.32 that a child need not submit to the district screening program if the child's health records
233.33 indicate to the school that the child has received comparable developmental screening
233.34 performed within the preceding 365 days by a public or private health care organization or
233.35 individual health care provider. The notice must be given to a parent or guardian at the time

234.1 the district initially provides information to the parent or guardian about screening and must
234.2 be given again at the screening location.

234.3 (b) All screening components shall be consistent with the standards of the state
234.4 commissioner of health for early developmental screening programs. A developmental
234.5 screening program must not provide laboratory tests or a physical examination to any child.
234.6 The district must request from the public or private health care organization or the individual
234.7 health care provider the results of any laboratory test or physical examination within the 12
234.8 months preceding a child's scheduled screening. For the purposes of this section,
234.9 "comprehensive vision examination" means a vision examination performed by an optometrist
234.10 or ophthalmologist.

234.11 (c) If a child is without health coverage, the school district must refer the child to an
234.12 appropriate health care provider.

234.13 (d) A board may offer additional components such as nutritional, physical and dental
234.14 assessments, review of family circumstances that might affect development, blood pressure,
234.15 laboratory tests, and health history.

234.16 (e) If a statement signed by the child's parent or guardian is submitted to the administrator
234.17 or other person having general control and supervision of the school that the child has not
234.18 been screened because of conscientiously held beliefs of the parent or guardian, the screening
234.19 is not required.

234.20 Sec. 6. Minnesota Statutes 2022, section 121A.19, is amended to read:

234.21 **121A.19 DEVELOPMENTAL SCREENING AID.**

234.22 Each school year, the state must pay a district for each child or student screened by the
234.23 district according to the requirements of section 121A.17. The amount of state aid for each
234.24 child or student screened shall be: (1) ~~\$75~~ \$98 for a child screened at age three; (2) ~~\$50~~ \$65
234.25 for a child screened at age four; (3) ~~\$40~~ \$52 for a child screened at age five or six prior to
234.26 kindergarten; and (4) ~~\$30~~ \$39 for a student screened within 30 days after first enrolling in
234.27 a public school kindergarten if the student has not previously been screened according to
234.28 the requirements of section 121A.17. If this amount of aid is insufficient, the district may
234.29 permanently transfer from the general fund an amount that, when added to the aid, is
234.30 sufficient. Developmental screening aid shall not be paid for any student who is screened
234.31 more than 30 days after the first day of attendance at a public school kindergarten, except
234.32 if a student transfers to another public school kindergarten within 30 days after first enrolling
234.33 in a Minnesota public school kindergarten program. In this case, if the student has not been

235.1 screened, the district to which the student transfers may receive developmental screening
235.2 aid for screening that student when the screening is performed within 30 days of the transfer
235.3 date.

235.4 **Sec. 7. [122A.261] PREKINDERGARTEN, SCHOOL READINESS, PRESCHOOL,**
235.5 **AND EARLY EDUCATION PROGRAMS; LICENSURE REQUIREMENT.**

235.6 **Subdivision 1. Licensure requirement.** A school district or charter school must employ
235.7 a qualified teacher, as defined in section 122A.16, to provide instruction in a preschool,
235.8 school readiness, school readiness plus, prekindergarten, or other school district or charter
235.9 school-based early education program.

235.10 **Subd. 2. Exemptions.** Any teacher who has taught in a preschool, school readiness,
235.11 school readiness plus, prekindergarten, or other early learning program for at least five years
235.12 prior to September 1, 2028, may continue to teach without obtaining a license.
235.13 Notwithstanding this exemption from the licensure requirement, these individuals are
235.14 teachers under section 179A.03, subdivision 18.

235.15 **EFFECTIVE DATE.** This section is effective July 1, 2028.

235.16 **Sec. 8. [122A.731] GRANTS FOR GROW YOUR OWN EARLY CHILDHOOD**
235.17 **EDUCATOR PROGRAMS.**

235.18 **Subdivision 1. Establishment.** The commissioner of education must award grants for
235.19 Grow Your Own Early Childhood Educator programs established under this section in order
235.20 to develop an early childhood education workforce that more closely reflects the state's
235.21 increasingly diverse student population and ensures all students have equitable access to
235.22 high-quality early educators.

235.23 **Subd. 2. Grow Your Own Early Childhood Educator programs. (a)**
235.24 Minnesota-licensed family child care or licensed center-based child care programs, school
235.25 district or charter school early learning programs, Head Start programs, institutions of higher
235.26 education, and other community partnership nongovernmental organizations may apply for
235.27 a grant to host, build, or expand an early childhood educator preparation program that leads
235.28 to an individual earning the credential or degree needed to enter or advance in the early
235.29 childhood education workforce. Examples include programs that help interested individuals
235.30 earn the child development associate (CDA) credential, an associate's degree in child
235.31 development, or a bachelor's degree in early childhood studies or early childhood licensures.
235.32 The grant recipient must use at least 80 percent of grant funds for student stipends, tuition
235.33 scholarships, or unique student teaching or field placement experiences.

236.1 (b) Programs providing financial support to interested individuals may require a
236.2 commitment from the individuals awarded, as determined by the commissioner, to teach in
236.3 the program or school for a reasonable amount of time that does not exceed one year.

236.4 Subd. 3. **Grant procedure.** (a) Eligible programs must apply for a grant under this
236.5 section in the form and manner specified by the commissioner. To the extent that there are
236.6 sufficient applications, the commissioner must, to the extent practicable, award an equal
236.7 number of grants between applicants in greater Minnesota and those in the metropolitan
236.8 area.

236.9 (b) For the 2023-2024 school year and later, grant applications for new and existing
236.10 programs must be received by the commissioner no later than January 15 of the year prior
236.11 to the school year in which the grant will be used. The commissioner must review all
236.12 applications and notify grant recipients by March 15 or as soon as practicable of the
236.13 anticipated amount awarded. If the commissioner determines that sufficient funding is
236.14 unavailable for the grants, the commissioner must notify grant applicants by June 30 or as
236.15 soon as practicable that there are insufficient funds.

236.16 Subd. 4. **Grow Your Own Early Childhood Education program account.** (a) An
236.17 account is established in the special revenue fund known as the "Grow Your Own Early
236.18 Childhood Education program account."

236.19 (b) Funds appropriated for the Grow Your Own Early Childhood Education program
236.20 under this section must be transferred to the Grow Your Own Early Childhood Education
236.21 program account in the special revenue fund.

236.22 (c) Money in the account is annually appropriated to the commissioner for the Grow
236.23 Your Own Early Childhood Education program under this section. Any returned funds are
236.24 available to be regrant. Grant recipients may apply to use grant money over a period of
236.25 up to 60 months.

236.26 (d) Up to \$175,000 annually is appropriated to the commissioner for costs associated
236.27 with administering and monitoring the program under this section.

236.28 Subd. 5. **Report.** Grant recipients must annually report to the commissioner in the form
236.29 and manner determined by the commissioner on their activities under this section, including
236.30 the number of educators supported through grant funds and the number of educators obtaining
236.31 credentials by type. Data must indicate the beginning level of education and ending level
236.32 of education of individual participants and an assessment of program effectiveness, including
236.33 participant feedback, areas for improvement, and employment changes and current
236.34 employment status, where applicable, after completing preparation programs. The

237.1 commissioner must publish a report for the public that summarizes the activities and
237.2 outcomes of grant recipients and what was done to promote sharing of effective practices
237.3 among grant recipients and potential grant applicants.

237.4 Sec. 9. Minnesota Statutes 2022, section 124D.13, is amended by adding a subdivision to
237.5 read:

237.6 Subd. 12a. **Support staff.** (a) The department must employ two full-time equivalent
237.7 staff to serve as resources for programs described in this section. The staff persons must
237.8 provide operational support and guidance to programs, including but not limited to providing
237.9 professional development and education support, assisting with marketing and outreach,
237.10 and facilitating collaborations with public and private organizations serving families.

237.11 (b) Each staff person described in this subdivision must hold a valid license as a teacher
237.12 of parent and family education.

237.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

237.14 Sec. 10. Minnesota Statutes 2022, section 124D.141, subdivision 2, is amended to read:

237.15 Subd. 2. **Additional duties.** The following duties are added to those assigned to the
237.16 council under federal law:

237.17 (1) make recommendations on the most efficient and effective way to leverage state and
237.18 federal funding streams for early childhood and child care programs;

237.19 ~~(2) make recommendations on how to coordinate or colocate early childhood and child~~
237.20 ~~care programs in one state Office of Early Learning. The council shall establish a task force~~
237.21 ~~to develop these recommendations. The task force shall include two nonexecutive branch~~
237.22 ~~or nonlegislative branch representatives from the council; six representatives from the early~~
237.23 ~~childhood caucus; two representatives each from the Departments of Education, Human~~
237.24 ~~Services, and Health; one representative each from a local public health agency, a local~~
237.25 ~~county human services agency, and a school district; and two representatives from the~~
237.26 ~~private nonprofit organizations that support early childhood programs in Minnesota. In~~
237.27 ~~developing recommendations in coordination with existing efforts of the council, the task~~
237.28 ~~force shall consider how to:~~

237.29 ~~(i) consolidate and coordinate resources and public funding streams for early childhood~~
237.30 ~~education and child care, and ensure the accountability and coordinated development of all~~
237.31 ~~early childhood education and child care services to children from birth to kindergarten~~
237.32 ~~entrance;~~

- 238.1 ~~(ii) create a seamless transition from early childhood programs to kindergarten;~~
- 238.2 ~~(iii) encourage family choice by ensuring a mixed system of high-quality public and~~
238.3 ~~private programs, with local points of entry, staffed by well-qualified professionals;~~
- 238.4 ~~(iv) ensure parents a decisive role in the planning, operation, and evaluation of programs~~
238.5 ~~that aid families in the care of children;~~
- 238.6 ~~(v) provide consumer education and accessibility to early childhood education and child~~
238.7 ~~care resources;~~
- 238.8 ~~(vi) advance the quality of early childhood education and child care programs in order~~
238.9 ~~to support the healthy development of children and preparation for their success in school;~~
- 238.10 ~~(vii) develop a seamless service delivery system with local points of entry for early~~
238.11 ~~childhood education and child care programs administered by local, state, and federal~~
238.12 ~~agencies;~~
- 238.13 ~~(viii) ensure effective collaboration between state and local child welfare programs and~~
238.14 ~~early childhood mental health programs and the Office of Early Learning;~~
- 238.15 ~~(ix) develop and manage an effective data collection system to support the necessary~~
238.16 ~~functions of a coordinated system of early childhood education and child care in order to~~
238.17 ~~enable accurate evaluation of its impact;~~
- 238.18 ~~(x) respect and be sensitive to family values and cultural heritage; and~~
- 238.19 ~~(xi) establish the administrative framework for and promote the development of early~~
238.20 ~~childhood education and child care services in order to provide that these services, staffed~~
238.21 ~~by well-qualified professionals, are available in every community for all families that express~~
238.22 ~~a need for them.~~
- 238.23 ~~In addition, the task force must consider the following responsibilities for transfer to the~~
238.24 ~~Office of Early Learning:~~
- 238.25 ~~(A) responsibilities of the commissioner of education for early childhood education~~
238.26 ~~programs and financing under sections 119A.50 to 119A.535, 121A.16 to 121A.19, and~~
238.27 ~~124D.129 to 124D.2211;~~
- 238.28 ~~(B) responsibilities of the commissioner of human services for child care assistance,~~
238.29 ~~child care development, and early childhood learning and child protection facilities programs~~
238.30 ~~and financing under chapter 119B and section 256E.37; and~~
- 238.31 ~~(C) responsibilities of the commissioner of health for family home visiting programs~~
238.32 ~~and financing under section 145A.17.~~

239.1 ~~Any costs incurred by the council in making these recommendations must be paid from~~
239.2 ~~private funds. If no private funds are received, the council must not proceed in making these~~
239.3 ~~recommendations. The council must report its recommendations to the governor and the~~
239.4 ~~legislature by January 15, 2011;~~

239.5 ~~(3) (2) review program evaluations regarding high-quality early childhood programs;~~

239.6 ~~(4) (3) make recommendations to the governor and legislature, including proposed~~
239.7 ~~legislation on how to most effectively create a high-quality early childhood system in~~
239.8 ~~Minnesota in order to improve the educational outcomes of children so that all children are~~
239.9 ~~school-ready by 2020; and~~

239.10 ~~(5) make recommendations to the governor and the legislature by March 1, 2011, on the~~
239.11 ~~creation and implementation of a statewide school readiness report card to monitor progress~~
239.12 ~~toward the goal of having all children ready for kindergarten by the year 2020. The~~
239.13 ~~recommendations shall include what should be measured including both children and system~~
239.14 ~~indicators, what benchmarks should be established to measure state progress toward the~~
239.15 ~~goal, and how frequently the report card should be published. In making their~~
239.16 ~~recommendations, the council shall consider the indicators and strategies for Minnesota's~~
239.17 ~~early childhood system report, the Minnesota school readiness study, developmental~~
239.18 ~~assessment at kindergarten entrance, and the work of the council's accountability committee.~~
239.19 ~~Any costs incurred by the council in making these recommendations must be paid from~~
239.20 ~~private funds. If no private funds are received, the council must not proceed in making these~~
239.21 ~~recommendations; and~~

239.22 ~~(6) make recommendations to the governor and the legislature on how to screen earlier~~
239.23 ~~and comprehensively assess children for school readiness in order to provide increased early~~
239.24 ~~interventions and increase the number of children ready for kindergarten. In formulating~~
239.25 ~~their recommendations, the council shall consider (i) ways to interface with parents of~~
239.26 ~~children who are not participating in early childhood education or care programs, (ii) ways~~
239.27 ~~to interface with family child care providers, child care centers, and school-based early~~
239.28 ~~childhood and Head Start programs, (iii) if there are age-appropriate and culturally sensitive~~
239.29 ~~screening and assessment tools for three-, four-, and five-year-olds, (iv) the role of the~~
239.30 ~~medical community in screening, (v) incentives for parents to have children screened at an~~
239.31 ~~earlier age, (vi) incentives for early education and care providers to comprehensively assess~~
239.32 ~~children in order to improve instructional practice, (vii) how to phase in increases in screening~~
239.33 ~~and assessment over time, (viii) how the screening and assessment data will be collected~~
239.34 ~~and used and who will have access to the data, (ix) how to monitor progress toward the goal~~
239.35 ~~of having 50 percent of three-year-old children screened and 50 percent of entering~~

240.1 ~~kindergarteners assessed for school readiness by 2015 and 100 percent of three-year-old~~
 240.2 ~~children screened and entering kindergarteners assessed for school readiness by 2020, and~~
 240.3 ~~(x) costs to meet these benchmarks. The council shall consider the screening instruments~~
 240.4 ~~and comprehensive assessment tools used in Minnesota early childhood education and care~~
 240.5 ~~programs and kindergarten. The council may survey early childhood education and care~~
 240.6 ~~programs in the state to determine the screening and assessment tools being used or rely on~~
 240.7 ~~previously collected survey data, if available. For purposes of this subdivision, "school~~
 240.8 ~~readiness" is defined as the child's skills, knowledge, and behaviors at kindergarten entrance~~
 240.9 ~~in these areas of child development: social; self-regulation; cognitive, including language;~~
 240.10 ~~literacy, and mathematical thinking; and physical. For purposes of this subdivision,~~
 240.11 ~~"screening" is defined as the activities used to identify a child who may need further~~
 240.12 ~~evaluation to determine delay in development or disability. For purposes of this subdivision,~~
 240.13 ~~"assessment" is defined as the activities used to determine a child's level of performance in~~
 240.14 ~~order to promote the child's learning and development. Work on this duty will begin in~~
 240.15 ~~fiscal year 2012. Any costs incurred by the council in making these recommendations must~~
 240.16 ~~be paid from private funds. If no private funds are received, the council must not proceed~~
 240.17 ~~in making these recommendations. The council must report its recommendations to the~~
 240.18 ~~governor and legislature by January 15, 2013, with an interim report on February 15, 2011.~~

240.19 (4) review and provide input on the recommendations and implementation timelines
 240.20 developed by the Great Start For All Minnesota Children Task Force under Laws 2021,
 240.21 First Special Session chapter 7, article 14, section 18, subdivision 2.

240.22 Sec. 11. Minnesota Statutes 2022, section 124D.165, subdivision 2, is amended to read:

240.23 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
 240.24 parents or guardians must have an eligible child and meet at least one of the following
 240.25 eligibility requirements:

240.26 ~~(1) have an eligible child; and~~

240.27 ~~(2) (1) have income equal to or less than 185 percent of federal poverty level 47 percent~~
 240.28 ~~of state median income, as adjusted for family size, in the current calendar year; or;~~

240.29 (2) be able to document their child's current participation in the free and reduced-price
 240.30 lunch meal program or Child and Adult Care Food Program, National School Lunch Act,
 240.31 United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on
 240.32 Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036;
 240.33 Head Start under the federal Improving Head Start for School Readiness Act of 2007;

241.1 Minnesota family investment program under chapter 256J; child care assistance programs
241.2 under chapter 119B; the supplemental nutrition assistance program; or ~~placement~~

241.3 (3) have a child referred as in need of child protection services or placed in foster care
241.4 under section 260C.212.

241.5 (b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

241.6 ~~(1) at least three but not yet five years of age on September 1 of the current school year;~~

241.7 ~~(2) a sibling from birth to age five of a child who has been awarded a scholarship under~~
241.8 ~~this section provided the sibling attends the same program as long as funds are available;~~

241.9 ~~(3) the child of a parent under age 21 who is pursuing a high school degree or a course~~
241.10 ~~of study for a high school equivalency test; or~~

241.11 ~~(4) homeless, in foster care, or in need of child protective services.~~

241.12 (c) A child who has received a scholarship under this section must continue to receive
241.13 a scholarship each year until that child is eligible for kindergarten under section 120A.20
241.14 and as long as funds are available.

241.15 (d) Early learning scholarships may not be counted as earned income for the purposes
241.16 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota
241.17 family investment program under chapter 256J, child care assistance programs under chapter
241.18 119B, or Head Start under the federal Improving Head Start for School Readiness Act of
241.19 2007.

241.20 (e) A child from an adjoining state whose family resides at a Minnesota address as
241.21 assigned by the United States Postal Service, who has received developmental screening
241.22 under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,
241.23 and whose family meets the criteria of paragraph (a) is eligible for an early learning
241.24 scholarship under this section.

241.25 Sec. 12. Minnesota Statutes 2022, section 124D.165, subdivision 3, is amended to read:

241.26 Subd. 3. **Administration.** (a) The commissioner shall establish application timelines
241.27 and determine the schedule for awarding scholarships that meets operational needs of eligible
241.28 families and programs. The commissioner must give highest priority to applications from
241.29 children who:

241.30 (1) are not yet four years of age;

- 242.1 ~~(1)~~ (2) have a parent under age 21 who is pursuing a high school diploma or a course of
242.2 study for a high school equivalency test;
- 242.3 ~~(2)~~ (3) are in foster care ~~or otherwise~~;
- 242.4 (4) have been referred as in need of child protection or services; ~~or~~
- 242.5 (5) have an incarcerated parent;
- 242.6 (6) have a parent in a substance use treatment program;
- 242.7 (7) have a parent in a mental health treatment program;
- 242.8 (8) have experienced domestic violence; or
- 242.9 ~~(3)~~ (9) have experienced homelessness in the last 24 months, as defined under the federal
242.10 McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.
- 242.11 (b) The commissioner may prioritize applications on additional factors including family
242.12 income, geographic location, and whether the child's family is on a waiting list for a publicly
242.13 funded program providing early education or child care services.
- 242.14 ~~(b)~~ (c) The commissioner shall establish a ~~target for the average scholarship amount~~
242.15 schedule of tiered per child scholarship amounts based on the results of the rate survey
242.16 conducted under section 119B.02, subdivision 7, the cost of providing high-quality early
242.17 care and learning to children in varying circumstances, a family's income, and geographic
242.18 location. For programs that earn a four-star rating under section 124D.142, amounts should
242.19 be no less than the cost to provide full-time care at the 75th percentile of the most recent
242.20 market rate survey.
- 242.21 ~~(e)~~ (d) A four-star rated program that has children eligible for a scholarship enrolled in
242.22 or on a waiting list for a program beginning in July, August, or September may notify the
242.23 commissioner, in the form and manner prescribed by the commissioner, each year of the
242.24 program's desire to enhance program services or to serve more children than current funding
242.25 provides. The commissioner may designate a predetermined number of scholarship slots
242.26 for that program and notify the program of that number. For fiscal year 2018 and later, the
242.27 statewide amount of funding directly designated by the commissioner must not exceed the
242.28 funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district
242.29 or Head Start program qualifying under this paragraph may use its established registration
242.30 process to enroll scholarship recipients and may verify a scholarship recipient's family
242.31 income in the same manner as for other program participants.

243.1 ~~(d)~~ (e) A scholarship is awarded for a 12-month period. If the scholarship recipient has
243.2 not been accepted and subsequently enrolled in a rated program within ~~ten~~ three months of
243.3 the awarding of the scholarship, the scholarship cancels and the recipient must reapply in
243.4 order to be eligible for another scholarship. An extension can be requested if a program is
243.5 unavailable for the child within the three-month timeline. A child may not be awarded more
243.6 than one scholarship in a 12-month period.

243.7 ~~(e)~~ (f) A child who receives a scholarship who has not completed development screening
243.8 under sections 121A.16 to 121A.19 must complete that screening within 90 days of first
243.9 attending an eligible program or within 90 days after the child's third birthday if awarded
243.10 a scholarship under the age of three.

243.11 ~~(f)~~ (g) For fiscal year 2017 and later, a school district or Head Start program enrolling
243.12 scholarship recipients under paragraph (c) may apply to the commissioner, in the form and
243.13 manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of
243.14 the application, the commissioner must pay each program directly for each approved
243.15 scholarship recipient enrolled under paragraph (c) according to the metered payment system
243.16 or another schedule established by the commissioner.

243.17 Sec. 13. Minnesota Statutes 2022, section 124D.165, subdivision 4, is amended to read:

243.18 Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an
243.19 early learning scholarship, a program must:

243.20 ~~(1)~~ participate in the quality rating and improvement system under section 124D.142;
243.21 ~~and.~~

243.22 ~~(2) beginning July 1, 2024, have a three- or four-star rating in the quality rating and~~
243.23 ~~improvement system.~~

243.24 (b) Any program accepting scholarships must use the revenue to supplement and not
243.25 supplant federal funding.

243.26 Sec. 14. Minnesota Statutes 2022, section 124D.165, subdivision 6, is amended to read:

243.27 Subd. 6. **Early learning scholarship account.** (a) An account is established in the
243.28 special revenue fund known as the "early learning scholarship account."

243.29 (b) Funds appropriated for early learning scholarships under this section must be
243.30 transferred to the early learning scholarship account in the special revenue fund.

244.1 (c) Money in the account is annually appropriated to the commissioner for early learning
244.2 scholarships under this section. Any returned funds are available to be regranted.

244.3 (d) Up to ~~\$950,000~~ \$2,133,000 annually is appropriated to the commissioner for costs
244.4 associated with administering and monitoring early learning scholarships.

244.5 (e) The commissioner may use funds under paragraph (c) for the purpose of family
244.6 outreach and distribution of scholarships.

244.7 Sec. 15. Minnesota Statutes 2022, section 125A.13, is amended to read:

244.8 **125A.13 SCHOOL OF PARENTS' CHOICE.**

244.9 (a) Nothing in this chapter must be construed as preventing parents of a child with a
244.10 disability from sending the child to a school of their choice, if they so elect, subject to
244.11 admission standards and policies adopted according to sections 125A.62 to 125A.64 and
244.12 125A.66 to 125A.73, and all other provisions of chapters 120A to 129C.

244.13 (b) The parent of a student with a disability not yet enrolled in kindergarten and not open
244.14 enrolled in a nonresident district may ~~request that the resident district enter into a tuition~~
244.15 ~~agreement with~~ elect, in the same manner as the parent of a resident student with a disability,
244.16 a school in the nonresident district if:

244.17 ~~(1) where~~ the child is enrolled in a Head Start program or a licensed child care setting
244.18 in the nonresident district; ~~and,~~ provided

244.19 ~~(2)~~ the child can be served in the same setting as other children in the nonresident district
244.20 with the same level of disability.

244.21 Sec. 16. Minnesota Statutes 2022, section 179A.03, subdivision 18, is amended to read:

244.22 Subd. 18. **Teacher.** "Teacher" means any public employee other than a superintendent
244.23 or assistant superintendent, principal, assistant principal, or a supervisory or confidential
244.24 employee, employed by a school district:

244.25 (1) in a position for which the person must be licensed by the Professional Educator
244.26 Licensing and Standards Board or the commissioner of education; ~~or~~

244.27 (2) in a position as a physical therapist, occupational therapist, art therapist, music
244.28 therapist, or audiologist; or

244.29 (3) in a position providing instruction to children in a preschool, school readiness, school
244.30 readiness plus, prekindergarten, or other school district or charter school-based early
244.31 education program, except that an employee in a bargaining unit certified before January

245.1 1, 2023, may remain in a bargaining unit that does not include teachers unless an exclusive
245.2 representative files a petition for a unit clarification or to transfer exclusive representative
245.3 status.

245.4 Sec. 17. **APPROPRIATIONS GIVEN EFFECT ONCE.**

245.5 If an appropriation or transfer in this article is enacted more than once during the 2023
245.6 regular session, the appropriation or transfer must be given effect once."